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Wednesday, 27 June 2001

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

INTELLIGENCE SERVICES BILL 2001

First Reading

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

Second Reading

Mr DOWNER (Mayo—Minister for Foreign Affairs) (9.31 a.m.)—I move:

That the bill be now read a second time.

Introduction

The Intelligence Services Bill 2001 represents an historic step forward in enhancing the accountability of particular agencies dealing with intelligence and security matters. As its title suggests, this bill relates to three agencies within the Australian Intelligence Community (AIC)—the Australian Secret Intelligence Service (ASIS), the Defence Signals Directorate (DSD) and the Australian Security Intelligence Organisation (ASIO). It deals with ASIS in the greatest detail responding to key recommendations of the commission of inquiry, conducted by the Hon. Gordon J. Samuels AC and Mr Michael H. Codd AC, which reported to government on 31 March 1995. The bill seeks to place ASIS on a statutory footing and details its functions, lines of authority and accountability, including under an expanded oversight mechanism through the establishment of a parliamentary committee.

The bill deals with DSD to a lesser degree, as is appropriate given its position within the Department of Defence. Nevertheless the bill also details the focus and activities of the agency, its functions, lines of authority and accountability mechanisms. ASIO, which members will be aware already has its own legislation, is included only in so far as it is to be subject to expanded oversight by the parliamentary committee which is also to oversee aspects of ASIS. This new parliamentary committee will replace the Parliamentary Joint Committee for ASIO and will have expanded functions. Flowing from these measures, this bill should provide increased assurance to the public in regard to the control and conduct of these agencies. The Office of National Assessments (ONA) is not covered by the bill as it has separate arrangements under the Office of National Assessments Act 1977.

The value of intelligence

Intelligence information is of critical importance to the Australian government, as to most other national governments. Good information is essential to sound policy making. To ensure national security, the appropriate development of foreign relationships and national economic wellbeing in fast changing environments, countries must seek to make informed decisions. Information on which these decisions are based is drawn from many quarters, some of it freely available, some less so. As a result, many countries in the world have established intelligence agencies to gather information. As far as Australia is concerned, the intelligence agencies play a vital role in enabling certain critical decisions to be made with the best possible knowledge base. The information they provide, to use the words of the commission of inquiry that reported on ASIS in 1995, represents ‘a valuable element in the advancement of Australia’s policies and in the protection of its security’. In so doing the agencies provide a highly cost-effective service. Australia needs quality intelligence to enable it to compete and protect its position in an ever changing and complex world. It is appropriate that Australia has competent and effective intelligence agencies.

In over five years as foreign minister I have found the information provided by our intelligence agencies to be invaluable. The service that the agencies provide is essential in the development of our approach to key foreign relations and defence issues. Intelligence information goes to the heart of the protection of Australia’s security and is of vital importance in both supporting our Defence Force and developing defence capability. ASIS and DSD are tightly focused organisations, attuned and responsive to Australia’s needs.
Elements of the Intelligence Services Bill

I will now address specific elements of the bill. The Australian Secret Intelligence Service was established by executive direction on 13 May 1952 and has provided an important service to government since that time. Its existence was officially acknowledged by the government on 25 October 1977 in conjunction with commentary on the reports of the Hon. Justice Hope, who had conducted the royal commission on intelligence and security. In his report on ASIS, Justice Hope commented that the service was ‘right in concept for Australian circumstances’ and recommended that ASIS be retained. Subsequent reviews of ASIS echoed those judgments. In 1995 the commission of inquiry noted that ‘ASIS is highly focused on its core function and on achieving success’. From my own experience I would endorse firmly those statements.

DSD had its origins in two World War Two organisations, Central Bureau and the Fleet Radio Unit, Melbourne (FRUMEL). It was constituted as the Defence Signals Bureau in 1947, and was renamed the Defence Signals Directorate in 1978. DSD is Australia’s national authority for signals intelligence and communications and computer security, and in that capacity provides an important support service to the government and the Defence Force. The activities of DSD have been reviewed by a number of royal commissions, whose findings have all been favourable.

In line with one of the key recommendations made by the commission of inquiry, which reported to government in 1995, the government determined that ASIS should be placed on a statutory footing. The commission of inquiry had maintained that legislation to affirm ASIS’s existence and provide authority for its activities was both desirable in principle and would be of benefit in practice. The commission’s report stated that in a parliamentary democracy, the existence of an agency such as ASIS should be endorsed by the parliament and the scope and the limits of its functions defined by legislation. The Howard government followed through with the previous decision to put ASIS on a statutory footing and has advanced the process of developing legislation appropriate for ASIS.

In placing ASIS on a statutory footing, we are bringing the service in line with the intelligence services in most other Western democracies. Members will be aware, for instance, that the intelligence and security services of the United Kingdom, the United States, Canada and New Zealand all have a legislative basis. Similarly, placing ASIS on a statutory footing will bring the service more into the open and, in line with the 1995 commission of inquiry’s viewpoint, see parliament formally acknowledge its role and value.

The commission of inquiry maintained that, in placing ASIS on a statutory footing, ASIS should obtain from parliament the maximum authority and control consistent with the essential need for secrecy. This bill seeks to achieve that objective by establishing the framework within which ASIS must operate, detailing arrangements for ministerial control and expanding accountability and oversight mechanisms. Concurrently, the bill sets out in legislation the existing control and accountability framework for DSD, creating a balance between greater openness and the need for continued secrecy. The functions of ASIS and the Defence Signals Directorate are listed in legislation for the first time.

With regard to accountability, the bill also details the mechanisms associated with each of the agencies. It is worth noting that the activities of these agencies are already subject to extensive oversight through the Office of the Inspector-General of Intelligence and Security under the Inspector-General of Intelligence and Security Act 1986. In this regard, the commission of inquiry stated in its report on ASIS in 1995 that the accountability and oversight arrangements in place were already comprehensive and effective. Nevertheless, under this bill, the role of the Inspector-General of Intelligence and Security, or IGIS, is further emphasised to enable the IGIS to ensure agency compliance with appropriate ministerial authorisations.
As to the functions of ASIS and DSD, both have an external focus in the furtherance of Australia’s national security, foreign relations and national economic wellbeing. Therefore, both agencies are empowered, under close government oversight and control, to collect intelligence information in accordance with national priorities and long-standing intelligence tasking mechanisms and to distribute that intelligence. ASIS may also undertake counterintelligence activities to maintain its own security and that of Australia in conjunction with other relevant Australian agencies. Additionally, it is also able to liaise with other intelligence services. DSD may provide assistance in various forms to Commonwealth and state authorities concerning the security and integrity of information and in relation to cryptography and communications technologies. Both agencies are empowered to cooperate with Commonwealth, state and other authorities in order to perform their functions or to facilitate the performance of their functions.

The bill also provides the government of the day with the option of directing ASIS to perform other strictly defined tasks. This is prudent public policy, giving the government of the day flexibility in dealing with contingencies which may arise. These activities or tasks would still have to be strictly related to the capabilities, intentions or activities of people or organisations outside Australia. The responsible minister must consult other ministers with related responsibilities before directing ASIS to perform activities under this provision. Furthermore, any directions issued under this part of the bill would be subject to close inspection by the IGIS and copies provided to him.

It is important to emphasise that ASIS is not a police or law enforcement agency; nor does ASIS have paramilitary responsibilities. Additionally, ASIS does not, in its planning or conduct of activities, allow for personal violence or the use of weapons. Such activities are not relevant to the role and functions of ASIS. These limitations are made explicit in the bill.

**Levels of accountability**

In respect of the agencies’ functions and their oversight, this bill shows the various levels of accountability to which ASIS and DSD are subject. The bill itself establishes the first level of accountability, providing a legislative basis for ASIS and listing the functions of both ASIS and DSD. The second level of accountability, as detailed in the bill, concerns the greater definition of the agencies’ roles through written directions. Accordingly, the bill states that the responsible minister must provide a written direction to the relevant agency head. This classified direction will detail each agency head’s responsibilities and also specify the circumstances under which the agency head must seek formal authorisation for the agency to undertake particular activities. The third level of accountability in terms of each agency’s functions concerns requests to the responsible minister for authorisations to undertake particular activities. The bill details the circumstances under which this may occur and the arrangements that must be in place before such authorisations may be provided. Through these levels of accountability, all of which are subject to oversight and monitoring by the Inspector-General of Intelligence and Security, and the establishment of a parliamentary committee for ASIO and ASIS, the bill provides the Australian public with further confidence about the accountability of the intelligence agencies to government.

**Immunities and limitations on functions**

The services provided by ASIS and DSD are vital to the interests of the country. Necessarily, the agencies focus on intelligence and their activities must remain secret if they are to be conducted effectively. This bill does not shy away from that fact. Occasionally, these agencies are inhibited in the conduct of their activities outside Australia by the unintended consequences of Australian laws. It will be apparent that the original intention of the legislators who drafted these laws was not to inhibit Commonwealth agencies from fulfilling their charter at the behest of the Commonwealth. Accordingly, this bill seeks
to provide limited immunities for both ASIS and DSD in respect of the proper conduct of their functions. Immunity will only be provided in respect of activities carried out in accordance with the directions issued by ministers. Importantly too, as with other aspects of both ASIS’s and DSD’s activities, the Inspector-General of Intelligence and Security, as an independent watchdog, will oversee the propriety of the activities of the agencies in this regard.

This bill finds the appropriate balance between the ability of ASIS and DSD to conduct their functions and the limits that should be placed on both agencies. The bill clearly details the limits that are to be placed on ASIS and DSD. They may only perform their functions in the national interest as determined by government—in particular, in the interests of Australia’s national security, Australia’s foreign relations or Australia’s national economic wellbeing—and only to the extent that those matters are affected by people or organisations outside Australia.

**Privacy**

The privacy of Australians is another matter that is a focus for protection under this bill. The responsible minister for both ASIS and DSD must make written rules regulating the communication within government and retention of intelligence information concerning Australians and Australian corporations. This is done to preserve the privacy of Australians and corporations. These rules, extending from arrangements already subject to close examination by the Inspector-General of Intelligence and Security, are to be prepared in consultation with the IGIS, and ASIS and DSD’s compliance with them inspected by the IGIS on a regular basis.

**Other provisions**

Beyond dealing with the functions of ASIS and DSD, the bill also caters for the continued existence and control of ASIS. ASIS is under the control of the Director-General, who is responsible to the Minister for Foreign Affairs. The administrative provisions for the Director-General and the employment of ASIS staff are also addressed.

The bill also provides for the Leader of the Opposition in the House of Representatives to be briefed about ASIS. This is in line with another recommendation of the commission of inquiry and, indeed, practice as it currently exists.

**Parliamentary joint committee for ASIS and ASIO**

This bill, beyond emphasising the role for the Inspector-General of Intelligence and Security, also enhances other aspects of the accountability regime for two of the intelligence and security agencies by establishing a complementary oversight mechanism that deals with the expenditure and administration of both ASIS and ASIO. This oversight mechanism will take the form of a parliamentary committee for ASIS and ASIO. In its report, the commission of inquiry had proposed that a single parliamentary committee oversee both agencies. The committee envisaged under the Intelligence Services Bill an expanded focus in comparison to the current parliamentary Joint Committee on the Australian Security Intelligence Organisation, and this latter committee will be disbanded once the new committee is established. The commission of inquiry maintained that the parliamentary joint committee not review operationally sensitive matters. The government agrees. The parliamentary joint committee will be authorised to examine the expenditure and administration of ASIO and ASIS. This is in addition to the role of the Australian National Audit Office, which examines all of ASIS’s financial activities. The parliamentary joint committee’s role is a significant development in terms of openness and enhanced accountability. The Inspector-General of Intelligence and Security will address matters associated with operational areas of activity, and the parliamentary committee will address the areas of agency expenditure and administration. Their roles will be complementary but distinct.

The parliamentary committee will comprise seven members, four from the House of Representatives and three from the Senate. These members will be appointed by resolution of the relevant chamber on the nomina-
tion of the leader of the government in that chamber. This will follow consultation with the leader of each recognised political party in the relevant chamber. The desirability of ensuring the composition of the parliamentary committee reflects the representation of the recognised parties will also be taken into consideration. The 1995 commission of inquiry recommended that the parliamentary committee exercise its functions principally through the medium of hearings in camera and be subject to rules capable of preventing the release of information without authority. The bill also addresses these recommendations.

The establishment of the parliamentary committee to oversee aspects of ASIS and ASIO brings together a broad, balanced accountability regime. This is underpinned by the responsibility which ministers for the agencies have to parliament, and the role of the Inspector-General of Intelligence and Security in reporting to the Prime Minister and the parliament on the propriety and legality of the agencies’ operational functions. As a consequence, members of the public should gain particular reassurance that the agencies are operating responsibly and are under appropriate control and scrutiny.

Members will note that DSD is not one of the agencies to be overseen by the new parliamentary committee. This is because, unlike ASIS and ASIO, DSD will not be a separate statutory organisation but remain a part of the Defence organisation. DSD is one of three Defence intelligence agencies and is closely integrated with specialist units of the Defence Force. The expenditure and administration of DSD, as part of the Defence organisation, is already subject to parliamentary oversight through the Senate Foreign Affairs, Defence and Trade Legislation Committee and the Joint Standing Committee on Foreign Affairs, Defence and Trade. To move DSD from this existing structure would take it out of context with the other Defence intelligence elements. It is therefore appropriate that oversight of DSD should remain with the Minister for Defence.

**Protection of ASIS and its staff**

Having earlier noted the special nature of ASIS and DSD in respect of their functions externally, this bill, quite appropriately, seeks to protect ASIS staff, the intelligence it produces and its sources and methods. As was noted by the commission of inquiry in its report to the government, it would be important to dispel any public impression that the introduction of legislation would imply any complete opening up of ASIS to public view. The commission of inquiry report also commented that the collection of intelligence information ‘depends on people who often put their lives and liberties at considerable risk’. It is for that reason that secrecy about ASIS’s activities and the people engaged in them is necessary in the national interest. To lay ASIS bare would be to irreparably damage its capabilities and assets. The men and women of ASIS perform difficult and, at times, dangerous tasks in distant locations. Information about their work and, indeed, their identities needs to be closely held. Accordingly, the government, in line with recommendations from the commission of inquiry, has sought to provide ASIS and its officers with appropriate legislative protection. This bill generally prohibits the identification of a staff member or agent of ASIS, other than the Director-General of ASIS, and provides protection for information produced by or on behalf of ASIS in connection with its functions.

**Conclusion**

In conclusion, I seek to remind the House of the importance of intelligence and, therefore, the intelligence agencies to government. Australian governments need the best possible information our intelligence community can provide. The functions performed by the agencies are essential and highly valued.

This bill, beyond implementing key recommendations of the commission of inquiry concerning ASIS, finds a balance between the proper performance by ASIS and DSD of their functions and the agencies’ accountability to government. The accountability regime for ASIS and ASIO has also been
expanded through the establishment of a new parliamentary committee.

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

Debate (on motion by Mr Horne) adjourned.

INTELLIGENCE SERVICES (CONSEQUENTIAL PROVISIONS) BILL 2001
First Reading
Bill presented by Mr Downer, and read a first time.

Second Reading
Mr Downer (Mayo—Minister for Foreign Affairs) (9.53 a.m.)—I move:
That the bill be now read a second time.

The Intelligence Services (Consequential Provisions) Bill 2001 provides for the legislative amendments necessary as a result of the Intelligence Services Bill 2001 which relates to three agencies in the Australian Intelligence Community: the Australian Secret Intelligence Service, ASIS; the Defence Signals Directorate, DSD; and the Australian Security Intelligence Organisation, ASIO. The bill caters for amendments to the Australian Security Intelligence Organisation Act 1979 stemming from the establishment of the Parliamentary Joint Committee on ASIO and ASIS, which replaces the Parliamentary Joint Committee on ASIO. The bill allows for necessary amendments to the Inspector-General of Intelligence and Security Act 1986. The Office of the Inspector-General of Intelligence and Security is responsible for oversight for ASIS and DSD. Finally, the bill also addresses minor amendments to legislation resulting from ASIS being placed on a statutory footing. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

PARLIAMENTARY CONTRIBUTORY SUPERANNUATION AMENDMENT BILL 2001
First Reading
Bill presented by Mr Fahey, and read a first time.

Second Reading
Mr Fahey (Macarthur—Minister for Finance and Administration) (9.55 a.m.)—I move:
That the bill be now read a second time.

The Parliamentary Contributory Superannuation Amendment Bill 2001 amends the Parliamentary Contributory Superannuation Act 1948 which provides superannuation pensions for former senators and members.

The Prime Minister promised changes to the parliamentary superannuation scheme to bring it more into line with community standards. The bill proposes these changes and they are being put into effect before the next election.

This bill will defer the payment of parliamentary pensions for new MPs who join the parliament at or after the next general election until they reach age 55, become invalids or die.

In doing this, the bill imposes a higher standard of preservation on MPs than applies to other Australians who receive pensions. However, it will closely align the superannuation for MPs with the majority of Australians who receive lump sum benefits, which must be preserved until at least age 55 in most circumstances.

MPs whose pensions are deferred will receive no superannuation payments between leaving parliament and age 55. This loss of superannuation will mean that the cost to the taxpayer of their benefits will reduce.

There will be provision for the payment of part of the deferred benefit in circumstances where retired MPs find themselves in financial hardship.

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

Debate (on motion by Mr Horne) adjourned.
CYBERCRIME BILL 2001
First Reading

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

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (9.57 a.m.)—I move:

That the bill be now read a second time.

More than three million Australian households and over one billion people worldwide are connected to the Internet. With the exponential growth in the Internet population and in electronic commerce over the last decade, the integrity, security and reliability of computer data and electronic communication is becoming increasingly important. Cybercrime activities, including hacking, virus propagation, ‘denial of service’ attacks and web site vandalism, pose a significant threat to the integrity and security of computer data. Indeed, according to recent estimates, cybercrime is costing companies worldwide approximately $3 trillion dollars a year.

Updated laws are vital if authorities are to effectively detect, investigate and prosecute cybercrime activities. The proposed new computer offences and investigation powers in the Cybercrime Bill 2001 are a significant development in the fight against these activities and will place Australia at the forefront of international efforts to address the issue of cybercrime.

Computer offences

The Cybercrime Bill 2001 proposes the enactment of seven new computer offences. The offences are based on the recommendations of the January 2001 Model Criminal Code damage and computer offences report developed with the cooperation of the Commonwealth, states and territories. Implementation of the Model Criminal Code offences is an important step toward achieving national consistency and remedying deficiencies in the existing laws. The new, updated offences would replace the existing offences in the Crimes Act, which, although only 10 years old, are already seriously outdated.

All the proposed offences are supported by extended extraterritorial jurisdiction in recognition of the fact that computer crime is often perpetrated remotely from where it has effect. The proposed offences have been drafted in technology-neutral terms. The offences also dovetail with the terminology of the Electronic Transactions Act 1999, which has been an important vehicle for expanding electronic commerce.

The first offence in the bill targets those who access or modify computer data or impair electronic communications to or from a computer that they are not authorised to access, modify or impair and who do so with the intention of committing a serious offence, punishable by five or more years imprisonment. The offence would attract a maximum penalty equal to the maximum penalty for the serious offence. For example, if a person hacked into a bank computer and accessed credit card details with the intention of using them to obtain money, the penalty would be equivalent to the fraud offence the person was intending to commit (10 years imprisonment).

It would be an offence for a person to cause any unauthorised modification of data in a computer where the person is reckless as to whether that modification will impair data. A maximum penalty of 10 years imprisonment would apply. The offence covers a range of situations, including a hacker who obtains unauthorised access to a computer system and impairs data and a person who circulates a disk containing a computer virus which infects a Commonwealth computer.

The bill proposes an offence of causing an unauthorised impairment of electronic communications to or from a computer, carrying a maximum penalty of 10 years imprisonment. This offence is particularly designed to prohibit tactics such as ‘denial of service attacks’, where a web site is inundated with a large volume of unwanted messages, thus crashing the computer server. The penalty for this offence recognises the importance of computer facilitated communication and the considerable damage that can result if that communication is impaired.
The proposed offence of causing unauthorised access to or modification of restricted data held in a computer carries a maximum penalty of two years imprisonment. The offence relates only to unauthorised access or modification of data that is protected by a password or other security feature rather than any data. The offence will target those who hack into a password protected computer system in order to access personal or commercial information or alter that information.

The bill proposes an offence of causing unauthorised impairment of the reliability, security or operation of any data held on a Commonwealth computer disk or credit card or other device. A maximum penalty of two years imprisonment would apply. This offence is particularly designed to cover impairment of data caused by actions such as passing a magnet over a credit card or cutting a computer disk in half.

Lastly, the bill proposes two offences relating to the possession and supply of data or programs that are intended for use in the commission of a computer offence. Each offence would attract a maximum penalty of three years imprisonment. These offences are designed to cover persons who possess or trade in programs and technology designed to hack into or damage other people’s computer systems. For example, a person will commit an offence if he or she possesses a hacking program or a disk containing a computer virus with the intention of using it to access or damage data.

Investigation powers

The bill will enhance the criminal investigation powers in the Crimes Act 1914 and Customs Act 1901 relating to the search, seizure and copying of electronically stored data. The large amounts of data which can be stored on computer drives and disks and the complex security measures, such as encryption and passwords, which can be used to protect that information present particular problems for investigators. The proposed enhancement of search and seizure powers will assist law enforcement officers in surmounting those problems.

The proposed amendments would clarify that a search warrant can be used to access data that is accessible from, but not held on, electronic equipment at the search premises. As most business computers are networked to other desktop computers and to central storage computers, it is critical that law enforcement officers executing a search warrant are able to search not only material on computers located on the search premises but also material accessible from those computers but located elsewhere.

Computer equipment and disks would be able to be examined and processed off site if this is significantly more practicable than processing them on site. The proposed amendment recognises that searching computers and disks can be a difficult and time consuming exercise because of the large amount of information they can store and the application of security measures, such as encryption. A further proposed amendment would permit officers to copy all data held on a computer hard drive or data storage device where some of the data is evidential material or if there are reasonable grounds to suspect the data contains evidential material.

A magistrate would be able to order a person with knowledge of a computer system to provide such information or assistance as is necessary and reasonable to enable the officer to access, copy or print data. Such a power is contained in the draft Council of Europe Convention on Cybercrime and will assist officers in gaining access to encrypted information.

Conclusion

The high speed and broad reach of computer technology offers new means, methods and possibilities for crime. The measures contained in the Cybercrime Bill are vital to protecting the security, reliability and integrity of computer data and electronic communications and remedying the deficiencies in existing laws. By addressing the threats posed by cybercrime activities, the bill will strengthen community confidence in the use of new technology and provide a means of ensuring that the benefits of that technology are not comprised by crime. I commend the
bill to the House, and present the explanatory memorandum to the bill.

Debate (on motion by Mr Horne) adjourned.

FAMILY LAW LEGISLATION AMENDMENT (SUPERANNUATION) (CONSEQUENTIAL PROVISIONS) BILL 2001

First Reading

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

Second Reading

Mr WILLIAMS (Tangney—Attorney-General) (10.07 a.m.)—I move:

That the bill be now read a second time.

The Family Law Legislation Amendment (Superannuation) (Consequential Provisions) Bill 2001 makes amendments to relevant tax legislation to ensure that appropriate tax treatment is applied to superannuation interests which will be split pursuant to the Family Law Legislation Amendment (Superannuation) Bill 2001. The Family Law Legislation Amendment (Superannuation) Bill 2001 is another landmark in the Howard government’s ongoing reform of family law.

Under this bill, couples will for the first time be able to divide their superannuation interests on marriage breakdown in the same way as their other assets.

This consequential bill amends the Income Tax Assessment Act 1936 so that:

- the non-member’s entitlement will be treated as a separate eligible termination payment;
- the undeducted contributions, concessional, post-June 1994 invalidity, CGT exempt components and the untaxed element of the post-June 1983 component will be split on a proportionate basis to the overall split; and
- the non-member spouse’s benefit will be assessed separately against his or her own reasonable benefit limit.

The consequential bill also amends the Income Tax Assessment Act 1997 so that:

- capital gains or losses that may arise from the creation or forgoing of rights when spouses enter into a binding superannuation agreement or where the agreement comes to an end will be disregarded;
- the current CGT exemption for payments made from a superannuation fund or an approved deposit fund will be extended to non-member spouses; and
- CGT rollover relief will apply to in-specie transfers between funds with fewer than five members.

In addition, the consequential bill amends:

- the Small Superannuation Accounts Act 1995 to provide for accounts held within the Superannuation Holding Accounts Reserve (SHAR) to be split;
- the Superannuation Contributions Tax (Assessment and Collection) Act 1997 to ensure that, if a surcharge assessment is issued after a split but in respect of a period prior to the split, then the fund that holds those surchargeable contributions for the member spouse will be liable to pay the surcharge. If no fund holds those surchargeable contributions for the member spouse, then the member spouse will be liable to pay the surcharge;
- the Superannuation Contributions Tax (Members of Constitutionally Protected Superannuation Funds) Assessment and Collection Act 1997 to ensure that payments to a non-member spouse will trigger payment of the surcharge debt account by an unfunded defined benefit scheme (or the member in a constitutionally protected fund) if the benefit payment would have triggered payment of the debt account if made to the member spouse;
- the Superannuation (Unclaimed Money and Lost Members) Act 1999 to apply the same protection and rights to the non-member spouse that are currently given to the member spouse; and
- the Family Law Act 1975 to make some minor consequential amendments.
Full details of the measures in this bill are contained in the explanatory memorandum which I now present, and I commend the bill to the House.

Debate (on motion by Mr Horne) adjourned.

MIGRATION LEGISLATION AMENDMENT (IMMIGRATION DETAINES) BILL (No. 2) 2001

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (10.11 a.m.)—I move:

That the bill be now read a second time.

This bill is an integral part of a range of strategies which the government is introducing in response to recent incidents of inappropriate behaviour at immigration detention centres.

It will:

- introduce a power to strip search immigration detainees; and
- apply search powers in state and territory legislation to immigration detainees held in a state or territory prison or remand centre.

These measures were previously included in the Migration Legislation Amendment (Immigration Detainees) Bill 2001, which was introduced in this chamber on 5 April this year.

When that bill was introduced, I spoke at length about the challenges presented by the increased numbers of detainees and the changed nature of the detention population. These challenges continue.

Incidents of antisocial and violent behaviour continue to take place at immigration detention centres.

This year there have been major disturbances at the Woomera, Curtin and Port Hedland immigration reception and processing centres.

These disturbances have led to serious assaults on detention centre staff and have caused extensive damage to property.

It is regrettable that the violent actions of some detainees continue to endanger the safety of detainees, particularly families, women and children, visitors and staff in immigration detention centres.

There have also been increasing instances of detainees hiding, in their clothing or on their person, weapons or things which can be used for self-harm, to injure others or to assist in escape.

Currently, the Migration Act only permits a pat down search of a detainee.

There is no power to require a detainee to reveal the contents of their pockets or to present a piece of clothing for examination, where an officer believes that there may be a weapon concealed in that clothing.

The use of metal detectors is not always successful in revealing these weapons or things, particularly if they are small—such as razor blades; fashioned from non-metallic materials like glass, hardened plastic or wood; or secreted on the body.

Things fashioned by grinding glass for use as a cutting blade, or by shaping plastic or wood to a sharp point, can be just as dangerous and harmful as weapons or things made from metal.

The existing frisk search power in the migration act is insufficient for the purpose of providing a safe and secure environment for detainees and staff.

This has serious consequences for the department’s ability to manage immigration detention in a lawful, responsible and effective way and it potentially places detainees and staff in harm’s way.

The new search provisions in the bill strike a reasonable balance between preserving a detainee’s dignity and privacy and providing a safe environment within the detention centres for all.
I gave a detailed outline of these new search powers when the Migration Legislation Amendment (Immigration Detainees) Bill 2001 was introduced.

I would, however, like to emphasise once again that searches of a detainee or his or her clothing will not be conducted as a matter of routine.

It is a measure of last resort, to be used only in exceptional circumstances.

In addition, a search of a detainee will not involve the removal of more items of clothing than is reasonably necessary to determine whether there is a weapon hidden on the detainee.

I would also like to highlight two new measures that have been incorporated in this bill as a result of my discussions with the shadow minister for immigration and multicultural affairs.

First, a search can now only be authorised by very senior officers in the central office of my department, namely, the secretary or a senior executive service band 3 employee such as the deputy secretary.

Second, a detainee who is to be searched will be able to nominate another person to attend the strip search.

If a detainee declines, fails or is unable to nominate an appropriate person within a reasonable time, a search will not be prevented from proceeding.

These new measures provide additional safeguards against misuse of the new powers.

I am pleased to advise that a draft protocol regarding the exercise of the new search power has been settled in conjunction with the Attorney-General.

The draft protocol will be incorporated into written directions pursuant to section 499 of the Migration Act.

It will provide operational guidelines for the power and will be binding on all officers.

The bill also puts beyond doubt the ability of state and territory authorities to search immigration detainees held in state or territory correctional facilities in accordance with relevant state and territory laws.

This will ensure that state and territory search powers can be consistently applied to all persons being held in these facilities.

In summary, the bill is an important part of the government’s strategy designed to ensure that immigration detention centres are safe for all persons within them—be they detainees, visitors or staff.

While the legislative powers to manage detainees are being strengthened, great care has also been taken to build in reasonable safeguards against misuse.

I am grateful for the shadow minister’s interest and suggestions regarding this bill. I look forward to his continued support in the passage of the bill.

I commend the bill to the chamber and table the explanatory memorandum and the draft protocol for the strip search of immigration detainees.

Debate (on motion by Mr Horne) adjourned.
A key feature of the Criminal Code is the division of each criminal offence into physical elements of conduct, circumstance and result, each of which has an attaching fault element. Fault elements are either directly prescribed in the body of an offence provision or are imposed by default by the Criminal Code in the absence of express provision. The standard fault elements dealt with in the Criminal Code are intention, knowledge, recklessness and negligence. To prove an offence, the prosecution is required to prove both the specified physical elements and the related fault elements. The purpose behind this structure is to provide clarity in relation to the scope and effect of each offence, which has been an uncertain matter since the beginning of the common law system, and to give consistency as to how criminal offences are to be interpreted by courts.

An important component of the bill is to provide clarity about the application of strict liability to some offence creating provisions. Under the Criminal Code an offence must specifically identify strict liability, or the prosecution will be required to prove fault in relation to each element of the offence. This is necessary to ensure that the strict liability nature of some provisions is not lost in the transition to application of the Criminal Code’s general principles. If relevant offences are not adjusted in this manner, then many will become more difficult for the prosecution to prove, which will therefore reduce the protection which was originally intended to be provided by the offence. It should be noted that it is not proposed to create any new strict liability offences in this bill.

In addition, the bill makes a number of other amendments, including:

- applying the Criminal Code to AFFA portfolio acts except, in some cases, the part of the code dealing with corporate criminal liability;
- clarifying provisions that use the phrase ‘for the purpose of …’;
- amending fault elements which, when applied to certain physical elements, are inconsistent with the Criminal Code;
- putting defences into separate provisions to clarify that they are defences rather than elements of the offence; and
- replacing references to old Crimes Act provisions with references to the corresponding Criminal Code provisions.

The amendments in this bill will ensure that existing criminal offences and related provisions in the Agriculture, Fisheries and Forestry portfolio continue to operate after application of the Criminal Code as they do at present. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

TAXATION LAWS AMENDMENT (RESEARCH AND DEVELOPMENT) 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) (10.22 a.m.)—I move:

That the bill be now read a second time.

This bill contains changes and additions to the research and development tax concession. These were announced by the Prime Minister on 29 January 2001 in the Backing Australia’s Ability package. The package includes the introduction of a refundable tax offset for small companies that expend money on research and development and a 175 per cent premium research and development tax concession for additional investment in research and development. The package also includes streamlining changes to research and development plant and to the definition of research and development.

This package was based broadly on the recommendations contained in the Innovation Summit report, which assessed the strengths and weaknesses of Australia’s innovation system, and the report of the Chief Scientist who reviewed the effectiveness of
Australia’s science, engineering and technology base in supporting innovation.

These measures are designed to give effect to the government’s strategy to encourage investment in business research and development.

One aspect of the measures is the change to the definition of research and development activities. This change has been made to address weaknesses identified through past Federal Court and Administrative Appeals Tribunal decisions that have unintentionally broadened the scope of the concession beyond its intent. An important element of the change is the inclusion of an objects clause which will aid in the interpretation of what is eligible research and development.

The government is adopting a fairer and more balanced approach to the treatment of expenditure on plant items used for research and development. The system includes the removal of the exclusive use test and the introduction of 125 per cent effective life write-off for research and development plant. Also a retrospective amendment to the definition of plant expenditure will limit the time that research and development plant must have been used exclusively for the purpose of carrying on R&D activities to an initial period only. This will bring the interpretation of exclusive use into line with commercial practice.

The removal of the exclusive use test will enable companies to obtain the research and development tax concession on plant which is not used exclusively for research and development. Therefore, companies, particularly smaller companies, who cannot dedicate plant for use on research and development activities for a whole year will be able to receive concessional deductions for the period during which the plant is used for research and development.

To assist small companies, especially those in tax loss, a refundable tax offset will be available. To be eligible for the tax offset a company must have an aggregate research and development expenditure of $1 million or less. The company and the group with which it is associated must also have an annual turnover of less than $5 million. This will give small companies in tax loss access to the cash equivalent to the research and development tax concession. This initiative will foster the growth of these companies by providing them with timely support. A tax offset will also increase the cash flow of such companies when they most need it—during their initial growth phase.

A premium research and development tax concession of 175 per cent will apply to firms that undertake additional investment in research and development.

Since the government announcement of these measures in January this year, consultation has occurred with tax agents, research and development consultants, companies and industry groups. Largely as a result of this consultation, the government has decided to change the announced use of a research and development intensity model to determine the available premium to a research and development expenditure model.

Accordingly, the premium will apply to any increase in research and development expenditure above a base level established by a three-year registration and claim history. The model chosen to deliver this will induce additional research and development whilst reducing compliance costs. Furthermore, it increases certainty and access for companies.

Without a measure to prevent or minimise manipulation, the premium would be targeted by taxpayers seeking to maximise their benefits under it. This would take the form of companies understating, manipulating or shifting research and development activity across years for the purpose of reducing their three-year average of research and development expenditure. This would increase the value of the concession beyond its policy intent. Accordingly, the package contains integrity measures to address these situations.

The amendments do not exclude particular industries—for example, the software or automotive industries—from access to the
R&D tax concession. As part of its administration of the research and development tax concession, the Industry Research and Development Board will monitor the impact of the new measures and the capacity of business and industry sectors to claim the concession to ensure that there are no unintended consequences.

The changes to the definition of research and development activities and to plant expenditure are to apply from 12 p.m. on 29 January 2001, the date of the Prime Minister’s announcement. The premium tax concession rate and the refundable tax offset are effective from the first income year occurring after 30 June 2001. The retrospective changes to the claiming of plant expenditure are to apply from 1 July 1985 until noon, 29 January 2001.

The government considers the consultation process involved with this measure to have been a very positive and worthwhile process. I would like to thank all those involved in the process for their effort in contributing to the development of this bill.

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

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

TARIFF PROPOSALS

Mr Slipper (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.30 a.m.)—I move:

Customs Tariff Proposal No. 5 (2001)

Customs Tariff Proposal No. 5 (2001), which I have just tabled, contains an alteration to schedule 4 of the Customs Tariff Act 1995 to provide for the duty free entry of goods imported into Australia for use in space projects. The tabling of this proposal is a domestic procedure that is necessary for ‘the agreement between the government of the Russian Federation and the government of Australia on cooperation in the field of the exploration and use of outer space for peaceful purposes’ to enter into force. Under the agreement, both parties agree that the movement of certain goods across their customs borders shall be free of customs duties. Once the agreement has entered into force, it will facilitate the transfer to Australia of sophisticated space related technology and technical expertise. It will also enhance collaboration between Australia and the Russian Federation in scientific research and technology development.

The concession will only be available to goods imported for use in space projects authorised by the Minister for Industry, Science and Resources. Access to the concession will be through determinations made by the chief executive officer of Customs. So as not to disadvantage companies proposing to use technology sourced from countries other than Russia, and to ensure consistency with World Trade Organisation rules, the concession will apply to all goods imported into Australia for use in space projects, regardless of country of origin. There will be no need for an international agreement to be in place for the concession to be available. The concession will take effect from 1 August this year. It is expected to be of significant benefit to companies proposing to establish and develop in Australia operations in the high-technology high value added space sector. I commend the proposal to the House.

Debate (on motion by Mr Bevis) adjourned.

BROADCASTING LEGISLATION AMENDMENT BILL (No. 2) 2001

Second Reading

Debate resumed from 26 June, on motion by Mr Brough:

upon which Mr Stephen Smith moved by way of amendment:

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

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

(1) notes the embarrassing failure of the Government’s datacasting spectrum auction in May this year due to the Government’s restrictive and unworkable genre-specific datacasting regime; and
(2) calls on the Government to state publicly whether it remains committed to the 1998 Parliamentary framework on digital television and datacasting; and

(a) if the Government does not remain committed to the 1998 Parliamentary framework, to establish immediately a public process to ascertain the views of industry generally on the future of digital television and datacasting; or

(b) if the Government remains committed to the 1998 Parliamentary framework, to immediately announce the amendments it will propose to its unworkable and restrictive genre-specific datacasting regime to enable a viable datacasting industry to emerge”.

Mr MOSSFIELD (Greenway) (10.33 a.m.)—When I was speaking on the Broadcasting Legislation Amendment Bill (No. 2) 2001 last evening, we were coming to grips with the involvement of HDTV use in retail stores’ demonstrations. The trouble with this is that most HDTV programming, because of its expense, will be prime time programming. Of course, retail stores like Harvey Norman, which will be selling these TV sets, are not usually open at strictly prime time. The requirement to simulcast HDTV means that these stores will not be able to demonstrate the abilities and advantages of HDTV adequately because there will be no HDTV programming when the stores are open. So we have the ‘Harvey Norman’ amendment, which allows time shifting of programs. ‘Time shifting’ is a term that is yet to be adequately defined and means different things at different times. In this instance, however, it means that the stations can broadcast HDTV programs without simulcasting it on SDTV or analog. They will be required, however, to show the exact same program on SDTV and analog within seven days. This provision is designed to allow broadcasting of HDTV during retail hours while also keeping closed the back door to multichannelling.

However, as per usual with this government, there is still a problem. What the free-to-air networks wanted—indeed, what prompted these amendments—was the ability to put together a 30- to 60-minute tape of HDTV programming highlights that would best demonstrate the abilities and advantages of the new technology. They would then broadcast the tape on a loop during retail hours so that the stores could demonstrate HDTV to customers. Astra, who have concerns over multichannelling, actually support the concept of a looped highlights tape. This highlights package would not really be suitable for viewing on SDTV or analog because it would not be a whole program and would not fit into the normal programming regime. The requirement to re-broadcast within seven days would effectively mean the looped highlights tape could not be used.

So this amendment, put forward specifically to help demonstrate the technology in retail outlets, will not help the television networks and will not help the retailers to any great extent. It appears to be rather a waste of ink and not worth the paper it is written on—certainly as it stands at the moment. Whether it can be amended during this debate remains to be seen. The amendment does not do what it sets out to do, and why? I can only assume that, like everything else in this area, the government just do not understand the realities of the situation. This new technology baffles them. The minister has been an unmitigated disaster in the area of communications and information technology. He does not understand his portfolio. He has no grasp of the concepts, the possibilities, the practicalities and the realities of the industry or the technology.

We have only to look at the failure of the launch of digital television to see this. When television was launched in this country in 1956, there were over 100,000 sets in circulation for a population of nine million people. This year, when digital television was launched, a new technology for a new millennium, there was not a single set-top box commercially available for a population of 19 million. There were 100,000 in 1956 compared to absolutely nothing in the year 2001. That is certainly not good management.
This was followed by the failure of the auction for the datacasting spectrum. The ALP have consistently said that datacasting provisions were too restrictive. The content or genre based regime would stifle this new industry and would not provide for diversity of content. The failure of the auction, due to insufficient bidders, bears out the ALP’s position on this matter. We said it would not work, and, lo and behold, we were correct.

Added to this debacle is the completely unworkable Interactive Gambling Bill and the online content filtering regime that filters out legitimate and innocent sites but still lets the so-called wrong ones through. Another issue on which this minister has fallen down badly is the third generation mobile phone spectrum sale that is being handled so ineptly. It just goes from bad to worse with this minister. I would like to refer to an article in the Financial Review of 19 March by Tim Watts, who is the director of OzProspect, a Melbourne based, non-partisan, non-profit think tank. He said:

The way the sale is being conducted is extremely bad for both the telecommunications industry and Australian taxpayers.

The spectrum is the most valuable publicly owned asset of the information age and its value is likely to grow exponentially over the next few years.

He goes on to say:

By staging a once-off fire sale, the ACA is forcing companies to pay massively inflated prices for their spectrum licences. This ensures that companies have less money to spend on improving their networks, which means consumers suffer through lesser quality wireless phone services.

I would think that it would also mean that companies who overcommit at start up to get the licences are behind the eight ball in trying to make a decent return in the short term which would keep them from going under in this very fickle marketplace that demands solid returns from the outset. Watts points out:

A better plan, with the long-term interests of the telecommunications industry and Australian taxpayers in mind, would be to auction spectrum licences that also require successful bidders to make annual royalty payments ... A competitive auction efficiently determines which companies get access and the long-term royalty structure ensures that the cost to companies is spread over the life of the lease rather than concentrated up front.

He points out that a similar situation occurs in Alaska with their oilfields. The drilling licences are auctioned off and the successful bidders pay an annual percentage of revenue into an independently managed trust that benefits every Alaskan citizen. Tim Watts makes a lot of sense. The minister does not.

The range of products and services that will rely on spectrum in the future is unknown today. The advances being made open up all sorts of possibilities that we cannot even begin to imagine, and the value of spectrum space will only increase in the future. The spectrum is a valuable public asset, but this government, in its mad rush to privatise everything for a quick buck, will sell off the spectrum before we know how much it is truly worth. The digital legislation provides for datacasting licences to be issued by the ABA to commercial free-to-air television broadcasters, the ABC, SBS and new service providers. Also, the ABC and SBS have the statutory function of providing datacasting services where they have applied for and been allocated a datacasting licence.

Clearly this bill allows some comment on the role of the ABC in the introduction of digital television. The Howard government has continued to place political and financial pressure on the ABC since it came to office in 1996. In 1996 and 1997 the government cut $66 million per year from the ABC budget. This was in direct breach of an election promise made by the Prime Minister in January 1996. In the May 2000 budget the Howard government failed to adequately fund the cost for the ABC to convert to digital broadcasting. The ability of the ABC to successfully implement this new technology could be, and is being, seriously handicapped by the current top level management disruptions and inadequate funding. In the 2000-03 triennial funding submission, the ABC sought funding for a range of digital content proposals, including one relating to a multichannelling service, for a total estimated
cost of $124 million over the three years. The managing director of the ABC made all the right noises when, following the 2001 budget, he said:

... we have now turned the corner with funding. This is a good step in the right direction and we will continue to pursue additional government funding for the national broadcaster to provide the leap that is required.

I suggest that that is the long way of saying that funding was insufficient. Mr Shier went on to say that the ABC received $17.8 million out of a requested $37.25 million in ongoing funding and that, while management will have to make a reassessment of priorities, this funding would, among other things, lead to increased local programming consistent with the ABC’s stated aim of further decentralisation. Certainly that is something we would all agree with, and we hope that does come out of this new funding arrangement.

But I would ask what is meant by the ‘reassessment of priorities’. This is a point that we need to clarify. The ABC board and the ABC are faced with mounting management disruption and funding inadequacies despite the increase in this year’s budget. We have seen that three of the general manager’s personally selected executives have left or were pushed in the last four months, the most prominent being Ms Gail Jarvis. Ms Jarvis, whose appointment was announced only last June, was reported in the *Sydney Morning Herald* on 4 June this year as saying that she was leaving because she was fed up with Mr Shier’s ‘obsessive chase for ratings, his unwieldy management structure and his manic pace for change’. Another senior executive, Michele Dunstan, a former ABC business development manager who left in May, described Mr Shier’s management style as ‘1980s retro’.

The ABC board have recently made a number of decisions that are causing concern, such as the decision to cut a headline $3.7 million from the funding of news and current affairs in 2000-01 and the decision to reduce in-house production capacity. We have seen a loss of both talent and skills from the national broadcaster, which are vital to ensure the ABC’s standing not only as a major broadcaster and a cultural media leader but equally at the cutting edge of new technology. These and other decisions have created the perception in the community that the management of the ABC by the ABC board and Mr Shier is consistent with the Howard government’s agenda to marginalise the ABC and compromise its independence. There are clear problems with the ABC that Mr Shier seems unable to deal with, and in fact he seems to be the cause of much of this disquiet.

In this atmosphere, the ABC’s move into the digital age will not be smooth. Not only do they have internal troubles at the management level but also they are hampered by having a government that does not understand the new technology and is ideologically opposed to the ABC in general. It is a nasty mix that cannot do anything but hurt the national broadcaster, and it is yet another reason why this mean, tricky and out of touch government must be removed at the next election. It has proven itself unable to cope with the new technologies that this century is opening up. It is stuck in the old world, too busy reminiscing on past glories, if you can call them that. It is very much a case of back to the past and not, as this government should be, facing forward into the future. This bill and the whole approach by the government to this broadcasting legislation shows very clearly to the Australian people that it is not capable of governing in the best interests of the people who elected it.

**Mr HARDGRAVE (Moreton) (10.47 p.m.)**—I am pleased to rise to support the *Broadcasting Legislation Amendment Bill (No. 2) 2001*. It is a package of measures which, consistent with the government’s efforts, will try to provide industry with some of their various needs as we unfurl the exciting new technology of digital television in this country. Before I speak on a couple of matters relating directly to the bill, I would like to briefly comment on a couple of the remarks made by my friend the member for Greenway. I take exception to the suggestion that there is some ideological hatred of the
ABC by this government, when this government is spending more on the ABC than has ever been the case. Record levels of expenditure are going towards the ABC at this time and it is important to state that again on the public record. There is strong support for the ABC in meeting their expectations with additional funding to provide services in regional and rural Australia. And I am very pleased to be a party to getting the 'A' back into the ABC, which had, under the 13 years of the previous government, simply become the 'Sydney Broadcasting Corporation'.

There is only one side of politics that is providing some sort of ideological hatred towards the Australian Broadcasting Corporation, putting political pressure on the ABC, their management and their board, and, sadly, that is the pretenders to the throne, the Australian Labor Party.

I will now turn to the matters seriously at hand. The bill before us is certainly responding to some of the expectations of the television industry to bring about the regime of high definition television—a world's best practice not used in any other market around the world. Those opposite often criticise this government for setting a high standard and encouraging the industry to meet what it says it can do, which is to provide that sort of level of standard to Australian television consumers. If we were to go down the path of lower standards as used in other parts of the world, those opposite perhaps would be content with that. That you could realise immediately some of the things that are happening overseas and put television sets in the hands of consumers is certainly obvious to us on this side, but the decision to go down the path of providing a higher quality, which the industry in Australia said it could produce for every consumer of television products in Australia, which is something like 99 per cent of Australians, I believe is something worth striving for.

The Australian media has always been vigorous, free and innovative, and there is nothing wrong with a government prepared to back an industry sector which has so much confidence in itself to produce these sorts of results. Let us face it: I have not had one constituent come to me to say, 'We need digital television.' I know that in some of the outlying areas of Brisbane, and I can think of some areas that are in the shadow of Mount Gravatt, like Upper Mount Gravatt, Wishart and Tarragindi in my electorate, where there are some difficulties with reception, and already people are pleased that they are able to get hold of quality pictures that they did not have before, by using digital decoder boxes that are now being retailed through various electronic stores.

People are also amazed to see some of the huge differences in television products that are now being marketed. I have seen the 10-foot-wide plasma screen, which is about three-foot deep, and it sells for a lot of money—neither you, Mr Deputy Speaker Jenkins, nor I could afford the $14,000 retail price that I saw at Harvey Norman in Oxley the other week. But, at the end of the day, these sorts of products are coming on stream. About $500 or $600 is involved in the purchase of the digital decoder box for use on the current television sets that most people have and the box is something that consumers are already taking up.

This legislation before us today is about providing the possibility to industry to actually display their wares and it provides a mechanism to allow them to advertise or to change the specified programs that they were transmitting on their normal transmissions. So an HD TV version of a television service may be different and the program content may be different, because we want people to see what they will get in a full HD TV regime. There is not as much product available in this wide-screen format in the world, but the United States, England and Australia are producing shows. There will gradually be more content but, in the short term, there is not, so it is important to provide 'show reels' of content for people who are shopping around, looking to be a part of this new technology now.

There are also amendments to the Broadcasting Services Act with regard to the antisiphoning provisions to allow the automatic delisting of certain events in certain circum-
stances, which is clause 5, items 5 and 6 of schedule 1 of the bill. But, with regard to the legislation that we are amending today, last year on the ABC *Four Corners* television program a comment suggested that the entire regime of digital television was the last gasp for major media proprietors. Quite frankly, technology as evidenced in this legislation, and technology in general, is driving the debate faster than cabinets of governments can actually keep up with. The cabinet based decision making that we have in media policy in general I do not think has necessarily served us badly over the past quarter century, but I think that in itself it has probably not provided the sort of free market mechanisms and range of possibilities quickly enough in certain other circumstances.

Those opposite can get up and criticise dot points about certain aspects of legislation in this area, but, if they are in government after the next election—if ever they are in government again—they will find out how difficult it is in the area of changing technology to actually try to anticipate where things are going to be five years from now. Everything this government has done in this area is to attempt to try to follow advice from industry, follow expectations from industry, follow an understanding of the technical possibilities and let things advance themselves a little way. And then there is always a review process. Of course, the parent legislation we are amending today offers that review process by 2006, and hopefully we will see one next year—a review of just how things are actually travelling as far as this new technology in television is concerned.

It is impossible for any supreme policy body such as the cabinet of the federal government of Australia to actually keep up with the full sets of possibilities if the industry, the people who practise in this particular sector day in day out, cannot keep up. So, because of technology, there is of course an expanding case for revisiting some of the hallmarks of media policy in this country. For many years we have seen decisions—some taken in the Hawke and Keating years in the late 1980s—which essentially fractured the media in this country, penalised some people who were investing in media and restricted others from investing further. This is done through cross-media and foreign ownership provisions.

The rest of the world is passing us by on these matters. Recognising that technology is driving this debate faster, the time has come for us to get our hands off the tiller. The time has come for organisations such as the Australian Competition and Consumer Commission, which audits the performance of other industries, to take over the auditing of the performance of the media sector, to ensure that consumers are not being disadvantaged and to ensure that the range of voices, that is, the range of originators or determiners of community views—if you like, the editors of the various radio, television and newspapers commodities in each marketplace—are not colluding and are not coming up with the same line in a story. That is happening all too often in so many places around this country now; it happens in this building. I know it happens in the Queensland parliament where journalists caucus at the end of a press conference to determine which particular grab they will run that night on the news. So people are not getting a range of views. That is happening now. We need to bring ACCC penalties into play with media proprietors, but the trade-off is that we need to completely loosen off the foreign investment restrictions that are currently in place. We need to loosen off completely the cross-media ownership restrictions that are currently in place. We can trust an organisation such as the ACCC. The collusion that is already taking place in media outlets around this country, the laziness and perhaps the cost cutting that is taking place at the management level to not hire enough journalists, to not have enough independent thinkers on staff, are in fact not serving the consumers of Australia extremely well.

The range of voices being heard, the range of possibilities and debates and discussions that should and could be happening, the contrary views, the journalist ringing up and saying, ‘So and so said this; what’s your view?’ are practices that people have traditionally expected from media outlets. But
they are not occurring in this country and a lot of that can be borne back to the fact that there is this series of decisions being made to make you either a prince of print or a queen of the screen, as former Prime Minister Keating said when this Broadcasting Services Act was brought in in the early 1990s. That sort of cabinet based mogul-specific legislation had got to stop. What we are about in this legislation is meeting again certain expectations of the industry, playing out the last gasp of a sector of the Australian economy that has enjoyed a very close working relationship with cabinets on both sides in meeting their expectations to try to bring into play a system that is not used elsewhere in the world—a system which, once in place, will again stamp Australia as an innovative media nation. It is very important that consumer outcomes are met on all of these. It is very important that consumers understand exactly what is being promised to them, what is being delivered to them and what recall they have if they do not get what they want.

In relation to news media in general, I have raised in the past the need to actually rescue the media in general from themselves. The concept of an office of the media ombudsman is something that has been floated from time to time, and I have mentioned it four times in this parliament over the last year or so. It is a concept which allows ordinary citizens the chance to take a complaint about the treatment they have received or the style of reporting that they have witnessed or have been subjected to directly to somebody who imposes some sort of penalty. I would like to see that sort of mechanism brought into play in addition to ACCC reviews of the collusion that I believe is taking place in various media organisations in this country today. We need that sort of accountability for a number of reasons. We need it because the role of the media in this country is very important. In a free society, a free press is paramount, but that right of freedom that is enjoyed by the press in this country bears an awesome responsibility—a responsibility that is not exercised to the best set of possibilities by so many of the media organisations in this country.

The media is more than just a money making commodity. The media shapes the views and attitudes of so many Australians. The media therefore has this awesome responsibility, which needs to be brought in to balance up the great rights that are demanded. Whilst the government is prepared to trust the industry and to accept their suggestion that they need the matters contained in this legislation and that the style of television broadcasting being sought by the industry is being delivered legislatively, I repeat that we should not hold off the concept of review of how effectively the media has in fact taken up this new technology and the use of this valuable spectrum. It is not a limitless commodity, but it is certainly there and belongs to all Australians. If the media cannot take up the use of this spectrum and use technology to deliver real outcomes to consumers, then the spectrum needs to be pulled back and given to those who can. It is a very simple concept.

In the short term I will continue to support the objects of the legislation and the amendments to it that we have here today because it does say, ‘We are giving you a chance.’ We believe that, as mature media operators, the various commercial channels and the ABC and SBS have the opportunity to prove their wares and actually come up with the goods they claim they can deliver. But, at the end of the day, if they cannot get people to use the sets and the technology and have those sets and technology at an affordable price, it is going to be a very happy time within the boardrooms of the various television stations producing material that no-one is actually going to see. That is why what is in the legislation today is very important, because it is all about creating a market and trying to build some support for what the media industry is on about.

I repeat that the old systems have locked in place concepts of preventing foreign investment in our media in some sectors whilst allowing carte blanche in the radio sector, which is having mixed reviews around the
countryside, in rural and regional areas in particular. The Daily Mail group are back in Australia. They had been here for many years, but they now own 59 radio stations throughout Australia; yet if you were to try and get one of the major radio station operators over into England there would be great restrictions placed on their prospects of investing. Whilst Mr Keating’s era of change brought about the circumstance that the News Ltd assets and the level of foreign investment in Australia’s print media are frozen at certain levels, there are still great restrictions on the amount of investment that can take place in the television assets in Australia. I do not think that is necessarily producing the best set of results for all Australians. The time to revisit these old rules is now, because technology is driving this debate faster than any of us can keep up with. For anybody opposite to suggest that this government has not met the expectations of industry and is not dealing with new technology in a savvy way is just the typical talk it down, cheap political point scoring that we have become used to from a group who deserve to be cemented in opposition for many years to come. I commend these measures to the House.

Mr ANDREN (Calare) (11.03 a.m.)—I listen with interest always to the member for Moreton, with his background in the media industry. I note his comments on the foreign ownership of Australian radio in particular and I look forward to some recommendations of intestinal fortitude from the inquiry into regional radio that he is currently involved in. This piece of legislation, the Broadcasting Legislation Amendment Bill (No. 2) 2001, on the surface looks benign, aimed as it is at removing the capacity of existing commercial television licensees to block the allocation of an additional licence in two-station markets, allowing the automatic delisting of events from the antisiphoning list, modifying simulcast provisions relating to digital transmissions and making other somewhat minor changes relating to datacasting. The amendments look benign because they are targeted at the oft quoted virtue of choice, of which this government is a disciple—except in regard to politicians’ super. However, I want to talk about that choice in commercial television, especially in regional markets.

I will first make a few comments on the other amendments. The first amendments are aimed at non-remote broadcast areas where licensees are required to simulcast in HDTV and standard definition digital mode. The amendments are designed to enable the Australian Broadcasting Authority to grant an exemption enabling broadcasters to time shift high definition TV programs, enabling HDTV to be demonstrated during the day—no doubt to generate enthusiasm in the marketplace for this state-of-the-art programming and to boost sales of HDTV, a technology consumers seem reluctant to embrace. This has been called the ‘Harvey Norman amendment’, for obvious reasons.

This bill will also amend the mechanism for incumbent broadcasters in licence areas where there are only two commercial services—such as Darwin—to seek a licence to provide a third service in digital mode. The act currently provides for broadcasters in that market to jointly seek such a licence, apply alone if the other declines or bid for the licence at auction if there is no agreement. Currently, if there is no statement to the ABA from both existing broadcasters setting out their plan of action, the allocation of that licence lapses. The bill amends the act to ensure a third licence can be allocated under section 38B and cannot be blocked by one or other of the existing licensees. In addition, the bill amends section 73A of the act to ensure an incumbent broadcaster would not be in breach of control provisions in relation to operating two services in the one market. I have some reservations about that, but they are not overwhelming ones at this point.

All of this is being done in the name of more choice for viewers in regional areas. And that very freedom of choice is the rock on which regional television has foundered from the ill-conceived policy of aggregation. I will give the House some background on aggregation and where I believe both the regional operators and two governments
have badly let regional Australians down in terms of local coverage, and why I believe regional radio is set to go down a similar path from similar poor policy. In December 1990 the then Labor government announced its television equalisation plan, providing about $67 million in relief over 10 years in addition to earlier announced rebates on licence fees and sales tax exemptions estimated to be worth $50 million over four years.

After court challenges from some regional broadcasters arguing that aggregation would not be commercially viable and an independent analysis refuting this argument, the government announced another assistance package providing for licence fee rebates to a maximum of $1.6 million a licence per year over six years. Rental fees for using Commonwealth transmission facilities were waived for six years, while sales tax exemption was given for purchase of UHF equipment.

The cost to the public purse of providing regional audiences with the same range of services enjoyed by metropolitan audiences has been significant, and the maintenance of that choice is going to cost the public purse a whole lot more. In total, that public subsidy has, according to my reckoning, totalled $418 million over the past 10 years. I want to ask the question: for what benefit, especially in relation to localism? Using the example of Prime Television, let me detail some figures. Prime Television received $32 million of public funding to help it gear up for aggregation and will receive the equivalent of a $56 million subsidy, mainly in the form of licence fee rebates, to ease it into the digital age. It has been claimed that the regional stations suffered a huge revenue loss under the former Labor government’s equalisation plan, and these losses have been used as an excuse not to put local programs into some markets. This was the case with Network Ten affiliates, while the Prime network is now shutting down local newsrooms in the three major markets.

As we look at loosening laws to enable a third player into markets that have only two commercial licences—as we are doing with this bill—let us look at the claim that aggregation has made commercial television unprofitable in the aggregated markets. An examination of Prime Television Ltd’s profit and loss account for the years 1992 to 2000 makes very interesting reading. In 1992, at the height of gearing up to compete in the new aggregated markets, where each of the regional solo operators had to take on competition from two other competing signals, Prime announced that it was spending $5.5 million a year in new local news services—as it should, as a regional station running under the banner of ‘Your local station’. Understandably, its operating profit after tax was a modest $334,000 in that capital outlay year of new transmitters, new staff and new newsrooms. The very next year that profit had jumped to $7.6 million; in 1994 it was $6.39 million; in 1995, $7.1 million; in 1996, $9.1 million; in 1997, almost $9.7 million; in 1998, after a capital injection, it was $32 million; in 1999 it was $15.2 million; and last year, 2000, it was $13.8 million.

It might be argued that the capital injection in recent years reduced the return on investment for shareholders, but the dividend paid has increased even with that capital injection. What is more, if you look at the retained losses for Prime Television Ltd from 1992 through until 2000, you will see a rapid reduction from $46 million to $7.358 million. So the company’s losses have been liquidated over time and the profitability of the entire Prime group has increased. The consolidated dividend of the group is directly attributable to the earnings of Prime Television Ltd, as the figures clearly show.

I have not had time to investigate the profit and loss figures of other players in the regional television market, but I use the Prime figures to refute arguments that regional television is a loss maker and regional stations should be given special dispensation on their localism requirements, quite apart from the generous grants and concessions from the public purse to keep them operating in those regional markets.
While no doubt aggregation has cost money, it was money spent to provide services to the regional audience these stations were required to serve. Of course, it is not as profitable as it was in the 1980s, when the regional stations had monopoly control over their viewing area. No wonder there has been a less than expected return on capital. Prime Television—or at least the principal, Paul Ramsay—in the rush to secure regional licences, paid a staggering $57 million for the Orange station in 1988 at the height of the media stock madness created by Alan Bond’s billion-dollar ‘come in sucker’ purchase of the Nine Network. Just as Kerry Packer smirked all the way to the bank, so too did Sam Gazal when he sold CBN8 Orange to Prime. I can well remember serious analysts valuing the Orange station at $15 million. Whose fault was it that it turned out to be the real value? The whole industry was indeed grossly overvalued by the greed merchants of the 1980s. It is certainly not the fault of the regional viewers, that is for sure.

Instead of a sensible policy of allocating a supplementary licence to the existing licence holder in each market, perhaps with a sunset clause requiring divesting of it to another local purchaser at a future date, the former Labor government took the political and superficially populist path of acceding to the major networks and giving them unbridled access to the regional markets by effectively creating satellite stations of the networks.

People had choice—of what I do not know, as two stations could have provided it through the cherry picking process that was going on previously—but what they have gradually lost, having gained this thing called ‘choice’ over the past decade, is the localism that the once solo incumbent provided in spades, and they provided it under tight regulation. I can remember year after year for licence renewal hearings, sitting down, going through the news stories, the community service announcements, the other current affairs programs we had done for various communities—I see Mr Deputy Speaker Nehl nodding his head; he was probably well aware of that process going on in the Northern Rivers television station—where we would have to justify just what we delivered for that local market shire by shire, town by town and village by village. It was a very rewarding process, because it made you conscious and made the licensee and the owner conscious of just what the responsibility was to that community. We do not have that anymore.

The Minister for the Arts and the Centenary of Federation, in the budget consideration debate in the Main Committee the other day, said:

We—
that is, the coalition—knew what aggregation would do to regional broadcasters ...

He suggested they are struggling to provide local services because of competition. He now argues that such competition should not have been foisted on the market. That sounds remarkable for a disciple of competition.

I know how he can fix it. We have a radio inquiry under way into regional radio services. The regional radio market has been overloaded with licences too, and they are also trending towards no localism and total network programming. That inquiry must recommend a toughening of the localism laws in the broadcasting legislation. It must insist that the requisite for a broadcast licence will be a regulated requirement to provide ‘adequate and comprehensive local programming’ for each licence, as was once the case, not the vague escape clauses that require something called a ‘contribution to localism’.

If the stations cannot afford to provide localism because their profits to distant owners and shareholders are not great enough, that should be no excuse for not providing it. A broadcast licence, television or radio, is a privilege, not a right, and the issuing of such a licence should require that station to service the local needs of its local audience. If it does not, it should be required to surrender that licence. The stations extract the advertising revenue; they should return the dividend by way of local content and jobs.
So, while I support the major amendments in this bill—which are, after all, about enabling access to programming by all Australians, especially in regard to the antisiphoning provisions and the extra licence in double licence areas, notwithstanding my reservations about monopoly control of two licences in the same market—the government must address the localism issue for any licence allocation. It must do this if it is serious about providing local content and ensuring that local regional money is returned to regional towns, rather than allowing it to be extracted and—as it increasingly is in the case of rural radio, as the member for Moreton indicated—exported to overseas owners and shareholders.

I do not believe this government, the previous government or the next government is, was or will be serious about localism as a worthwhile broadcasting policy. Commercial television licences are allocated under the Broadcasting Services Act and each licence is allocated with respect to a specific licence area. That area is not to be plundered for its advertising revenue but to be serviced. With the notable remaining exception of WIN Television, by and large the commitment to localism has been appalling by a compliant government and the one before it and by radio and television broadcasters who cry poor but line up for any new licence on offer.

There was one other issue that I really wanted to mention about localism and its impact on regional areas. Not only is the revenue being sucked out of these communities—and advertising, as every member of this House knows, is a huge part of our commercial life—but also the local advertisers on radio and television are not getting community programming to wrap their advertising around. Sure, they will buy time if they can afford it for State of Origin football or whatever, but the sorts of programs they really want to buy are local news and local information.

Over my 20-odd years with Prime Television and Midstate before that and CBN 8, as it was, when I went to Orange in 1977 there was a children’s program, there was a rural program, there was a sporting outside broadcast van that covered grand finals in all codes and there were current affairs debates on issues of importance to the region. I well remember hosting one on the banking and financial policies in the mid-eighties. That was a very worthwhile exercise for the farm sector at that point. It gave them a chance to come in and meet some of the top bankers in this country face to face and talk about their problems, something that would not have happened on a network programming format in any sort of detail. That was the role that regional television was playing.

I must say that in the years prior to the satellite going up they had gotten lazy. They had relied on $10 a pop programs. I remember when I was at Channel 7 they used to put Beauty and the Beast on the plane overnight. I think Channel 8 Orange used to pay $10 for the program—half an hour of programming, they could put their local advertising in it and make a handy little profit on the deal, as you could well imagine. But with the threat of the satellite they did then start to get real about regional programming again, and it was only with the commitment of local owners and local shareholders that that commitment to localism was invigorated.

If we are going to be serious—and I do not think we are—about localism in broadcasting, then we must insist in our legislation that we have in place a regime that requires each and every individual licence holder to provide adequate and comprehensive local coverage within their marketplace. We have seen recently in the inquiry into regional radio that DMG in particular—but there are others—have basically created a hubbing set-up where they provide program out of Albury or Townsville or wherever it is and there is no, or precious little, local programming. On the former 2GZ, which is now 1089 with a 2CH type music format, the only localism you hear is the commercials. You hear weather recorded in the morning repeated at five minutes to 12 at night. It is not much use when you want to know what the weather is going to be tomorrow and you are still hearing about what it is expected to be today; yet that is chalked up as brownie
points for localism by these sharks who come in and take over these regional stations that once were the eyes and ears of the whole community.

I look forward with great anticipation to the results of the inquiry that has been under way for some time now under the chairmanship of Mr Paul Neville. I know he is committed to change and to some sort of toughness up of these requirements, but I just wonder how far he will get in the party room and in the coalition in getting these things on the table, let alone into any sort of meaningful legislation.

Dr Nelson—A very effective member.

Mr ANDREN—He is a very effective member. I particularly admire his commitment to and understanding of the telecommunications area and the broadcasting industry. For someone who, as far as I know, has not had a practical background in the media, he certainly has the regional broadcasting industry statistics at his fingertips and indeed is well aware of the aspirations of the electorate. But I suspect that he is frustrated at not being able to put a lot of his wishes into a practical legislative framework. Localism in regional television was sold as a real come-on to the regional markets when the equalisation program was first mooted, but prior to that—I think it was under Tony Staley, the then minister—the former government had a very sensible policy. (Time expired)

Dr Nelson (Bradfield—Parliamentary Secretary to the Minister for Defence) (11.23 a.m.)—On behalf of the government, I thank the speakers who have contributed to this debate on the Broadcasting Legislation Amendment Bill (No. 2) 2001. I also note the comments and contribution made by the shadow minister for communications, the member for Perth. The bill proposes a number of relatively minor but important amendments to the Broadcasting Services Act 1992 and the Radiocommunications Act 1992. The bill provides for enhancements to the simulcast regime for HDTV in Australia in the light of experience, improvements to the arrangements for the provision of a third commercial television licence in currently underserved regional and remote areas, and the introduction of more streamlined delisting procedures under the antisiphoning regime.

The bill, with the amendments that have been proposed by the government, will enable the Australian Broadcasting Authority—the ABA—to grant an exemption authorising broadcasters to transmit HDTV demonstration programs which are different from the programs on SDTV and/or the analog versions of these services. These demonstration programs are to be tightly defined. They must be for the sole purpose of allowing the benefits of HDTV to be demonstrated on the HDTV version of the television service and can be no longer than 60 minutes. The ABA can specify specific conditions under which these exemptions can be granted, and that will enable high definition television material to be demonstrated during the day. Retailers can use this material to show consumers the benefits of HDTV receivers at point of purchase. While some remarks were made about Harvey Norman, for example, I do not think anyone should lose sight of the needs and concerns of everyday Australians in this regard.

The bill will also allow broadcasters to provide different advertising in the HDTV version of the television service in the first two years of digital television broadcasting. Broadcasters need this time to make sure that the necessary investment can be put in place and also to put in place the necessary equipment that provides the same range of high definition television local advertising as they provide on standard definition television.

The bill also makes amendments to provide for the introduction of automatic six-week delisting of events under the antisiphoning regime. The implementation of automatic delisting of events six weeks before they are to occur will streamline the administration of the antisiphoning regime. It also directly addresses problems that are identified by pay TV operators with the current delisting scheme, while protecting access by free-to-air broadcasters to broad-
casting rights for listed events. It therefore certainly does not diminish the opportunity for the public to enjoy free-to-air coverage of listed events.

In May this year, having assessed the state of the market, the government decided to cancel the datacasting option and, because of the limited number of bidders, the government concluded that only a limited number of new service providers could emerge. There was weak competitive tension which was unlikely to maximise returns to the Commonwealth and allocation of licences at prices substantially below their longer term value would certainly not be in the public interest. Given the longer term potential for the spectrum to increase in value, it would have been irresponsible for the government to sell it at a bargain basement price.

The government has indicated that it will consider a range of options in relation to the timing of any future option. The government also remains committed to ensuring that the transition from analog to digital television broadcasting is as smooth as is possible for Australian viewers. This bill maintains the approach of enhancing consumer choice in the transition to digital television. The bill also allow broadcasters sufficient scope to demonstrate the appeal of high definition television and allows viewers to make informed choices about digital television products during the simulcast period. The bill facilitates the introduction of further services in underserved areas, which presumably would be supported by everybody in the House. The bill also provides for the introduction of automatic six-week delisting of events under the antisiphoning regime. This will improve efficiency of the operation of the regime, allowing the pay TV broadcasters more time to schedule and publicise events for which the free-to-air sector has chosen not to acquire broadcast rights.

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

The House divided. [11.33 a.m.]
(Mr Deputy Speaker—Mr C. Hollis)
Gillard, J.E.  
Griffin, A.P.

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

Hoare, K.J.  
Horne, R.

Irwin, J.  
Jenkins, H.A.

Kernot, C.  
Latham, M.W.

Lawrence, C.M.  
McClelland, R.B.

Livermore, K.F.  
McLeay, L.B.

Martin, S.P.  
Melham, D.

McFarlane, J.S.  
Murphy, J. P.

McMullan, R.F.  
O’Byrne, M.A.

Morris, A.A.  
O’Keefe, N.P.

Plibersek, T.  
Price, L.R.S.

Quick, H.V.  
Roxon, N.L.

Rudd, K.M.  
Sawford, R.W *

Sciacca, C.A.  
Sercombe, R.C.G *

Short, L.M.  
Sidebottom, P.S.

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

Swan, W.M.  
Tanner, L.

Wilkie, K.  
Zahra, C.J.

PAIRS

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

Wooldridge, M.R.L.  
Kerr, D.J.C.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (11.38 a.m.)—by leave—I present a supplementary explanatory memorandum to the bill, and I move government amendments Nos 1 to 14, as circulated last night:

1. Schedule 1, item 7, page 5 (line 33) to page 6 (line 4), omit the item.

2. Schedule 1, item 8, page 6 (lines 12 to 14), omit paragraph (a), substitute:
   
   (a) if a relevant determination is in force under subclause (2)—ignore HDTV demonstration programs, so long as the licensee complies with such conditions (if any) as are specified in the determination; and

3. Schedule 1, item 8, page 6 (line 20), omit “specified television programs”, substitute “HDTV demonstration programs”.

4. Schedule 1, item 8, page 7 (lines 4 to 16), omit subclause (6).

5. Schedule 1, item 8, page 7 (lines 17 to 28), omit subclause (7), substitute:

   **20 hour HDTV quota**

6. In determining, after the end of the 2-year period referred to in paragraph 37E(2)(b) of this Schedule, whether a commercial television broadcasting licensee has met the HDTV 20 hour requirement for a week, ignore any HDTV demonstration programs transmitted by the licensee during the week.

7. Schedule 1, item 8, page 8 (after line 10), after the definition of **HDTV demonstration program** means a television program that is:

   (a) not longer than 60 minutes; and

   (b) transmitted in HDTV digital mode on the HDTV version of a commercial television broadcasting service; and

   (c) produced for the sole purpose of allowing the benefits of transmission in HDTV digital mode to be demonstrated to potential purchasers of equipment capable of receiving television programs in HDTV digital mode.

8. Schedule 1, item 9, page 8 (lines 22 to 24), omit paragraph (a), substitute:

   (a) if a relevant determination is in force under subclause (2)—ignore HDTV demonstration programs, so long as the national broadcaster complies with such conditions (if any) as are specified in the determination; and

9. Schedule 1, item 9, page 8 (line 31), omit “specified television programs”, substitute “HDTV demonstration programs”.

10. Schedule 1, item 9, page 9 (lines 15 to 27), omit subclause (6).

11. Schedule 1, item 9, page 9 (line 28) to page 10 (line 3), omit subclause (7), substitute:

   **20 hour HDTV quota**

12. In determining, after the end of the 2-year period referred to in paragraph 37F(2)(b) of this Schedule, whether a
national broadcaster has met the HDTV 20 hour requirement for a week, ignore any HDTV demonstration programs transmitted by the national broadcaster during the week.

(12) Schedule 1, item 9, page 10 (after line 17), after the definition of HDTV 20 hour requirement, insert:

HDTV demonstration program means a television program that is:

(a) not longer than 60 minutes; and
(b) transmitted in HDTV digital mode on the HDTV version of a national television broadcasting service; and
(c) produced for the sole purpose of allowing the benefits of transmission in HDTV digital mode to be demonstrated to potential purchasers of equipment capable of receiving television programs in HDTV digital mode.

(13) Schedule 1, item 9, page 10 (lines 20 and 21), omit the definition of qualifying program.

(14) Schedule 1, item 12, page 11 (lines 13 to 16), omit the item.

The amendments limit the range of HDTV programs for which the Australian Broadcasting Authority, the ABA, can issue a determination granting exemptions from the simulcast provisions of the legislation. The government had proposed in the bill to allow the ABA to determine that specified programs on the HDTV version of a television broadcasting service may be time shifted: that is, they may be shown at a different time to the transmission of those programs on the SDTV version of the service.

In the light of the evidence given in the Senate committee hearings and of the reports of the committee members, the government has decided to revise these provisions, in keeping with the best traditions of the operations of the legislature. The amendments will enable the ABA to determine that HDTV demonstration programs can be different from the SDTV version. The HDTV demonstration programs are to be defined as television programs that are: no longer than 60 minutes; transmitted in the HDTV digital mode on the HDTV version of the service; and produced for the sole purpose of allowing the benefits of transmission in HDTV digital mode to be demonstrated to potential purchasers of equipment.

These are sensible and, in our view, necessary amendments and reforms to the government’s groundbreaking legislation. The ABA will be able to specify the broadcasters and the period to which this determination applies and will be able to attach conditions to this exemption. Such conditions might, for example, relate to matters such as the time of day during which demonstration programs may be transmitted, the maximum number of hours per day and/or per week of demonstration programs and the maximum number of times demonstration programs may be repeated during a week or a day. Under the amendments, the broadcasters will no longer be required to retransmit the exempt HDTV program in SDTV mode within seven days of transmission in HDTV. The amendments also mean that these HDTV demonstration programs will not be able to be counted towards a broadcaster’s HDTV quota.

In summary, these amendments will enable the benefits of HDTV to be demonstrated to potential customers. At the same time, by strictly limiting the types of programming which can be different from SDTV, the amendments will retain the integrity of the simulcast provisions and not enable backdoor multichannelling on an HDTV program stream. As with the bill, I commend the amendments to the House.

Mr STEPHEN SMITH (Perth) (11.41 a.m.)—The comments of the minister, the amendments he has moved and the circulation of the supplementary explanatory memorandum meet the point that was raised by Labor senators in their minority report to the Senate. It covers the matter I raised in the second reading debate. As I indicated in the course of the second reading, I firstly thank the government for providing the amendments to us at an earlier stage. I said last night that they looked to be okay and were on the right track, and I reserved the right to have a look at the detail and I reserved the right to look at the detail in the Senate.
Overnight, I have had the chance to look further at the amendments, and I do think they meet the mischief that we were alerted to by way of the Senate committee evidence and report. I think that the government’s amendments and the minister’s presentation of them effectively combat the mischief that we were alerted to and, on that basis, they are supported by the opposition. We will, of course, take the appropriate opportunity to consult with industry. I am sure industry will be happy with the amendments, but, if there is any dotting of i’s or crossing of t’s required, I am sure, given the agreeable nature in which this matter has been dealt with, we can find any necessary accommodations in the Senate appropriately.

Amendments agreed to.

Bill, as amended, agreed to.

Third Reading

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

COPYRIGHT AMENDMENT
(PARALLEL IMPORTATION)
BILL 2001

Second Reading

Debate resumed from 24 May, on motion by Mr Williams:

Mr BAIRD (Cook) (11.44 a.m.)—I rise today to support the Copyright Amendment (Parallel Importation) Bill 2001 and to commend the government on producing this piece of legislation. Obviously it is an important change and is going to mean a considerable amount in terms of looking after the consumer in this country, of providing price reductions across the board and of providing effective competition. Certainly in the areas of computer software, computer games, books, periodical publications and sheet music we will see a new era. I commend the minister for his innovation in this area and in introducing the bill. The Labor opposition have consistently opposed such innovations.

In relation to the importation of CDs, we can see that the changes there have brought down the cost of CDs quite significantly. The pricing differences right across the board have been significant. There was a notion that prices would not be reduced as a result of the removal of parallel importation restrictions. In 1998, prior to the parallel importation of music, CD prices were around $31 for new releases, and rising. With the introduction of parallel importing, we have seen a reduction in the price of the top 30 CDs to around $21.43 earlier this year. That alone illustrates the benefits of parallel importation. It is not about removing the copyright provisions that apply to particular goods, but it does allow competitive imports to be brought in, subject to copyright provisions that exist in the country of origin. The original holder of the copyright is not disadvantaged. It means that, instead of designating just one importer in the country, it provides for a range of importers to be used. As a result of that, and following the normal free market mechanisms, we have competition and a lowering of prices and we do not have the monopoly situation that existed before. This is welcomed by a range of people: those who enjoy reading books, those who use software or computer games extensively and those who receive various periodical publications or use sheet music. They are very pleased with these changes. Small businesses obviously use a range of computer software and they believe that in many cases we are paying too much for imported software, so this is going to provide some significant changes.

There is a claim that piracy rates would increase as a result of the reforms to the CD industry. This is based on an idea that parallel importation weakens the ability to identify the importation and distribution of pirate copies. A report by the Australian Institute of Criminology found that, since mid-1998 when restrictions were lifted on CDs, there is little evidence of an increase in CD piracy as predicted by opponents of the legislation. The Australian legal system is well able to keep piracy at a low level, and this is demonstrated by Australia being recognised by the International Intellectual Property Alliance as having one of the lowest piracy rates in the world.
Since the introduction of parallel importation, the music industry in Australia has not collapsed under the weight of pirated copies, high prices and a lack of new talent, as was predicted by those opposite. Recent reports indicate that the recording industry grew in 1999 by 2.9 per cent. The predictions that 50,000 jobs would be lost have proved groundless. It is the normal scare routine from the opposition. They are locked into the past, locked into monopolies and locked into restrictions, instead of having the normal free market mechanisms while preserving the rights of those who hold the intellectual property. That is not the direction that the Australian consumer would want us to go.

In addition, it is interesting to note that the Australian Record Industry Association, ARIA, charts show that, prior to the reforms in 1997, there were 23 Australian artists in the top 100 albums sold. By 2000 this had grown to 28. This time frame includes the rise to prominence of new talent including Powderfinger and the Living End. This is hardly the outcome predicted by groups opposed to the changes in parallel importation relating to CDs, including the opposition. Looking at this example, the first area in which parallel imports were allowed, we can see the evidence clearly: we have had competition and price reductions, not significant job losses. We have had Australian artists encouraged and Australian albums selling highly in the top 100 around the world. We have also had an increase in the number of groups. I am sure that you, Mr Deputy Speaker Hollis, enjoy listening to Powderfinger and the Living End, which some might say parallels one’s experience sometimes in Canberra.

Copyright is the protection of ideas which are expressed in a work, be it a novel, an article or a piece of music. It acknowledges and encourages innovation because creators can generate income from their work by receiving royalties or other payments for their work, and I am sure we would all support that. The bill presented today in no way diminishes the value of the copyright in Australia, as the parallel importer is required to be complying with the creator’s copyright in the overseas country.

Under the current legislation, the Copyright Act 1968, copyright is infringed if an article is imported into Australia for commercial purposes without the copyright owner’s consent and the importer knew, or ought reasonably to have known, that if the article had been made by the importer in Australia it would have infringed copyright. If a breach occurred, a copyright owner was able to take action for the infringement where a person imports or subsequently commercially deals with the copyright material. The effect of this is such that the copyright owner is able to control the importation into Australia of copyright material, even if the products have been produced lawfully overseas. Therefore, under the Copyright Act, local rights holders are able to limit access to the Australian market for commercial distribution of software products, books, periodical publications and printed music. With limited access and no genuine competition, the local copyright owner is able to drive up prices in the Australian market to the detriment of consumers.

Parallel importation allows other products to be brought into Australia, as long as the intellectual property remains that of the original proposer and inventor of the product. Rather than simply having an exclusive arrangement with the nominated distributor in Australia, there is the ability for there to be competition both in price and in the range of copies that are available. Copyright holders will still be able to determine things like the price and conditions for use of their material and if and when it is released, but they will have less opportunity to charge more for it here than elsewhere or deprive or delay access to material that is commercially available overseas. That is what we saw with CDs: people were going overseas regularly and finding out the big price differential. The less we have these big price differentials the more we know that these types of schemes are working.

The Intellectual Property and Competition Review Committee, chaired by Henry Ergas,
was requested to inquire into the interaction and appropriate balance between competition policy and intellectual property legislation. After careful deliberation, the committee stated that a removal of parallel importation restrictions would enhance competition in the supply of copyright materials and it need not compromise the efficiency of copyright enforcement or the goals of the copyright system. It is this enhancement of competition and particularly the reduction of prices that will ensure that benefits flow to all Australians, particularly small business, families and the education sector who rely heavily on software products, books, periodical publications and printed music, for which this bill seeks to allow parallel imports.

It is interesting that the price difference that we were paying for paperback fiction compared with the USA was on average around 40 per cent more over the previous four years. Over the same period, we paid an average 8.9 per cent more than UK readers. Again, people who travel overseas regularly see the price differential. Computer software, which is vital to small business and education alike, is another area where Australians are at a disadvantage to other nations. A 1999 survey by the Australian Consumers Association found that while consumers in Australia were paying competitive prices for software utilised in the home and business, such as Microsoft Windows 98 and Word 97, this was not the case for specialised products vital for businesses to remain competitive. The ACCC reported that over the past 10 years Australian businesses have had to pay an average of 27 per cent more for packaged software than their US counterparts. We also paid 33 per cent more for popular computer games. This is ridiculous, as they are used so extensively by youth and children across Australia. The fact that this additional cost is not paid by our competitors in the international marketplace is something that we should consider.

Being competitive was part of what was involved in introducing the GST—taking these wholesale sales costs off our exporters so that when they go out to the marketplace they are in a very strong competitive position. Every time that we load up our consumers and our small business people in Australia with additional costs, the less competitive we are. That reduces our level of income. These circular arguments, which are so predominant on the other side of the House, have no basis. We pay 33 per cent more for our popular computer games, and Australians simply are not getting value for money when purchasing software products, books, periodical publications and printed music. As such, businesses and students are simply not getting the competitive advantage they deserve when competing in a global society. Removal of the restrictions will enable local distributors to choose suppliers on the basis of price, availability, service and reliability.

This is a good deal for the consumers in Australia, it is a good deal for small business by removing some of the higher costs and it is a good deal for people who extensively read books—or even if you read one every so often. The differential that we constantly see between European countries and ourselves and between the US and ourselves is being removed. Costs are being lowered for people who enjoy music—the industry is not being threatened—and computer games and the price differential that has existed in the past will be removed. It is a good initiative; it will bring us in line competitively with the world. I am sure that the member for Hunter and his interest in small business will welcome this as a great initiative for the millions of small business people in Australia. It will reduce their software package costs, making them competitive in the international marketplace. It is a good initiative and I certainly commend the bill to the House.

Mr McCLELLAND (Barton) (11.57 a.m.)—The member for Cook, as sincere and diligent as he is, quoted some figures. I understand that they are intended to be sincere, but they are in fact inaccurate. I understand the information was probably based on information provided by the ACCC, which calculated its figures over a 10-year and 12-year period in comparing book and computer software prices. But, if you look at its own recent figures, the suggestion that there is a
30 per cent differential and the like just does not stand up. I say that at the outset to put that on the record, because when you are looking at legislation, when you are analysing it, you look at the rationale for it and then scrutinise the figures to see if that rationale stands up.

The rationale for this legislation, the Copyright Amendment (Parallel Importation) Bill 2001, from the government’s point of view is a position of dogma that the free market should prevail. The argument is that, by allowing parallel importation restrictions, you give a copyright owner or a copyright licensee a monopoly over a particular market in a geographical location—usually a country. In theory, that second part of the statement may well be correct, but you do not have to go, to use the vernacular, the full Monty. We have a very successful book industry in Australia and, since 1991, there have been some restrictions on that market. There have been parallel importation restrictions but, at the same time, regulations to prevent a monopoly market being exploited. They are known in the vernacular as the ‘use it or lose it’ principle. Essentially that means that a book released overseas must be released in Australia within 30 days of that occurring overseas. Related to that, if an Australian consumer wants to purchase a book, they must be able to do so at an internationally competitive price within 90 days.

This has led to some real successes in the development of the book industry. I will refer to those in one moment as the underpinning, if you like, of the example that the Australian Labor Party proposes in the regulation of the parallel importation of what we are talking about now. What we are talking about now is the government’s proposal to remove restrictions on parallel importation in respect of computer software, computer games, books, periodicals and sheet music. In respect of the last three of those items, that applies whether they are in hard form or in digital or electronic form. The removal of the current restrictions on parallel importations will be significant.

Equally of significance is the fact that the government have not applied this religious adherence to market forces to the film industry. One wonders why the same logic does not apply. The member for Cook asserted that the Australian recording industry has been able to continue to prosper, despite removal of parallel importation restrictions. Why does that same argument not apply to the movie industry? The answer, regrettably, is because of political donations, by one substantial company in particular making very substantial donations to the Liberal Party. In so far as the Liberal Party is committed to a reverence to the free market, that commitment seems to be pretty cheap in so far as it has at least been bought off from it in one sector. I say that obviously to make a political point but also to ask, ‘Just how serious and sincere are you in what you are advocating as the rationale for this bill when you have not on the other hand objectively and dispassionately analysed the facts?’

Before conducting that analysis, I will outline, by way of a brief introduction, just what we are talking about in copyright. As previous speakers have explained, copyright is essentially the protection of the way ideas are expressed. That is something of value, and that thing of value is described as a work. Copyright gives the owner a monopoly of how that work is exploited, and that includes commercial exploitation, obviously, by way of reproduction, publishing, broadcast or performance. Indeed, different aspects of that work can be licensed, including the ability to import into and sell a work within Australia. This is where we are talking about removing restrictions to allow a product—albeit a product having been purchased legitimately from a copyright owner or overseas licence holder—and brought into Australia from overseas, competing with the rights of the Australian copyright owner or Australian licensee. That sounds all very well in practice, but it has been the creator of the work that has negotiated the price and is in the position to negotiate the price for the releasing of their rights to their intellectual property; they have obtained a price on the
basis of these expectations of how markets will be utilised.

Copyright is a very important thing in this day and age. We hear the phrase ‘the new economy’. This concept of intellectual property, or the exploitation of ideas, is of vital importance because it applies to the development of computer technology, hardware and software, and to the development of scientific discoveries, whether it be in terms of more efficient production of crops through the use of gene technology, medical research or the development of Australian culture and arts. Increasingly, intellectual property is becoming the cornerstone of the new economy. It is vitally important that we get it right and we get it right on the basis of logic, not adherence to dogma. I come back to the example of the book industry that, since 1991, has operated under this ‘use it or lose it’ policy.

We have seen, since then, that there are now 250 publishers in Australia and there are over 4,000 people employed in the industry. In 1997-98, the book industry sold 110 million books; 60 per cent of those were by Australian authors. In the period since 1991, we have seen 7,000 new Australian titles. The sale of Australian books now exceeds $1 billion—not million—a year, of which $100 million is exported. In other words, it has been a real success story. There is a significant question as to whether, without adequate copyright protection, those Australian authors who are at the basis of our book industry would have succeeded and been able to concentrate their time on developing their skills. Indeed, to our pride, many are achieving international fame as a result of having their books published.

In respect of Australian software, which is the other significant area that this legislation would impact upon, the Australian economy also has significant benefits from the development of Australian packaged software. There have been sales of more than $3.5 billion a year from the packaged software industry in Australia. It creates more than 25,000 jobs across all sectors, from creation to marketing and sale, and pays more than $850 million a year in taxes.

I state these figures to indicate the risk involved in getting our regulatory regime wrong. That is of great concern. The reason I say that the government’s reasoning is wrong is that, quite frankly, it has been based on lazy or convenient work. Convenient work is having the policy based on this dogmatic position and trying to fit the facts in to comply with the policy rather than having the policy based on a legitimate factual analysis. Indeed, we note that concerns were quite openly and boldly expressed as to the government’s approach by the committee chaired by Senator Marise Payne that looked at this bill. At paragraph 5.2, the majority report of the inquiry by the Senate Legal and Constitutional Legislation Committee says:

A number of outcomes appear to be promised by this legislation, but the extent to which such expectations may be realised is unclear. Essentially, the legislation is premised on the economic theory that the more open the marketplace, the cheaper the product, and the belief that the benefits of copyright must not dominate to the detriment of benefits to consumers of the copyright item.

Similarly, at paragraph 5.5, the report states:

Although economic theories underpin the direction of the changes, there is little information as to how these changes will occur.

At paragraph 5.6, the report states:

Additionally, there is no consideration of the direct and indirect costs to the community as well as to individuals and groups that may result from the proposed changes.

The government itself acknowledges in the explanatory memorandum that there will be disadvantages suffered by the sectors. In particular, in respect of the book industry, the explanatory memorandum acknowledges that ‘there may be some loss of confidence’ and that ‘some individual publishers may fail’. That is a significant admission for the government to make in circumstances where they are enacting legislation with that acknowledged effect.

When they are doing that, we are entitled to ask, ‘Why are you doing it?’ They say they are doing it to bring down prices to
benefit consumers. We heard the member for Cook speak of this in respect of the music industry. Indeed, the Attorney-General, in his second reading speech, quoted an average figure of about $21.43 for the top 40 CDs. The industry have now done a survey of current prices of CDs. They found that in Target some items were as low as $22.95, but most items were anywhere between $28 and $31. In Woolworths, some were $23.95, but there were different prices in different stores. In Sanity Music, the price was $27.95 to $31.95. In HMV, CDs were from $27. Together, those four retailers constitute more than 50 per cent of the retail market. To suggest that there have been reductions of $9 and $10 is just fanciful. It is not occurring, and at the same time we are seeing these other consequences occurring.

From our point of view, the question is, ‘What are the detriments to be considered in this policy?’ The detriment is the potential effect on these industries. Why is there a potential effect? Firstly, there is a potential effect from piracy. Secondly, there is a potential effect from dumping. Thirdly, there is the prospect of a loss of benefits or diminished returns for the creators of these works.

How will it be easier for piracy to occur? It will be easier for piracy to occur because, obviously, if there is one copyright licence holder, the Australian Customs Service can check with that licensee as to who the authorised distributors and importers of the product are. If it is at large and it can come from anywhere, from all over the world sent by anyone, obviously it is a much harder task for the Australian Customs Service to identify the source of that material and whether it is pirated. The Australian Record Industry Association estimate that, in just a year after the removal of their protections, piracy has gone up from about four per cent of music sold to about nine per cent. If we see a further increase in piracy across these other sectors—in the book industry, but more specifically in respect of the computer software industry, where it is more likely to occur—we will see a significant reduction in economic benefits in Australia.

For instance, let us look at the cost of piracy to the computer software industry. It must be said that some of this piracy is piracy that occurs at a domestic level; nonetheless, the figures are worth mentioning. From the point of view of a similar increase, if there were a five per cent increase in the level of piracy in this industry, what economic effect would that have? Piracy cost the software industry about $264 million a year in lost sales. It is estimated that between 1995 and 1999 it cost the industry about $1.4 billion. In Asia, we are particularly vulnerable. It costs about $4.9 billion—not million but billion dollars—a year. It costs distributors and retailers in Australia about $286 million a year in lost revenue.

Obviously, pirated goods are going to be sold by markets; they are not going to be sold through established retailers such as Harvey Norman or even smaller, independent retailers. It is going to be sold on the black market, as it were, costing about $286 million a year. Indeed, as a result of those lost sales through legitimate channels, where records are kept, it is estimated that there has been a significant reduction in revenue to government.

If you apply simply the goods and services tax lost to that $286 million, we are looking at, just on those figures in the retail sector, $28.6 million of lost government revenue. Indeed, the industry estimates that, if you could reduce the extent of our piracy to that which occurs in America by five per cent, from 32 per cent to 27 per cent, it would generate about an additional 7,300 jobs and would raise additional tax revenue of about $140 million. If you apply what has occurred in the record industry, that is, a five per cent increase in piracy, to the existing level and multiply those figures which I have just given you, you would see corresponding losses and in circumstances where the rationale just does not add up.

As I indicated at the outset, the rationale of the government is primarily based on information it has received from the ACCC, which, regrettably, has not done a fair dinkum or a sincere calculation. It has aver-
aged book industry figures over 12½ years and has not recognised the significant difference that has been made to legislation since 1991. Indeed, on our figures, Australian books are as cheap, if not cheaper, than those in the United Kingdom and the USA. Similarly, the software industry have conducted an analysis over a decade not on current figures. On current figures, on the basis of information provided by the Business Software Association of Australia, our prices are actually lower than those in the United Kingdom, the United States and New Zealand. The government has based its legislation on dogma, not logic, and that simply is not the way to legislate. (Time expired)

Mr PYNE (Sturt) (12.17 p.m.)—In Australia we are operating in a global economy where economic borders are becoming more porous and diffuse. The development of online shopping with Internet stores such as Amazon and CD Now have dramatically changed the consumer behaviour of many thousands of Australians. Australian retailers are losing sales to overseas based Internet retailers and will continue to lose sales until we remove the uncompetitive practice of prohibitive parallel importing. In Australia, conducting our business with the handicap of a prohibition on parallel importing is an economically unsustainable situation. The prohibition on parallel importing effectively works as a non-tariff barrier to trade that creates a marketplace with monopolistic characteristics. As a result, consumers are the losers through inflated prices and a restricted range of products.

Australia continues to reflect the international trend of moving to an economy dominated by service industries. The service economy already employs approximately 40 per cent of Australia’s work force. In the service economy, ideas are capital. As legislators, we have two important responsibilities in fostering further expansion of the service economy. Firstly, we must provide a best practice education system that nurtures ideas. I am delighted to see the Minister for Education, Training and Youth Affairs here in the House, who is, on behalf of the government, doing just that—fostering a best practice education system which is nurturing ideas and producing people for the 21st century. Secondly, through a sophisticated copyright law regime that does not have the peripheral effect of suffocating the development of new ideas, we must protect the intellectual property rights of the idea creators. That is why in the past I have spoken and written at length about issues concerning education and copyright.

In the service economy, investment, education and training should be compared with start-up capital in the manufacturing industry. A failure to adequately invest in education and research limits technological advancement and forms a barrier to economic growth. Conversely, developing the knowledge and skills base of a nation sustains innovation and product development and stimulates productivity and economic confidence. When these ideas are converted into economic productivity, there must be a sensible copyright regime in operation to protect the creators’ investment and interest in those ideas.

In 1998 the coalition government, despite the spoiling tactics of the members opposite, dismantled the restriction on the parallel importation of compact discs and some other branded goods. The manipulation of the Copyright Act prior to July 1998 by the multinational sound recording industry is a case in point. I am sure members of this House will remember that, prior to the coalition government’s dambusting legislation, the provisions of the Copyright Act were used by the multinational sound recording industry to monopolise the market, despite the fact that in most circumstances the distributor had made no investment in or contribution to product development. As a result, Australian consumers were penalised through inflated retail prices of compact discs and a lack of variety due to the absence of competition in the marketplace.

In arguing the case for the multinational sound recording industry, Labor forecasted that the government’s consumer-friendly reforms would decimate Australia’s local music industry. All of Labor’s prophecies
have proven groundless. The Australian music industry has not collapsed. Indeed, the industry is thriving, as demonstrated by the emerging talent of artists such as Powderfinger, Killing Heidi, Motor Ace and, from my home state of South Australia, The Superjesus and Casey Chambers—not groups that would necessarily be familiar to all the members of this chamber. In 1998 Labor, sounding almost triumphant, predicted that 50,000 jobs would be lost due to the coalition government’s decision to make CDs cheaper. Listening to the members opposite in that debate in 1998, you got the impression they were hoping that the industry would lose those jobs.

Instead, the retail sector for compact discs is growing strongly. For instance, in my electorate of Sturt, two new CD retailers have commenced business in the last 12 months not more than a kilometre from my electorate office. Labor’s warning that the market would be flooded with pirated products has also proven to be baseless. Instead, Australians are enjoying appreciative savings on CDs, and a greater range of products to choose from. By standing up for the vested interests of multinationals, Labor is again attempting to hoodwink Australians into believing that the domestic market will be flooded with pirated products. But this is a disingenuous argument. By making imported products cheaper, the government is actually eliminating one of the main reasons why consumers buy pirated products: inflated prices. Piracy is best dealt with by efficiently allocating resources for Customs and increasing penalties for infringers. There is no evidence that preventing import competition will address piracy concerns. At some retailers you can buy a CD from the top 40 range for $21—a noticeable saving on the $31 high before the parallel import restrictions were lifted. CDs that were in the top 40 a year or two ago are often on discount now for less than $20. But that is not to say that the government’s better deal for CD consumers has not been met with great resistance from the industry. On Tuesday, 3 April this year an article entitled ‘CD prices to fall $3’ appeared on page 5 of the Daily Telegraph. The article said in part:

In a deal with the Australian Competition and Consumer Commission, Sony Music agreed ... not to take action to discourage the importation of cheap CDs from Asia.

It went on:

According to evidence heard yesterday, changes to federal laws in 1998 meant retailers could buy CDs from Indonesia for just $7.50 each—a significant discount to previous wholesale prices.

The ACCC claimed yesterday the music giants misused their market power and stifled competition by trying to stop the CDs coming into the country.

The ACCC’s case will continue against Universal (formerly PolyGram) and Warner. So the ACCC should be congratulated for pursuing this issue and for applying the legislation that we gave them, the teeth that they needed, to make sure that there are gains in the area of compact disc prices.

The coalition government has now taken the initiative to introduce the Copyright Amendment (Parallel Importation) Bill 2001 to extend the principle of allowing parallel importing of computer software products, including interactive computer games, books, periodical publications such as journals and magazines, sheet music and electronic versions of books, periodical publications and sheet music. A 1992 report by the Prices Surveillance Authority found that the differential between Australian and United States software prices was 49 per cent. Subsequent independent analysis indicates that the differential has narrowed over the last decade but still remains at an unacceptably high cost for consumers. The Australian Consumers Association estimates that, at present, Australians are paying 25 per cent too much for software. A recent report released by the Australian Competition and Consumer Commission found that, while retail prices for CDs have been trending downward since restrictions on parallel imports were removed, Australians continue to pay higher prices for books and computer software than do consumers in some overseas markets. Specifically, Australian consumers of business packaged software have...
paid, on average, 27 per cent more over the decade to December 1998 than consumers in the United States.

In 1998 Australians who bought popular personal computer games paid, on average, 33 per cent more than consumers in the United States and 20 per cent more than those in the United Kingdom. The ACCC also found that, on average, Australians paid approximately 44 per cent more for fiction paperbacks than did United States readers in the 12½ years from July 1988 to December 2000, and during the same period Australians paid around nine per cent more than readers in the United Kingdom for best-selling paperback fiction. Other findings indicated that the retail costs of technical and professional books are also high compared with our overseas counterparts. The ACCC’s report indicates that a selection of such books are around 23 per cent more expensive in Australia than in the United States and 18 per cent more expensive than in the United Kingdom. The bill presently before the House proposes that small business pay less for their software, which has to be good for small business.

Microsoft Australia recently increased by 10 per cent to 18 per cent the retail price of its software products. Microsoft cites exchange rates as the reason behind the price hike, but there is little doubt that the price rises are largely due to a lack of competition in the software market. This impacts on all facets of the Australian economy. The Yellow Pages Small Business Index of February 2000 showed that 84 per cent of Australian small businesses and 100 per cent of medium sized businesses use a computer and therefore require computer software. The current monopolistic arrangement of allowing only one importer to source software product does not serve the long-term interests of consumers. Lifting the prohibition on the parallel importing of computer software and allowing people to compete in the alternative sourcing of products will help push down the price of software and promote product innovation and development. The primary benefit of dismantling the prohibition on parallel importing is an increase in product choice and lower prices for consumers. But there are other, peripheral arguments that support the removal of this barrier to trade.

Labor’s policy of preserving restrictions on parallel importing fails to recognise that globalisation, and, in particular, the Internet, has made domestic distribution monopolies redundant and obsolete. It is estimated that online spending in 1999 by Australians was worth about $920 million. Some industry sources say that, by the end of the next financial year, e-commerce in Australia will be worth as much as $1.3 billion per annum. There are real concerns as to how much of this billion dollar industry is being captured by Australian e-retailers. Figures released by the Australian Bureau of Statistics show 1.3 million purchases were conducted online during the year to August 1998. Two-thirds were through offshore web sites. This is revenue that the Australian e-commerce industry has lost.

As I have noted in this House before, some industry figures, including Software Engineering Australia chief executive, Phil Scanlon, believe that removing import restrictions will give Australian e-commerce vendors a boost. Mr Scanlon reasons that Australian e-commerce vendors are presently at a disadvantage compared with United States vendors, as they are barred from approaching foreign goods wholesalers directly. Mr Scanlon argues that the import restrictions also deter global corporations from locating their operations in Australia.

Restrictions on parallel importing have prevented Australian retailers from purchasing products from the same source and at the same price as overseas e-commerce retailers. Consequently, Australian online retail prices are not as competitive as their overseas counterparts. This bill gives the Labor Party an opportunity to reverse this situation and help Australian consumers and businesses. Geographically, Australia is in a strong position to compete for online business against the United States in the lucrative and expanding Asian markets; but that means being able to purchase the products at the cheapest possible price.
Members of both sides of this House are well aware of Labor’s policy-shy approach to government. This bill again exposes Labor’s policy laziness—a theme that the Minister for Education, Training and Youth Affairs has pursued in question time and elsewhere—and their failure to stand up for the interests of Australian consumers. Labor’s plan to wind back the government’s initiatives that have lifted import restrictions on CDs will not work. Their 30- and 90-day ‘use it or lose it’ rule will not result in cheaper prices for imported goods that are in demand. Instead, Labor’s policy entrenches the monopolistic advantage that many multinationals currently enjoy in Australia. By removing the restrictions on parallel importing, there is potential for price falls of around 30 per cent in the cost of books, computer games and various software applications. Surely this kind of initiative that makes education material cheaper for all Australians would be an important plank in Labor’s yet to be released Knowledge Nation policy.

Mr GIBBONS (Bendigo)  (12.33 p.m.)—The purpose of the Copyright Amendment (Parallel Importation) Bill 2001 is to amend the Copyright Act 1968 to allow the parallel importing of computer software and computer games and of books, periodicals and sheet music in both electronic and print form. My remarks will concentrate on the impact of this legislation on the printing industry.

Maryborough in my electorate is a town based very much on the economic activity generated by the book printing industry. We had two quite big printing premises, McPherson’s Print Group and the Australian Print Group, until recently when we saw the merger of McPherson’s with the Australian Print Group. Rationalisation—which always follows mergers—has resulted in the loss of 33 jobs. The impact of this parallel importation legislation will further threaten the printing industry in Maryborough and, I suggest, jeopardise even more jobs, which would be an absolute tragedy. Jobs are very scarce in Maryborough, as indeed they are throughout central Victoria.

We have just witnessed today the announcement that Rocklea will close, resulting in 110 jobs being lost to the Bendigo region. That is a major blow for Bendigo and for the 110 workers who have now been made redundant. Admittedly, their entitlements are going to be paid on 1 July, I understand. I welcome that; it is a legal requirement on the company. But the closure represents about $2.8 million that will not be placed in Bendigo’s economy through the wages of those 110 people. It is a complete tragedy. The plant was badly damaged by fire recently, which has caused major problems, and the company has decided it is not able to reconstruct the plant and recreate those jobs for the Bendigo area. It is a little disappointing, because I understand this company has had substantial state and Commonwealth assistance over many years.
The fact that they are going to close that plant in Bendigo is a real tragedy. We will obviously keep an eye on that.

With respect to the book printing industry, the Bills Digest states:

In 1991 provisions were introduced to the Copyright Act to govern 'non infringing books' (ie, those legitimately manufactured in their country of origin). Sections 44A and 112A, the two sections dealing with parallel importation, draw a distinction between a book ‘first published’ in Australia and a book published overseas. The Act imposes no restrictions on the importation of books first published in a foreign country and there is a partial relaxation of parallel import restrictions for books ‘first published in Australia’. A book is deemed to be ‘first published in Australia’ if it is published in Australia within 30 days of being published overseas. Effectively, as long as foreign books are released in the Australian market within 30 days of being published overseas, they will be deemed to be ‘first published in Australia’, and parallel import restrictions will apply. Parallel importation of books ‘first published in Australia’ is also allowed:
to provide a single copy for a customer
to provide one or more copies for a non-profit library, and
to satisfy local orders which have been unfilled for more than 90 days. These arrangements are also referred to as the ‘30/90 day rule’.

The printing industry has been savagely hit by the policies of the Howard government, especially in Maryborough in central Victoria, as I said earlier. The industry had to contend with the abolition of the book bounty some years ago. That meant an increase of some 4½ per cent on inputs into that industry. And, of course, the impact of the GST has been calculated to represent another four per cent. They are major impost on that industry and it struggles as a result. It is facing another impost with this bill, which proposes the removal of the parallel importation restrictions.

The Howard government rejected an application for a grant to establish a printing school of excellence in Maryborough to support the Bracks government’s $20 million education precinct for Maryborough. I guess we could be forgiven for wondering what the Howard government has done to Maryborough or what Maryborough has done to the Howard government to warrant this sort of treatment. The grant would have complemented a very effective and well-organised industry in Maryborough, but the government has seen fit not to allow that grant to proceed and that is a real tragedy. The printing industry in Maryborough has some 700 jobs that we can identify, representing about $24 million in wages. Given that Maryborough has a population of less than 8,000, that is a substantial percentage of its work force. Unemployment in Maryborough is 10 per cent, which is well over the national average, so the 700 jobs in the printing industry are vital.

I note that a book in the popular Harry Potter series was published in Australia and printed in Adelaide but that there was a back-up print run of some 250,000 copies printed in Maryborough. It is a very efficient industry which has been rationalising and becoming more and more efficient as the years go by, but it can ill afford to contend with what is likely to happen as a result of this legislation.

My colleague the member for Fraser, during his excellent speech in the second reading debate, expressed concern about the lack of industry consultation over this bill when he said:

There have been some serious problems of process with regard to this bill and there are serious problems with the nature of the research on which it is based. I have spoken about that in this House before. I think the material which the ACCC put forward in an attempt to justify this legislation and the way in which they publicly presented it—in what I considered to be a most misleading manner—were a scandal. I am appalled that the ACCC would have engaged in such misleading conduct. They would not have accepted such conduct from people subject to their scrutiny.

Almost all of the bodies representing the industries concerned with the proposed changes have made it clear, mainly in evidence to the Senate committee but also publicly, that they were not consulted in the preparation of the current bill by either the Attorney-General’s Department or the
ACCC, whose research the Attorney-General’s Department has blindly accepted. Neither the department responsible for the arts nor the department responsible for industry made any submissions to the inquiry—they did not appear before any of the public hearings—and, on the face of it, they have not been involved in the development of this policy.

The member for Fraser went on to say:

I am also baffled as to why in the preparation of this bill to extend parallel importation to industries other than the music industry no research was conducted into some of the areas that are going to be affected, such as sheet music, electronic books or periodicals. No research was done about the impact of the previous changes on the music industry. We are proposing to extend those changes to other industries without any serious research about the impact of these changes on that industry, and I am concerned about the nature of the research as it related to the book industry. It is a flawed process. One of the witnesses before the Legal and Constitutional Legislation Committee, Mr Fisher from the printing industry, said that the only way he felt anybody could have come to the conclusions that they did on the evidence available was to let their ideology draw them to a conclusion and then work back to try to find some evidence to justify the conclusion to which they had already come—and I think that gentleman essentially got the point right.

It seems that this policy change is not based on any desire to advance the industries it affects; it is based on the distorted ‘economic rationalism at any cost’ principles that the Howard-Anderson coalition is so renowned for—no worthwhile research, no consultation with industry, just a dangerous obsession with blindly implementing every recommendation the ACCC comes up with because this government believes its ‘free market and competition must be good’ obsession.

In stark contrast, Labor’s policy was established after appropriate consultation with affected industries that included the Visual Software Distributors Association, the Australian Publishers Association, the Printing Industry Association of Australia, the National Association of Forest Products Industry Community Inc. and, of course, the AMWU. Labor’s parallel importation policy will ensure that Australian consumers have access to locally produced cultural content and to the latest products from overseas. Labor’s policy gives consumers access to goods at internationally competitive prices.

Further, under Labor’s policy, Australia’s printing, publishing, computer software, video game and music industries will continue to provide employment and contribute to Australia’s economic and cultural growth. Labor will preserve the modified ‘use it or lose it’ parallel importation regime which currently exists for the book industry. This regime will be extended to apply to the video game, computer software and music industries. Under Labor, the importation of work for which there is a local copyright owner will be permitted only if the copyright owner does not release the material on the local market within 30 days of its publication or international release or the material, although released locally, is unavailable for purchase within Australia, or is unavailable within Australia at an internationally competitive price within 90 days of that good or service being requested.

This regime is commonly known as the ‘use it or lose it’ regime: Australian publishers, computer software and video game distributors, and record companies will have exclusive copyright in a good as long as they exercise that right in a way which benefits the Australian consumer. The ‘use it or lose it’ regime will ensure that Australian consumers of books, video games, computer software and music will continue to have access to Australian goods which would not be developed without the competitive advantage which parallel importation restrictions give to the Australian industry, will have access to the latest in international releases and will have access to the latest in international releases at a competitive price.

Labor’s policy will result in consistency across these industries and will ensure that there is a proper balance between supporting Australia’s cultural industries and promoting consumer interests. Labor’s policy will ensure the development of Australian content within the creative industries. It will foster Australian culture and Australian jobs. The ‘use it or lose it’ regime will give protection
to copyright owners against the importation of cheap pirated goods and dumping of underpriced overseas residual products.

Complete removal of parallel importation restrictions may lead to a minimal price reduction for some goods. However, it will lead to an increase in piracy, it will lead to a reduction in investment in Australian content and it will erase Australia as an independent market with bargaining power. Any small decrease in price is a trade-off against Australian content, Australian industry and Australian jobs.

Labor is committed to the Knowledge Nation. Labor’s position on parallel importation will encourage creative knowledge and skills, support Australian industries and benefit Australian consumers. John Howard’s government looks backward to the days of Australia’s cultural cringe. Labor’s position on parallel imports looks forward to the dynamic growth of Australian cultural content playing a vital role in the new knowledge based economy.

Ms JULIE BISHOP (Curtin) (12.44 p.m.)—Over the past 25 years the Australian economy has undergone important structural changes. These changes have given Australian businesses the opportunity to compete aggressively with overseas based firms. We just have to look at the Howard government’s taxation and workplace relations reforms to see the most recent examples of the coalition’s commitment to managing and reforming the economy so that an environment can be created whereby Australian businesses can flourish and consumers can enjoy a higher standard of living.

The purpose of the Copyright Amendment (Parallel Importation) Bill 2001 is to prevent the price discrimination that exists under the present copyright arrangements. The proposed legislation will facilitate efficiency in the Australian book publishing industry while protecting their copyright interests. The original intention of the Copyright Act was to act as a means by which to balance the interests of creators and owners of reproducible goods with those of users. The intention was not to create economic rents for some creators in particular situations. In cases where rights to control the importation of copyrighted material impede or obstruct the effective achievement of these objectives, these rights should, quite rightly, be modified or removed altogether.

The parallel importation regime of the Copyright Act currently allows a copyright owner or exclusive licensee to control the importation into Australia of copyright material even if the products have been lawfully acquired overseas. The restrictions allow rights owners to separate the world market into self-contained segments to secure the greatest return on the protected subject matter. But the parallel imports prohibition has been relaxed for certain categories, and separate regimes exist to govern the book and sound recording industries.

The first part of the bill before the House makes amendments to the Copyright Act 1968 to allow the parallel importation of computer programs and electronic and literary items. At the heart of these amendments is the extension of the meaning of the term ‘non-infringing copy’ to computer programs and electronic and literary items. By contrast, the second part of the bill extends parallel importation to electronic and printed books. The government recognises that the printing and publishing industries operate on a contract basis. Therefore, unlike the first part of the bill, those amendments dealing with printed material commence 12 months after royal assent. The government has deliberately delayed commencement in order to assist the publishing and printing industries and authors to make the necessary adjustments to their business practices and legal arrangements.

The bill before the House has grown out of numerous reports and inquiries, both within and without this place, into the Copyright Act. The differing views expressed in those fora regarding parallel importation reflect the tension that exists between competition policy and intellectual property rights. As I have observed in this House on other occasions, the laws of contract and property rights are, of course, at the very basis of our
society. It is our goal, therefore, to ensure that the benefits from the material that we create flow only to those to whom it is appropriate that they flow.

It has been alleged that lifting restrictions on parallel importing will be a disincentive to copyright owners to invest in creative endeavour. That is ridiculous. It is important to recognise that legislative restrictions on parallel importing are simply not justified by traditional concerns relating to intellectual property, particularly those relating to plagiarism and piracy. As the ACCC noted in its report to the Intellectual Property and Competition Review Committee, these restrictions relate to production. I view the parallel importation restrictions as extending beyond production, to the distribution sphere, and I ask the House: how can we justify maintaining restrictions upon the importation of legally manufactured goods on the basis that they were produced overseas? Moreover, why should we restrict the importation of genuine articles which may be preferred by Australian consumers? In my view, such restriction can only be considered a great disservice to consumers and to the business sector.

The bill will move parallel import restrictions from computer software programs as well as books, periodical publications and sheet music in electronic and hard copy form. The small business sector will benefit from increased access to popular business tools relating to accounting functions, desktop publishing, database management, human resource tasks and information technology management. The bill will extend the application of a successful policy to key sectors of the information economy as well as enhancing competition in price availability and choice.

Increased competition between wholesale suppliers will mean that Australian business, government and households will have access to the products identified in this bill at prices comparable to the lowest in the world. Perhaps the most important benefit is that commerce and industry, especially small business, will be better able to compete in the global market. At present, the Copyright Act allows Australian copyright owners of a software program to prevent legal copies of that program being imported except through distribution channels approved by the local copyright owner. The nature of the Australian software market is that a small number of large multinational firms are dominant. Consequently, these firms are able to charge higher prices for their products in the Australian market in comparison to other markets. Furthermore, these firms may restrict the range of goods entering the Australian market.

The conclusions of the Prices Surveillance Authority, the Copyright Law Review Committee, the Industry Commission and the ACCC all suggest that present price differences in this regard better illustrate international price discrimination rather than underlying differences in industry cost structures or exchange rate effects. In my opinion, there is little doubt that the current nature of the Copyright Act is preventing Australian firms from taking advantage of lower prices for business software programs.

The importance of this bill for the business sector is underlined by the 1996 figure that 81 per cent of the $821.4 million in software expenditure by Australians was for business use, and I have no reason to suggest that that would be otherwise today. Since then, the information technology sector has witnessed mind-boggling growth, especially with the spread of Internet usage by households and businesses. Consequently, any savings would be of enormous benefit to business, especially small business. Every business seeks to minimise costs. Therefore, it is logical that, if cheaper alternatives are available overseas, the government encourages and nurtures the ability of firms to seek cost savings. Rapid changes to the software industry are taking place around the world. By removing parallel import restrictions, the government will allow firms to access new products quickly and readily at the lowest price.

In contrast to the reforms of the coalition, the Labor Party proposes a ‘use it or lose it’
parallel imports policy. Under this policy, Australians would have to wait over a month for products released elsewhere in the world and over three months for software, CDs, books or computer games that have been released in Australia but are not available for various reasons, including just being out of stock. Labor’s typically anti-small-business and anticonsumer policy inhibits the ability of firms to respond speedily to technological changes. I know in my own seat of Curtin, with its multitude of technologically aware and progressive small businesses, the importance of easy and efficient access to new technologies and new products is vital to commercial success and community development.

In 1998 the government amended the Copyright Act to allow the lawful parallel importation and sale of sound recordings. Consumers have voiced very strong support for this policy, and the move has seen consumers enjoy significantly lower prices. I know this not only from personal experience but because I am fortunate to have a very bright and very energetic law student, Jeremy Sher, from the University of Western Australia doing volunteer work in my electorate, who in doing some of the research for this speech tells me that prices for sound recordings, especially top 40 CDs, have dropped markedly since 1998. He is quite a collector. For the first time, local retailers are able to advertise current CDs for prices as low as $20 or $21.

The ACCC released a report on 3 April 2001 that highlighted how the prices for CDs had been heading downwards since August 1998—since the amendments to the Copyright Act—yet Australians continue to pay higher prices for books and computer software than their overseas counterparts. Business management software can cost several hundreds of dollars. Any price difference therefore puts Australian small business at a significant competitive disadvantage. Disturbingly, ACCC monitoring in January this year showed that Australian businesses have had to pay an average of 27 per cent more for packaged business software than their overseas competitors.

Following on from the price benefits, there is a necessity for the government to recognise the increasing impact of online purchasing of software on the traditional wholesale and retail industry. As more and more businesses and consumers turn to this purchasing method, it seems logical that the government endorse imports of software products for sale by retail outlets. They may be copyrighted to another Australian company but they are cheaper. If the parliament is to remain relevant to contemporary Australia, it must recognise and adjust to a new climate where more and more people are accessing new ways of buying what they want. These goods remain the genuine article but they have a lower price. This forces Australian producers to adjust to the demands of the market. By introducing competition for domestically produced goods, Australian firms will adjust their own prices downwards.

When the coalition government first deregulated the sound industry, opponents of liberalisation reacted with apocalyptic predictions that were more reminiscent of a Greek tragedy than a serious policy debate. Their histrionics foretold the demise of the industry. Large rowdy demonstrations took place outside federal parliament and numerous celebrities loudly denounced the government for amending the Copyright Act. The opposition allege that this bill will cripple the printing industry, just as they predicted similar legislation would cripple the recording industry. Three years on and the recording industry is in an excellent position. The threatened job losses, estimated by the opposition at over 50,000, just did not eventuate. Nonetheless, the government does recognise that there will need to be a period of transition related to the reforms before the House. The Howard government is therefore providing $48 million of direct assistance to printers under the book industry assistance plan to ease the transition towards greater competition, efficiency and lower prices.

Industry interests have identified piracy as a principal reason for continuing parallel importation restrictions. In a 1992 submission to an inquiry by the Prices Surveillance
Authority, diverse software companies, including Microsoft and Borland International, considered increased piracy as an important reason for why they were opposing an end to parallel importation restrictions. However, in its report *Cracking down on copycats* the House of Representatives Standing Committee on Legal and Constitutional Affairs found that the link between parallel importation and importation of pirate product is weak.

The Australian Institute of Criminology takes a similar view. It notes that there is ‘little evidence of the increase in CD piracy predicted by opponents of liberalisation’. The peak representative body of the recording industry in Western Australia, the Western Australian Music Industry Association, does not consider copyright infringement a problem amongst its membership. An important feature of the proposed legislation is that it does not affect infringements relating to hard copy disks and downloading illegal copies from the Internet. On this basis it would seem that industry opponents of parallel importation are trying to protect their own market share rather than being invigorated by the challenge of competition.

The Labor Party acknowledge that their policies are designed to thwart the ambitions of Australian consumers. Labor’s former shadow minister for industry and technology noted that the Howard government’s policy is ‘to try to just drive down the prices; it is entirely driven by consumer interest’. In contrast to Labor, our government is interested in consumers and in the education and business sectors which will benefit from these reforms. We are not proposing draconian neo-protectionist policies, monopoly distributions and import restrictions that can only be to the detriment of Australian businesses and consumers. Labor are not about promoting innovation and excellence in business; they are about imposing expenses, controls and regulation that can only damage the economy. The coalition is interested in innovation, excellence and competitive prices. As someone who respects and believes in the benefits of free enterprise, I commend this bill to House.

Mr SIDEBOTTOM (Braddon) (12.59 p.m.)—Thank you to the member for Curtin for that edifying description of people in the publishing and recording industries in Australia as being ‘reinvigorated’, which equates to the situation of their facing dumping and losing jobs and which also of course affects the incentives to creativity. If the Labor Party is to be accused of supporting people, creativity and jobs and of protecting our industries from what is in effect dumping, I am very proudly able and willing to support that.

Little has happened to change my mind on the question of parallel importation since I last spoke on this subject in this place some seven months ago. In fact, my resolve in opposition to the government’s position has strengthened. After listening to the arguments that have been made in this debate so far, I am happily supportive of opposing these amendments. Labor’s policy on parallel importation provides a clear alternative. The Copyright Amendment (Parallel Importation) Bill 2001 proposes two amendments to the Copyright Act 1968 to allow, firstly, for the parallel importing of computer software and computer games and, secondly, the parallel importing of books, periodicals and sheet music in both electronic and print form. By contrast, Labor does not support the removal of parallel importation restrictions. It is bad policy to allow parallel importing of music CDs, and it remains bad policy to propose extending it to books, electronic books, periodicals, sheet music and software. In launching our policy in August last year, my parliamentary colleagues the member for Denison and the member for Fraser said:

Such a move will not benefit Australian consumers. It will severely hurt our local industries, and in the long term it will deprive Australian consumers of access to locally produced cultural goods.

That is not to mention the impact it would have on local producers, small businesses and industries. Proper copyright protection laws are beneficial to the economy because they look after the interests of the creators and, just as importantly, they encourage local creativity. It is difficult to put a price on preserving, nurturing and promoting creativity.
Copyright therefore allows creators to generate an income from their creativity by either receiving royalties or other payments for their work. Creativity by itself is difficult in terms of making a living. If we remove those incentives for people who are the creative genius in our country, then we are depriving ourselves of that cultural capital which is so important to our community. Anything which assists them in their creativity should be supported.

The only time, unfortunately, that this government appears to show any creativity, particularly these days, is in an effort to save its political hide, and we saw that in last month’s budget. The government’s creative accounting is about as imaginative as it gets. Look at the massive amounts this government has spent and is spending on advertising, selling rather than telling the electorate. Imagine if you will what such huge amounts of money and energy would achieve in developing genuine industry policies across a whole range of industries, particularly those industries affected by the amendments before the House. Ironically, though, the advertising industry in all its forms is benefiting from this outrageous waste of taxpayers’ money.

Under the Copyright Act 1968, it is generally an infringement of copyright to import an article into Australia for commercial purposes without the copyright owner’s consent. It is all pretty fundamental stuff. Instead, this government is hell-bent on pursuing the economic rationalist policies that have become the hallmark of the coalition—policies that are increasingly under challenge because of either poor outcomes or outcome levels that bear no relationship to advertised expectations. I suspect that some of the predictions made by the ACCC in a whole host of areas, but particularly in this one, are directly relevant to the criticisms I just mentioned.

I note the concerns expressed to the recent Senate committee inquiring into this bill, and for me one comment in particular pretty much sums up the Howard government’s approach and why Labor will be opposing this bill. In answer to a question about how the proponents of the bill could support unrestricted parallel importing, the following statement was made:

Start from an ideological position and work backwards.

That is interesting—that is, to start from an ideological position and work backwards—because that is what we have here. Almost 12 months ago the government announced its intention to lift restrictions on parallel importing of legitimately produced books, printed music and computer software products. Its rationale behind the move to lift the restrictions was that the decision:

...paves the way for future cost savings on these products for consumers and businesses.

It appears that rationale is wrong or, indeed, is highly questionable, particularly in terms of outcomes. If we are to follow this rationale, it would also appear that the proposed amendments to the bill are flawed. But as the Prime Minister is happy to harp when faced with uncomfortable questions in this House, do not take my word for it; consider the facts. Let us look at them.

Some members opposite have been running around wanting people to recognise that easing restrictions on parallel importing will result in cheaper prices for Australian consumers. The government went ahead and scrapped parallel import provisions on music CDs with a promise—from the Prime Minister, no less—that CD prices would fall by some $7 a unit. I know that promises from the Prime Minister do not count for a lot these days, but the fact of the matter is that CD prices have not dropped by $7. Even the Australian Competition and Consumer Commission acknowledges that. Professor Allan Fels of the ACCC conceded during the Senate inquiry I referred to earlier—that is, the Senate Legal and Constitutional Affairs Legislation Committee inquiry into the provisions of the Copyright Amendment (Parallel Importation) Bill 2001—that prices have not fallen to the extent expected. Professor Fels specifically says that. The committee inquiry also heard from the Manager of Music Industry Piracy Investigations Pty Ltd, Mr Jorg Speck. He said with regard to the price of CDs:
On the issue of pricing, clearly liberalisation has not produced cheaper CDs overall, merely a market where traders can more aggressively take advantage of consumers. It is as simple as that if you go out and look.

I make the point again about CDs, because we were told the cost of CDs would fall. But, as we know, there has been no substantial drop in prices. So the experience of parallel importation of CDs is that it has not led to the reductions in price that were promised. There is strong evidence that it has allowed increased piracy, which is contrary to what the previous speaker in this debate had to say, and has in fact reduced royalties for the Australian music industry and has diminished investment in Australian bands—that is, affecting Australian creativity, Australian product and Australian employment which has an effect on Australian consumers of that Australian product.

Indeed, there remains a huge question mark over parallel importing. Of grave concern is the evidence to the Senate inquiry from almost all of the bodies representing industries concerned with the proposed changes, and I highlight these. They said that they were not consulted in the preparation of the current bill, either by the Attorney-General’s Department or the ACCC, whose research the Attorney-General’s Department has blindly accepted. I think it is very enlightening if you read the transcripts of the hearings, particularly those held in Melbourne, when industry representatives from the publishers and authors associations claimed that consultation was basically zero and that the time available for them to give evidence and make representations before the Senate inquiry was minuscule. I find that rather extraordinary when we are dealing with such an important piece of legislation. I would have thought that not only the Senate inquiry but also all members, particularly government members, would have ensured that there was enough time available for fair representation on these issues. But, alas, it is my understanding that that was not the case. It is very important that people are able to make their submissions face to face and to do so at some length.

One of the greatest flaws in the argument of the government and those supporting the extension of parallel importing is—and I repeat—the blind acceptance, it would appear, of statements and research produced by the ACCC. I would reiterate that that is certainly the charge that has been levelled at the government and this amendment by the Australian Publishers Association and the Australian Society of Authors.

The Senate inquiry revealed that the research conducted by the ACCC was not specific to the current bill and that it is, at best, unsustainable and incomplete. Words were thrown around such as ‘waffled’ and ‘misused’. Again, it would seem on all the evidence made available that the government is not pursuing the extension of parallel importation to other industries through any argument other than an ideological belief that it would lead to more competition and, therefore, lower prices for consumers. Now we are being told to swallow that we will all be better off if parallel importing of books, periodicals, sheet music and computer software is allowed.

The Senate committee was asked to consider the impact on consumers and copyright owners of allowing parallel importation for these items. The report is the latest in a long list of reviews and inquiries into parallel importation over the past 15 years, and the arguments for and against continue. To further highlight concerns over the proposed amendments to the Copyright Act, I would like to recall more of the comments from witnesses to the Senate inquiry. Firstly, consider what Mr Garth Nix, a member of the Australian Society of Authors, had to say. He told the committee:

The proposed changes to the Copyright Act to allow parallel importation will reduce the income of these authors and diminish their control over their intellectual property. It will drive established authors to be published only out of London and New York and it will reduce the opportunity for beginning writers to be published in their own country and thus to be published at all. The changes would also have a catastrophic effect upon independent Australian publishers.
I hope to be able to return in more detail to the argument presented by Mr Garth Nix on behalf of the Australian Society of Authors. But the effects of the changes, we are told, certainly will not stop here. The ire of our paper manufacturing and printing industries was also raised. Consider these comments from the National Director of the Printing Industries Association of Australia, Mr Philip Andersen. Mr Andersen told the Senate committee:

We know, from discussions with major book printers in this country, that we will be looking at a loss of book production of the order of $35 million, and that will involve probably of the order of $13 million worth of lost paper production. We estimate that will entail a loss of jobs in the order of up to 500, and the impact of that will be very largely felt in regional areas of Australia ...

I know of the concerns of my electorate and the likely consequences for paper making mills at Wesley Vale and at Burnie. It will have a significant impact on these businesses. We cannot afford to lose one job where I come from, particularly when what we are effectively talking about is product dumping.

Unlike the coalition’s approach, under Labor’s policy Australia’s music industry, paper manufacturers, publishers, computer software and video game distributors would maintain exclusive copyright of their goods, but it would happen only as long as they exercise that right to the benefit of the Australian consumers. As I said from the outset, Labor offer an alternative to this bill. We propose a ‘use it or lose it’ policy based on the parallel importation regime currently existing for the book industry, so I would ask members opposite hopefully to be au fait with that system. We would extend this regime to apply to the video games, computer software and music industries. Under this arrangement, the importation of a good for which there is a local copyright owner would be permitted only if the copyright owner does not release the good on the local market within 30 days of being requested. We believe this approach would place pressure on importers to make products available to Australian consumers faster and at a better price. Accordingly, the ‘use it or lose it’ rule would provide security to Australian copyright holders and give Australian consumers access to the most up-to-date music, books, computer software and video games.

To recap, those opposite would have us believe that easing restrictions on parallel importing will result in cheaper prices for Australian consumers. We can see that, irrespective of the ACCC’s manipulation of the figures, it has not done so to any large extent. Likewise, how can they expect us to believe it will allow consumers to enjoy a greater range of products, be a benefit to Australian industry and small businesses, and stimulate product innovation and development? If honourable members spend a little bit of time reading the transcript of the submission by the Australian Society of Authors and the Australian Publishers Association to the Senate inquiry, they will see what are generally believed to be the negative results of allowing dumping—and that is all it is—in Australia. We will lose a creative industry. We will have an industry that will not want to invest in young Australian writers, because multinationals and multinational editions will swamp the Australian market. If that is what we want with this amendment, then we will wipe out an industry—certainly we will wipe out the independent Australian publishing industry and the positive effects that it has on young Australian writers and their creativity.

They would also have us believe that there is significant protection in place for copyright owners, pending a relaxation of parallel import laws. One could quite reasonably ask: what is really driving this government’s interest in parallel importation? The answer lies in its obsession with economic rationalism and competition policy. I agree that their differing views regarding parallel importation reflect the tensions between intellectual property rights and competition policy. The provisions of copyright law sit uneasily with
the trend to liberalise trade and investment in a global economy.

In conclusion, it is clear that the Senate Legal and Constitutional Legislation Committee report finds little basis for the government claims that consumers will benefit from parallel importation. However, the report still recommends that the bill should proceed. It is a sad reflection on the way this government does business.

Mr NEVILLE (Hinkler) (1.18 p.m.)—Before I commence my remarks on the Copyright Amendment (Parallel Importation) Bill 2001, I would like to take the previous speaker to task a little. He refers to the ALP’s ‘use it or lose it’ policy. While that might sound good from one point of view—they lay down some guidelines, for example, for the situation where something is not released in the local market within 30 days of its publication or international release or where, although released locally, it is unavailable locally in Australia or where it is not available in Australia at an internationally competitive price within 90 days—who is the arbiter of this? Is it the market or is it the ALP? What sort of abuse does that allow someone to be subjected to? Quite frankly, I think that is a fairly dangerous policy, although I know it sounds good in theory. I also disagree, as I will make clear in my presentation, with a number of other claims he makes.

The bill amends the Copyright Act of 1968 to allow the parallel importation of computer software products, books, periodicals and sheet music. The aim is simple: to give consumers lower prices. That is simple enough, surely. Parallel importation essentially allows lawfully produced overseas copyright material to be imported without the authority of the Australian rights holder. Currently, this is not allowed as it is deemed to infringe on the rights of the Australian rights holder. However, restrictions on parallel importation of software products prevent ready access by business and domestic consumers to a wide range of available products and limit competition between local and overseas suppliers.

The ban on parallel imports has essentially allowed multinational companies to extract higher prices from Australian consumers. A recent Australian Competition and Consumer Commission report showed that over the past 10 years Australian businesses have had to pay on average 27 per cent more for business software than US businesses. Is that good for Australian business? Australian small businesses have to wait longer than their overseas counterparts to obtain particular items of software.

The Intellectual Property Competition Review Committee recognised that the benefits from the higher prices flow primarily to the foreign rights holders while the costs are borne in Australia. I do not know how that reconciles with the views of the previous speaker. In other words, they are borne by the consumer and by industries that use imports as inputs. The bill today in a sense is an extension of the Copyright Act amendments made in 1998 to allow the lawful parallel importation and sale of sound recordings. There has been strong consumer support for this move, as it resulted in lower prices, especially in top 40 CDs, many of which have fallen from over $30 each to the mid-$20 range and sometimes even lower. The bill extends that policy to key sectors of the information economy and is aimed at enhancing competition. Changes for computer software products and books will help consumers, small business and the education sector through lower prices and greater opportunities to source and sell stock.

Mr Sidebottom—Stop dumping.

Mr NEVILLE—I do not think there is any evidence of dumping. In those fields we have just talked about there is no evidence of dumping.

Mr Sidebottom—Rubbish! That’s what the act is going to do.

Mr NEVILLE—You always come out with these scare tactics. They are never substantiated in reality. The importance of computers to Australia is highlighted in the ABS study released last month, just as recently as May, which found that half of Australian households have a computer and more than a
third have Internet access. If that is the case, there is a great need for Australia also to be at the forefront of the use of the software that goes with those computers and the Internet. The number of homes with Internet access jumped by 793,000, or 52 per cent, in the year 2000. That is an enormous jump. Australia is now the third highest per capita user of the Internet behind Sweden and the United States. When it comes to broadcasting, telecommunications and computers, we have always been electronics junkies. We are amongst the best in the world. Why should we not also have the best software to run with it? Not only should we have the technical expertise; we should have the software to drive it. This sort of uptake in the community helps ensure that Australia remains one of the leading information and computer technology countries in the world, and that also translates into jobs. I understand the concern of the members from Tasmania about employment. I have a similar area, and I understand their concern. But sometimes in trying to sandbag a few jobs in one area we lose sight of the fact that we are killing jobs in another area.

Despite the increased uptake of the Internet and computers in the community, the cost of software is still high, which brings us back to the key aim of the bill: lower prices for consumers through the creation of a more competitive market. Software is a significant cost both to business and government. It has been estimated that, in 1996, 19 per cent of software expenditure was for the home and 81 per cent was for business use. This highlights the importance of business users in the Australian software industry and government having access to appropriate IT products at competitive prices. In 1995 the federal government spent $130 million on packaged software, representing 8.4 per cent of the total market revenue for packaged software. So we are a significant user ourselves in government. Increased competition between wholesale suppliers would ensure that Australian businesses, households and government consumers of software have improved access to computer programs at prices comparable to the lowest prices in the world. If you are going to compete with the best in the world, if you are the third biggest user in the world, then your inputs have to be competitive. That stands to reason. Repeal of the existing restrictions on parallel importation of software would allow retailers to select product from all suppliers on the basis of price, availability, service and reliability. This will result in increased access to popular applications for word processing, database management, accounting, desktop publishing and graphical analysis—all of which are very important for small business, the education sector and government.

Undoubtedly, Labor will argue that this bill will mean more pirated products, especially computer games and software, and job losses in the printing industry, as indeed the previous speaker just predicted. But we heard the same claim during the debate on the parallel importation of CDs, and it has not happened. There were dire predictions—and I am sure my Tasmanian colleague will remember this—from those opposite that 50,000 jobs would be lost in the music industry. That simply has not happened. That was a scare tactic. It never happened. And there is no reason to believe that it would translate into the book or computer software industries, either. The reality is that there is no evidence of job losses, and the sound recording industry has actually grown since 1998. In fact, it grew 2.9 per cent in 1999. That was ahead of the inflation rate. So the industry has grown. The 50,000 jobs have not gone. Why do we have to adopt this scare tactic when we move to another field of copyright? I do not know why. In terms of massive increases in pirated product, this simply has not happened.

Mr McMullan—It’s not that it’s not happening; it’s that you are not enforcing it.

Mr NEVILLE—Wait a minute. Just hang on. The Australian Institute of Criminology—a reputable body, I am sure you would agree—recently reported that since the 1998 amendments there has been ‘little to no evidence of the increase in CD piracy predicted by opponents of liberalisation’. The recent report on copyright enforcement by the
Mr McMullan—How will it be enforced?

Mr NEVILLE—Like all of those sorts of things are enforced. Allowing parallel importation—this is the point I want to make to my interjectors—does not mean that it will be legal to import pirated product, and it will not. On the contrary, the bill gives very substantial procedural assistance to copyright owners in civil actions by shifting to the defendant the onus of establishing that a parallel imported copy does not infringe copyright.

The bill puts the onus on the importer. In addition, where a criminal action is brought for copyright piracy, the penalties for infringement of copyright will be severe. The maximum liability for the importation and sale of pirated goods is $60,500 and/or imprisonment for five years for each offence, while the maximum liability for a corporation is $302,500. Any infringing articles or items are also subject to forfeiture or destruction. We have seen that. I have a very clear recollection of seeing both newspaper articles and film clips of pirated CDs being trashed—literally thousands of them; not the odd one picked up here and there, but literally thousands.

Mr Sidebottom—In Australia?

Mr NEVILLE—Yes, here in Australia. The changes in this bill are in step with many regimes internationally. As a result of the removal of restrictions in New Zealand, prices and release dates there now rival the rest of the world and the retailers’ negotiating power with suppliers has been strengthened. Would we not want the same for our Australian businesses? Within the European Union, which is a strong and uncompromising supporter of copyright protection, there are no restrictions on parallel importation. While the Europeans get it pretty well, and as we all know they are pretty tough when it comes to things like trade, even on this they are strong and uncompromising supporters of copyright protection and there are no restrictions on parallel importation. Why do we suddenly assume a victim status here in Australia—that everyone is going to go out and try to rip Australia off? Have we such a poor understanding of the subject, or do we have such a poor opinion of Australian business, or do we have such a poor opinion of the Australian consumer? That is what is implicit in the argument that the opposition has mounted here today.

Just before I finish, I would like to raise another matter. The shadow minister said that we were inconsistent in not applying this to the film industry. That is not so. I state an interest here: I worked in a senior position in the film industry some years ago and I have been the part-owner of a theatre. So I declare my interest. But I come with some knowledge of the medium. When it comes to films, we have two distinct areas. The first one is the system of releasing, which is very much an international one. You make a film and then release it internationally—generally, if you can, as close as possible to the same date around the world, or within a few weeks. You monitor very closely the first, second and third weeks. This is an indication of whether you can recoup the capital outlays that you have put into that film. Once that has occurred, the second level might be the first release of those films into country areas or regional areas. Then you come back and you look at second release in the suburban theatres and what drive-ins still remain. After that, you look to it going into the video shops. Then still further beyond that, you look at the sale of the tapes or, in this case, the sale of DVDs.

But if you are going to allow DVDs, be they local or parallel imported, to come in before the films have been exhibited in
cinemas, what you are doing there is cannibalising the industry. If you do that, there would be no incentive to have theatres and there would be no incentive to make films. Although you might get away with that for a while, the time would come when you would not have anyone prepared to make films. We would then live in a world of soaps and third-grade movies. So the cinematic industry and the supply of film in that case is a totally different one from all of these other areas that we have talked about this morning. Of course, there is a second dimension to that—that is, we have an Australian film industry to protect as well. The shadow minister made quite a thing of this, saying that we were inconsistent. We are not inconsistent. It is a totally separate cause. I think that deep down even the ALP recognises that and would want to see, like we do on this side, the Australian cinema industry prosper.

I would like to end with a quote from an editorial—and I return now mainly to the other products, not to the cinema products—that appeared in the Australian Financial Review on 20 June last year, which stated:

It is 10 years since the Prices Surveillance Authority identified the way the old ban on parallel imports of CDs allowed multinational record companies to extract high prices from Australian consumers for officially sanctioned imports. The last Labor government baulked at fixing this problem. It was well known in that party that there was need for reform, but it baulked at fixing it. It left it to the Howard government to put the interests of consumers ahead of big companies that control music distribution. After freeing up the imports of CDs and some other branded goods, the government is right to extend this principle to books and computer software.

Mr MURPHY (Lowe) (1.37 p.m.)—This afternoon I rise to oppose the Copyright Amendment (Parallel Importation) Bill 2001 for the simple reason that it is not in Australia’s best interests to risk Australian content and Australian jobs for minuscule reductions in price. The legislation before the House this afternoon proposes to amend the Copyright Act 1968 to allow the legal parallel importation and subsequent commercial distribution of computer software products, including interactive computer games, books, periodical publications such as journals and magazines, and sheet music. Parallel importation is importation that is alongside that of the local copyright owner. In 1998, the parliament passed legislation amending the Copyright Act to permit the parallel importation and sale of legitimate copies of sound recordings.

This legislation is about extending the application of that policy. This legislation provides for the making of the amendments in three schedules. Schedule 1 deals with the parallel importation of computer software products as well as electronic books, periodical publications in electronic form and sheet music in electronic form. The commencement of schedule 2 is delayed for one year. Schedule 2 provides for amendments to enable the parallel importation of printed books, periodical publications and sheet music. This is the traditional area of coverage of the publishing industry. Most of the items in schedule 3 relate to the correction or clarification of amendments made by the Copyright Amendment (Digital Agenda) Act 2000. These amendments will be taken to have commenced immediately after the commencement of the digital agenda act on 4 March 2001 in order to ensure the certainty of the application of these provisions.

Labor’s position on parallel imports is to preserve the ‘use it or lose it’ regime that currently exists for the book industry and extend it to apply to video games, computer software and the music industry. The ‘use it or lose it’ regime was gone into to a great extent by the member for Braddon, so I will not go over that again. Suffice it to say that Australian artists and all related Australian businesses, such as the small booksellers in my electorate of Lowe, do not deserve to have the rug pulled from under them by this Howard government. For too long we have lamented the horror stories of Australian ideas and inventions being exploited, plundered and sold overseas for production, after which we buy those products back as imports.
Australians are very creative. Unfortunately, we are not always quick to exploit our talent when it counts, that is, when some entrepreneurial action is required. Australians are always striving to ensure that our ideas and inventions become high value-added manufactures and services in the hands of Australians. So it comes as a great shock that an Australian government should make the task harder for the Australian creators of ideas and inventions. It also comes as a shock that an Australian government should seek to concuss a real Australian success story in the conversion of Australian ideas into high quality products.

That is what these amendments amount to. The creators and inventors are Australian authors and Australian writers who not only write for and speak to their fellow Australians but also take the history, their experience and thoughts and ideas into the wider world. More than that, Australian authors demonstrate that Australians possess new and interesting ways to see and understand through our unique experiences as Australians. Australian creativity is a gift to the world that does not deserve to be punished by this legislation.

Even in this information technology age, Australians still have a tyranny of distance to overcome. In a world awash with oceans of contesting information, ideas and views, it is a tyranny which means we have to jostle harder, shout louder and have to have something important and unique to say to secure the attention and ear of the world beyond our shores. Our authors are increasingly being noticed for their originality and work and are now sought after by international publishers, movie makers and so on. Underneath all of this, there has been a quiet but real revolution in the ways and means by which Australian authors have come to the attention of the world, and that revolution began with the Labor amendments to the Copyright Act in 1991. Labor was the first, and so far is the only, government to challenge overseas—particularly British—control of the publication and import of foreign works to Australia. At the time of that successful challenge, the most serious objection to that monopoly was the denial of access by Australian booksellers to North American works.

One of the features of the successful challenge by the then Labor government was what is known as the 30-day rule. This rule, briefly put, meant that where a work published overseas did not appear in Australia within 30 days of its overseas publication then the Australian booksellers were free to import it from its country of origin. That rule caused overseas publishing houses to open up operations in Australia. As a result, since 1991 there has been a blooming of independent publishers in Australia not only publishing foreign works but now financially viable to take on more and more Australian authors, particularly first-time authors. Consequently, over the last decade Australian publishers, Australian authors and Australian and overseas readers have all benefited. Now the coalition government and the ACCC propose to bring all that bounty to an abrupt end and deliver the Australian book industry to overseas multinationals in a single stroke. That is disgraceful. This government proposes to do this unilaterally. It is not as if the removal of the restrictions in this legislation is reciprocated overseas. It is happening only under this government.

Under Labor, the importation of a good for which there is a local copyright owner will be permitted only if the copyright owner does not release the good on the local market within 30 days after its publication or international release or the good, although released locally, is unavailable for purchase within Australia or is unavailable within Australia at an internationally competitive price within 90 days of that good being requested.

The 1998 decision by the Howard government to allow the parallel importation of CDs was supposed to deliver to the consumers dramatically lower CD prices.

Mr Williams—It did.

Mr MURPHY—Correct. The Attorney-General interjects that it didn’t.

Mr Williams—I said that it did.
Mr MURPHY—The Attorney says that it did. I apologise: I thought that he said that it did not. I cannot see the evidence in the shops that I go to in Sydney. I would be grateful for clarification of that, because that is not my experience and the experience of those on this side of the House. So we are in disagreement on that point. The reality, as usual with this government, was completely different, particularly for me. Parallel importation has not led to considerable drops in the price of CDs but has led to Australian record companies being threatened by cheap, often pirated imports while Australian musicians have been subject to reduced royalties. I invite the Attorney, in replying to the debate on this bill, to demonstrate to me that I am wrong.

In my view, the government’s legislation will result in an increase in pirated video games and computer software flowing into Australia, substantially undercutting the Australian industry. Surplus foreign books will be dumped on our shores. Recent evidence suggests the involvement of organised crime in the distribution of pirated material coming to Australia.

Finally, Labor’s ‘use it or lose it’ policy will ensure that consumers have access to the latest international releases at a competitive price and will ensure that Australian content, industry and jobs are not traded away for minuscule reductions in CD prices.

Mr WILLIAMS (Tangney—Attorney-General) (1.45 p.m.—in reply)—I propose to sum up the debate on the Copyright Amendment (Parallel Importation) Bill 2001 and, in so doing, I would like to thank the members for Fraser, Cook, Sturt, Barton, Bendigo, Braden, Curtin, Hinkler and Lowe for their contributions. This legislation has a simple purpose. It is to provide a fairer and more competitive environment for the sale and distribution of various types of commercially traded products. Over the years there have been many debates about both the principle and the effect of allowing parallel importation. It is a very fully considered matter.

The arguments we have heard in this debate have traversed a wide but essentially well-ploughed field. Questions raised included: are prices higher for books and software than they would otherwise be without the ability of the copyright owner to control distribution of foreign material? Does the analysis undertaken take account of the particular aspects of the industries involved? Will the industries survive? Is the change good for consumers? Do the legislation and the government’s action deal with related consequences? The coalition’s answer to all of these questions is yes.

Beginning with its 1989 report on the price of books, the Prices Surveillance Authority and successor organisations have carefully studied the impact of parallel importation on the book, sound recording and software industries. These studies clearly demonstrate that, in these industries, Australian consumers have regularly paid more for these products than would otherwise be the case if competitive products from parallel importers were allowed. Partial permission for parallel importation of books in 1991 depended on whether the publishers of books met market demand in Australia. It did not deliver the intended benefits of greater competition and, hence, world competitive prices. It has been too difficult for most parallel importers to ascertain when they can take advantage of the provisions in regard to top selling material.

On the other hand, full removal of control over parallel importation of sound recordings in 1998 has delivered the availability of lower priced top selling products. Top selling music CDs are available at prices considerably lower than top of the charts music CDs were selling at in 1998—except, it would seem, in the electorate of Lowe. The industry, despite the claims that the changes would destroy Australian music development, has continued to do well in trying circumstances internationally. There have been claims of greater piracy, but there is no evidence that this has been more than might be occasioned by changes in technology, and there has been no linking of piracy of sound recordings to parallel importation.
Following the changes, books and software will have world competitive pricing, and shoppers and retailers in Australia will be able to acquire these products without any margin derived from a monopoly over the supply of that product into the Australian market. Software in particular is now supplied extensively online. These provisions will enable retailers to supply products to customers and to compete fairly with overseas based retailers and warehouses. The exact margin of price falls will vary according to products and other factors, such as the exchange rate, but we would expect to see some reduction, and significant reductions in some products.

Claims that the government is misrepresenting the Australian Competition and Consumer Commission figures are not correct. In the ACCC’s all bestsellers table, which includes trade paperbacks and children’s books, the average price differential since the 30-day rule, introduced in 1991-92, is over 17 per cent. While these figures fluctuate dramatically from year to year, from a high of 39.3 per cent to a low of minus 4.6 per cent, there have been only two years out of the last 12 in which Australian prices for best sellers have been lower than in the United States. It is worth noting that the price differential quoted for the year 2000-01 represents only the first six months of that year.

Industries not only will survive but will flourish. We are living in an era of the globalisation of international trade. Only efficient, confident and effective industries will survive. To the extent that domestic industries in these sectors ever needed the additional control over distribution enabled by copyright control over importation, those days are effectively over. These measures will help these industries to either remain or become world competitive.

Australian software producers are unlikely to suffer any impact as Australian consumers have consistently demonstrated a preference for Australian authors. Remained books are unlikely to have any significant impact. Remained books constitute a very small proportion of the market. Books are remained because they do not meet with market acceptance. While there may be a small amount of difference in royalty payments between markets, this will be minimal and will affect only a small proportion of Australian authors.

Publishers of printed material are not likely to reduce the investment in books by Australian authors, as demand for books by Australian authors is high and growing. Independent publishers would have scope to negotiate contracts with international distributors that can mitigate any risk of remaineds entering Australia. Further, the removal of parallel importation restrictions should be seen within the context of the initiatives contained in the book industry assistance plan, which will provide $240 million worth of industry assistance over four years beginning in 2000-01.

There is no independent evidence to substantiate claims of large job losses and the potential closure of businesses. The Industry Commission in a report concerning Australia’s printing industry estimated that the 1991 partial relaxation of parallel import restrictions may have benefited Australia’s printing industry by up to $25 million per annum. This is because printing work has flowed to Australian printers in order to meet the current 30-day rule. However, it has also been suggested that the introduction of the large format paperback, trade paperback, largely as a result of the 30-day rule has proved to be beneficial to Australian consumers because of its lower recommended retail price. This suggests that these books will continue
to be produced despite the removal of parallel importation restrictions.

As I said earlier, there is no evidence to suggest that parallel imports increase piracy. Piracy is not an issue for books. Piracy in software is a substantial issue for the computer software industry. Software companies claim that if parallel importation restrictions were removed there would be a significant increase in the importation of pirated products. Both the recent ACCC and IPCRC reports made the point that the issue of piracy was separate from the issue of whether parallel importation restrictions should be removed. In a report commissioned by the IPCRC, the Australian Institute of Criminology, the AIC, found no substantial evidence of an increase in CD piracy due to the removal of parallel importation restrictions on sound recordings in July 1998. The AIC report confirmed the ACCC conclusion that piracy exists independently of parallel importation and has become predominantly a domestic and electronic distribution Internet downloading issue rather than a result of legislative amendments.

The proposed amendments will assist copyright owners because, as with sound recordings, printed material and software provisions, they will put the onus on parallel importers to prove the copyright legitimacy of their imports. The penalties for criminal infringement of sound recordings will also be substantially increased by the amendments to allow parallel importation of CDs. These increased penalties will apply to parallel importation of printed material and software. Criminal penalties for infringement of copyright are severe. The maximum liability for importation and sale of pirated goods is $60,500 for each offence and possible additional imprisonment of five years. Maximum liability for a corporation is $302,500. Infringing articles are subject to forfeiture and destruction.

The proposed change is good for consumers but not only for consumers. Consumers will benefit from a more competitive environment that will ensure world competitive prices, more choice of products and suppliers, and increased access to materials such as computer games, business software, personal finance software, magazines, journals, paperback and hardback books and sheet music. Not only will individual consumers benefit but so will small business and the education sector. The legislation will also encourage e-commerce in Australia and further develop the information economy.

There has been some criticism of the government’s consultation with industry on the legislation. I reiterate that the PSA, Industry Commission, CLRC and competition on IP committee inquiries were public inquiries with extensive public consultation. The book and software industries were also aware of the ACCC research. This bill did not suddenly appear with no warning. On the contrary, responses to a number of the reports were outstanding for some time.

The member for Fraser suggested in his contribution to the debate that, because the Department of Communications, Information Technology and the Arts did not give evidence to the Senate committee, perhaps they had not been consulted or involved in the production of the legislation. I can assure him that input from DOCITA was not ignored by the Attorney-General’s Department. As an area of particular interest, the Minister for Communications, Information Technology and the Arts and his department were heavily involved at all stages.

Various opposition members have drawn attention to the recent Senate Legal and Constitutional Affairs Legislation Committee report on this bill. The government is giving careful consideration to that report and will respond in due course. This bill deserves support by all who wish to see the domestic book, publishing and software industries flourish and all who think consumers deserve a better deal. It represents a carefully crafted policy that will help Australia in a world of global trading and comes in the context of a range of policies and measures that will assist the industries and Australia generally to derive maximum advantage from that world trading environment and in the information
economy of the future. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr McMULLAN (Fraser) (1.58 p.m.)—Were we not within two minutes of question time, we would have divided on the second reading of the Copyright Amendment (Parallel Importation) Bill 2001. However, it would have disrupted question time and the proceedings of the House, so it was not appropriate. We have a fair idea of what the outcome of a division would have been, so we feel it was unnecessary to call it, but I do want to make it clear that in normal circumstances that would have happened.

I feel somewhat sorry for the Attorney-General. Obviously he has a very broad range of responsibilities and does not have time to give detailed consideration to every matter that comes before him and has not been able to give detailed consideration to the information being provided to him by the Australian Competition and Consumer Commission in attempting to justify the unjustifiable with regard to the book industry. We will have a chance to come back to this later.

What I really want to take up and ask the minister to respond to as we look at this bill is the attempt he made in summing up the second reading debate to justify the government’s position by saying that any potential adverse consequences for the book industry would be compensated by the book industry support package. This government negotiated a deal with the Democrats to put a GST on books and, in return, gave them a compensation package. That package was introduced to compensate the book industry for the impact of the GST on books. It cannot do both. This government negotiated a deal with the Democrats to put a GST on books and, in return, gave them a compensation package. They always felt that it would be used to justify subsequent attacks on them and the minister has proved them to be correct. It is a serious problem for this industry and the minister’s attempt to justify the unjustifiable is entirely incapable of being justified.

Mr SPEAKER—Order! It being 2 p.m., the proceedings are interrupted in accordance with standing order 101A. The proceedings may be resumed at a later hour.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Veterans’ Affairs will be absent today. He is attending the official opening of the 86th congress of the Returned and Services League Victorian Branch. The Minister for Defence will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Taxation: Family Payments

Mr BEAZLEY (2.00 p.m.)—My question is to the Minister for Community Services. Minister, isn’t it the case that, under the government’s tax system, families no longer have a 10 per cent margin for error in estimating their income for family payment and that, if they are even a dollar out, they will have a tax debt raised against them? Isn’t it the case that around 13,000 families in Aston receive family payments that will be reconciled from 1 July? Isn’t it the case that as many as half of these families risk receiving a family payment debt under your new system? Minister, is this the reason that Centrelink’s first batch of debts won’t be levied until 16 July, two days after the Aston by-election?

Mr ANTHONY—You can never believe what the Leader of the Opposition says; not at all. One of the great success stories of this government has been the family tax benefit, and the reason for that is that 2.2 million families and over four million children across this country have received substantial increases in family tax benefit. What is wrong with that? What is wrong with substantial increases in the family tax benefit being paid this financial year? What is more, we gave families choice. We gave them the choice of receiving their payments fortnightly or, if they wished, they could receive their payments at the end of the year. Most importantly—and something which was never the case under the complicated system of 12 complex payments, a system that we
inherited from the Leader of the Opposition and the ALP when they were in power—we have simplified the process with only three payments and have increased the payment levels substantially for FTB parts A and B and for the child-care benefit.

What is more, for the first time, if families have overestimated their income, we will give them a 10 per cent top-up. They never had that under the Australian Labor Party. We want to ensure that families do give accurate estimates, and that is why we have continually notified and advised families, and over 880,000 have made changes to their estimates over the past year. But the greatest thing that we have done for the families of Aston is to reduce interest rates, which were up to 17 per cent when you were Minister for Finance and are now down to less than seven per cent.

That means that on, let us say, the average mortgage in Aston, which might have been $150,000, they are today saving—in comparison with when the Labor Party was in government and interest rates were at their peak—over $1,000 a month. That is a good reason that the citizens of Aston should return the Liberal-National Party government and never return the Labor Party.

Papua New Guinea: Port Moresby Disturbances

Dr SOUTHCOTT (2.03 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister update the House on recent events in Port Moresby, and what advice does the government have for the many Australians living in Port Moresby?

Mr DOWNER—I thank the honourable member for Boothby for his question. I know how interested he is in Australia’s international relations and the Asia-Pacific region. The government is deeply worried by the widespread violence and looting which has been taking place in Port Moresby over the last few days. I am particularly saddened to hear reports of the loss of life that has taken place. It is estimated that somewhere between three and six people have been killed. The last report I heard was that possibly as many as six people have been killed. The situation in Port Moresby remains very tense after such a dramatic period of unrest and there are, I understand, still people on the streets. My department continues to advise Australian residents in Port Moresby to exercise a very high level of personal security awareness. I would also recommend to all Australians who are planning to visit Port Moresby to look at my department’s consular advice and make sure that they get an up-to-date version of that advice.

Yesterday, the Prime Minister telephoned Prime Minister Morauta of Papua New Guinea to express the government’s support for the Papua New Guinea government at this difficult time and to make clear Australia’s continuing strong support for Papua New Guinea’s economic and political reform programs. The Australian government has been, and will continue to be, a strong supporter of the reform programs of the Papua New Guinea government. We have provided over $192 million in loans to the Morauta government to assist in implementing its reform package. We have also been very active at senior levels, in discussions with the World Bank and the International Monetary Fund, to encourage them to adopt a flexible and sympathetic approach to the implementation of these important and, frankly, difficult reforms.

The Morauta government deserves strong support from Australia and also from our other regional partners and from international financial institutions. If Papua New Guinea stumbles and the reform program is abandoned, it will be a disaster for the Papua New Guinea economy and a disaster for the people of Papua New Guinea. It is very important that people in Papua New Guinea understand the consequences of the failure of the reform program. The Morauta government has shown itself determined to set Papua New Guinea on a path to stability and progress. It has done so not only with the economy but also with its excellent work on the resolution of the Bougainville crisis, in which resolution we have played a significant role. It is very important that Australia continues to give strong support to Papua New Guinea at this difficult time.
**Taxation: Family Payments**

Mr SWAN (2.07 p.m.)—My question is directed to the Minister for Community Services. Can you confirm that a family with two children and on an average income who underestimated their income by as little as four cents in the dollar stand to receive a $1,000 family payment debt under the Howard government’s tax system? With Centrelink saying there are likely to be up to 500,000 families who will incur a debt to your government, don’t you stand to claw back up to a billion dollars in family payments? Why should families cop a $1,000 debt, a clawback amounting to 2½ months of their family payments? Is this the reason why Centrelink’s first batch of debts will not be levied until 16 July, two days after the Aston by-election?

Mr ANTHONY—I am certainly not going to rely on the member for Lilley’s example, because we know plenty of examples, like the Lilley price watch, which are hardly credible. What I can say is that this Sunday there will be an increase in family tax benefits which will benefit all Australians. There will be a 5.8 per cent increase, and for families that is an increase of nearly $7 per fortnight for a child under 13 and $8.54 for families where there are children between the ages of 13 and 15. The fact is, there has been a massive increase in family assistance—

Mr Horne—Massive?

Mr ANTHONY—Absolutely massive. I am glad the member for Paterson has interjected, because that will certainly help the citizens in his electorate, as it will help the citizens of Aston.

Of course, what we do want to ensure is that those families who are receiving family tax benefit get their estimates correct. There are over 1.2 million Australian families who will receive it. There are about 1.8 million who are receiving fortnightly payments; there are about 400,000 who will receive it at the end, and they will claim it through the taxation system. There have been massive increases that have been of assistance to families. The other great element that the Liberal and National parties have introduced is over $12 billion in tax cuts, which they would never have got if the Labor Party had been in government.

**New Tax System: Benefits**

Mr CAMERON THOMPSON (2.09 p.m.)—My question is to the Treasurer. Would the Treasurer advise the House how Australians on average weekly earnings have benefited and will continue to benefit under the new tax system?

Mr COSTELLO—I thank the member for Blair for his question. I can inform the House that, under the government’s new tax system, from 1 July last year Australian income tax payers received an income tax cut. They received it in full and on time. As a consequence of the government’s reform of income taxes, if you earn between $20,000 and $50,000 per year, you face a marginal income tax rate no higher than 30 cents in the dollar. That applies to 80 per cent of Australian taxpayers. Average weekly ordinary time earnings in Australia today are $42,000. If the Labor Party’s income tax rates were still in place today, a worker on average weekly earnings would be facing a marginal tax rate of 43 cents in the dollar. It was only because the Labor Party failed in stopping us reforming the income tax system that that marginal tax rate has been reduced for average earners from 43c to 30c.

If we look at the taxation statistics, in 1998-99 there were nearly 1.3 million people who had taxable incomes between $38,000 and $50,000. Those people who under Labor would be on a 43c top marginal tax rate are now facing a top marginal tax rate no higher than 30 cents in the dollar. Tax relief for 1.23 million people, in reducing their top marginal rate from 43c to 30c—

**Opposition members interjecting—**

Mr COSTELLO—No wonder the Labor Party seeks to interject, because they do not like to hear that, if it had not been for tax reform, that marginal rate would be 43 cents in the dollar rather than 30 cents in the dollar.
In addition to that, of course, the government introduced increased family assistance of $2.4 billion a year, as the minister has said. Let me talk about a family on average earnings of $42,000 with one child under five and two children in addition—a family with three children. Taking together their tax cut and their family assistance, that family has received, by way of a tax cut and an increase in family assistance, an extra $86 a week as a consequence of tax reform.

Why would the Labor Party have opposed tax reform? They opposed tax reform out of a mean, ideological, socialist spirit. They did not want to let average workers have a lower marginal tax rate. They did not want to help families. They were wedded to the wholesale sales tax of the 1930s, and they opposed great benefits for families on middle incomes. Families on middle incomes had tax relief delivered by the coalition, which has always been the party to support middle Australia.

**Taxation: Family Payments**

Ms BURKE (2.14 p.m.)—My question is to the Minister for Community Services. Isn’t it the case that a family such as the Danes from Melbourne, who were eligible for $55 a fortnight under family tax benefit B, are now going to be hit with a debt of more than $700 come tax time, because Mrs Dane was recently offered three days work a week? How can a mother caring for a child full-time know a year in advance whether she is likely to get a part-time job, and why should she be financially punished if she does?

Mr ANTHONY—What that family would know is this: if the Labor Party had still been in government, that family would have been paying substantially higher taxes and substantially higher mortgage repayments, which would have had a dramatic impact on their family and on their living standards. The government’s policy is very clear, with family tax benefit part A and family tax benefit part B, which we introduced, providing a substantial increase in family tax benefits for single income families or sole parents. Indeed, ACOSS have specifically said that family tax benefit part B has been one of the greatest things that has assisted single income families and sole parents, because on average there has been a $50 increase in family tax benefits per fortnight.

With family tax benefit part B, we gave them a choice. A single income family had one tax-free threshold; we thought it was advisable, if they had one income earner, to give them the benefit of perhaps another tax-free threshold whereby they could earn up to $10,000. If this family had gone back into the work force—and I will have to check that example—then clearly they have received family tax benefits that they may not have been entitled to. But I can tell you this now: that particular family, and indeed over 1.2 million families that are receiving family tax benefit part B, are receiving substantially more today than they ever got when the Labor Party was in government.

**Telecommunications: Policy**

Mrs GASH (2.16 p.m.)—My question is addressed to the Prime Minister. Will the Prime Minister advise the House about the significant benefits that consumers have received under this government’s telecommunications policy? Prime Minister, are you aware of any threats to these benefits from alternative policies?

Mr Martin Ferguson—Did you find those reds under the bed?

Mr SPEAKER—I will deal with the member for Batman unless he exercises appropriate courtesy.

Mr HOWARD—I think you got to them first, Martin. I thank the member for Gilmore for her question. She asks me whether I can describe any of the benefits that have flowed from the competitive pro-consumer telecommunications policy of the government. Yes, I can describe many of those benefits; but, better still, I draw her attention and the attention of the House to an independent publication—not a publication of the Liberal Party of Australia or a publication of the Commonwealth government but a report from the ACCC. Interestingly, it is a report on communications services prices. I understand that this report has come out today. It
makes very interesting reading. It makes particularly interesting reading when it is juxtaposed with the speculated Telstra policy of the Labor Party. This report says that, as measured by the primary index—that is, an index of the prices of all services and all consumers—between 1996-97 and 1999-2000 the prices of telecommunications services measured by that index fell by 17.5 per cent. It goes on to say that the fall for residential consumers has been 17.2 per cent; for business consumers, 15.6 per cent; for mobile telephony, 18.9 per cent; for local calls, 13 per cent; for national long distance calls, no less than 23.5 per cent; for international calls, 53 per cent; for calls from fixed to mobile services, 7.9 per cent; for all services in the capital cities, 25 per cent; and for all services outside the capital cities, 22.4 per cent.

It then goes on to deal with the customer service guarantee and it reports significant improvements in connection and fault repair times, particularly in rural and remote areas. Fault clearance on time in rural areas is now 92 per cent. The figure for new service connections in rural areas with infrastructure is 93 per cent; in remote areas with infrastructure, 94 per cent; and remote without infrastructure, 90 per cent. This report is an excellent report card on the competitive outcomes of the telecommunications policy that has been followed by this government. As a result of the telecommunications policy of this government, we now have lower prices and better services, and it is in stark contrast to the ‘bring back the PMG’ mantra of the Leader of the Opposition that would threaten these declines in prices and would reduce the quality of services right across Australia, particularly in regional and rural areas of our country.

DISTINGUISHED VISITORS

Mr Speaker—On behalf of the parliament, may I extend a warm welcome to a very good friend of Australia’s, the Ambassador for the United States, His Excellency Mr Gnehm, who is present in the gallery this afternoon. He is accompanying members of the reserve military forces from the United States, Canada, the United Kingdom and New Zealand. To our guests, I extend a particular welcome.
I understand that we also have in the gallery a group of parliamentarians from the Queensland state parliament, and I extend a warm welcome to them as well.

**Honourable members—Hear, hear!**

**QUESTIONS WITHOUT NOTICE**

**Taxation: Family Payments**

Mr SWAN (2.24 p.m.)—My question without notice is directed to the Minister for Community Services. Minister, is it true that the Department of Family and Community Services and Centrelink have secretly engaged in crisis planning to deal with complaints arising from the issue of up to 500,000 family tax benefit debts and 200,000 child-care benefit debts after July this year? Has Centrelink issued impact assessments for each region detailing the measures to cope with the backlash, including the formation of a national command and control centre, Saturday morning office openings, flying squads, cancellation of staff leave and instructions to avoid ‘normal work’? Minister, don’t these widespread and detailed arrangements reflect the enormity of the financial impost that you are about to impose on Australian families?

Mr ANTHONY—Of course the government is taking this reconciliation issue very seriously, and that is why over the last three or four months—

*Mr Swan interjecting—*

Mr ANTHONY—It is interesting that the member for Lilley never gives a bouquet to Centrelink. He is always the first to criticise this particular agency. I, for one, want to defend the 22,000 employees that work in Centrelink and the terrific job that they do, rather than being constantly run down by whingeing, whining Wayne because he has a political agenda there. To answer the question, yes, we put on about 700 people recently at Centrelink. More people have come on in our call centres during the last three or four months, because we want to make sure that families, when they ring one of our many call centres in this country, are able to give changes to estimates. It is particularly important that families give accurate estimates. That is why we have allowed this opportunity now: if they have made an underestimate in their income, we can top it up by 10 per cent.

Of course they are going to be extremely vigilant when the new taxation system with reconciliation takes place over the weeks and months ahead into the next financial year. What is wrong with that? What is wrong with a government being prepared to assist families to ensure that they get their repayments, particularly if it is through the taxation system, or that they get their top-ups? There is nothing wrong with that. The great thing with the family tax benefit has been that families have received substantially more, particularly families with young children, whether they are sole parents or single parents, and there have been substantial increases in the child-care benefit, which there never was when the Labor Party was in government.

**Rail: Reform**

Mr St CLAIR (2.27 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House as to the progress of the government’s rail reform? Is he aware of any alternative policies?

Mr ANDERSON—I thank the honourable member for New England for his question. Rail reform is very important in Australia, particularly in a context where the Bureau of Transport Economics is predicting a doubling of freight volumes in this country over the next 15 years. It is important not only for moving freight around but also it has great environmental advantages—fuel efficiency advantages. In urban congestion, it will be vitally needed in cities like Melbourne, Sydney and Brisbane in the future. Labor neglected rail to the point where it virtually collapsed in Australia, yet the interesting thing is that we have had a real response to strong leadership from this government in better rail performance, where we have been able to get cooperation from various state governments.
A very potent illustration of this is what is known as the east-west corridor across the Nullarbor—that is to say, from Perth to Adelaide and to Melbourne, and points beyond and points between—where in recent years we have seen travelling times come down significantly and we have seen costs come down significantly as four rail operators have competed for business above track. Volumes have gone up to the point where that rail link now has 77 per cent of the freight—perhaps the highest penetration level of any major freight corridor in the world—being hauled by rail. That 77 per cent of freight across the Nullarbor on the east-west corridor contrasts with the next major corridor, which is the north-south corridor, at 10 per cent. The north-south corridor is from Victoria through to New South Wales and Queensland, or Melbourne-Brisbane and points beyond and points between. That is 10 per cent and falling on the north-south—while that is, Victoria, New South Wales and Queensland. Who stands in the middle of that corridor? Labor in New South Wales. That is who stands in the middle of that corridor.

For all of the efforts, for all of the leadership, for all of the contribution to rail reform by many governments in this country, we still cannot get through the ARTC seamless rail access in New South Wales. That is what stands in the way of rail reform in this country. When it comes to transport reform, they were asleep at the wheel. We ought to take note of the form that is indicated by New South Wales. They are also asleep at the wheel. That is the major impediment to rail reform in this country and I can only urge that, in the interests of a rail sector in this country that produces efficient, reliable transport by the heavy freight sector, with massive environmental and economic benefits, the Premier takes some interest in this very important matter and gets on with the job of providing an environment where we can get the reform we need.

Taxation: Family Payments

Mr SWAN (2.32 p.m.)—My question is directed to the Minister for Community Services. Minister, in addition to the previous measures, will you also confirm that Centrelink and Family Assistance Office call centres will take the unprecedented step of boosting staff by 400 to handle complaints about family payment debts? Minister, will this not bring staffing well above levels that were required during the introduction of the GST in July? Minister, do you still expect us
to believe that the family and child-care payment debts are a small-scale problem, and is this the reason why Centrelink’s first batch of debts will not be levied until 16 July—two days after the Aston by-election?

Mr Anthony—I appreciate the member for Lilley asking me the same question, which I answered before. He is not only dumb and blind; he might also be deaf. I did say in answer to the last question that many months ago we put on about 700 extra staff in our call centres. We are planning; we are a government that responds to a whole range of situations—not like the previous Labor administration. I would also like to clarify a point that the member made in his question and also in an earlier one. He somehow makes this assertion that we are holding all this data back for political gain in the Aston by-election. That is absolutely incorrect. For your benefit, I will help to educate you. A reconciliation cannot occur until after the payments up to 30 June 2001 are made. That seems fair enough. We have to wait until the end of this financial year. We have got to be patient and wait till Friday.

Mr Swan interjecting—

Mr Speaker—The member for Lilley has asked his question.

Mr Anthony—Be patient, my friend: you might learn something here. Some families will not receive payments until 13 July 2001 because they are on that pay cycle. Someone who receives payment on Friday, 29 June will not receive their full entitlement for the financial year until Friday, 13 June 2001.

Mr Howard—July.

Mr Anthony—July: I beg your pardon—Friday, 13 July 2001.

Mr Howard—He wants us to work at night on the 13th.

Mr Speaker—Prime Minister, the minister has the call.

Mr Anthony—So we are going to post them all out on Saturday? The facts are that the reconciliation process is on schedule. Notices will be going out and, if you receive a payment this year on a fortnightly basis, you will receive it in two weeks time—that is, Friday, 13 June.

Mr Howard—July.

Mr Anthony—July. I keep on thinking of how much more money we have given this year. The only family you care about, Member for Lilley, are your brothers and sisters in the trade union movement.

Science and Innovation

Mr Lloyd (2.35 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Is the minister aware of any threats to innovation funding? Would the minister advise the House of the implications of such threats, and is he aware of any alternative innovation policies?

Dr Kemp—I thank the honourable member for Robertson for his question. I am aware of threats to innovation funding in Australia. Those threats come from the Australian Labor Party, which, in the Senate, is now obstructing and delaying the first year’s funding of major initiatives which are part of Backing Australia’s Ability, the magnificent $3 billion package to promote innovation and science in Australia. Passage of this bill is required by the end of this week if university students and researchers are to plan effectively for next year. Currently Labor is holding up next year’s funding for the government’s commitment of $995 million in postgraduate loans for lifelong learning, it is holding up the first year’s payment on $736 million for Australian researchers, it is holding up $533 million for science infrastructure, laboratories and libraries, and it is holding up 2,000 extra university places. These places will not be available to be allocated when the universities require them, as a result of directions given to the Labor Party by the Leader of the Opposition.

Mr Crean—that’s a lie.

Dr Kemp—you mean the Leader of the Opposition has not directed the Senate to do this? He has not directed it? This is all Senator Kim Carr’s own frolic, is it? Has the Leader of the Opposition directed this or not? He is not in control. No, he does not control it. The chaos in the Labor Party is
such that this is being held up in the Senate, apparently without the consent of the Leader of the Opposition. This shows the utter hypocrisy—

Mr Beazley—What about you?

Mr SPEAKER—Leader of the Opposition, the minister has the call.

Dr KEMP—of the Labor Party. It claims it wants to promote knowledge.

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition is defying the chair.

Dr KEMP—Yet it is threatening to stop the universities getting additional places to train students in science and information technology and innovation. It claims it wants to promote knowledge, yet it is threatening vital extra funds for our brightest researchers. It claims it wants to promote knowledge, yet it is threatening programs to build up university laboratories and libraries. The fundamental fact behind this is that Labor is desperate for money. We know it is going to cut money for boarding schools; it is preventing money going to fund new low fee schools, including Catholic parish schools and an Aboriginal community school in the Kimberley in Western Australia; and now, at the Leader of the Opposition’s direction, it is stopping funding to the most important government investment in knowledge and innovation for decades.

Yesterday the Leader of the Opposition tried to kill off Carmen Lawrence’s education bonds, because they gave away Labor’s secret agenda of plunging Australian government finances back into debt and pushing up interest rates. But last night we learned that the secret agenda is still being pursued. According to this morning’s Australian, education spokesman Michael Lee was due to meet the Australian Vice-Chancellors Committee to discuss education guidelines. The secret agenda is still being rolled out. The Leader of the Opposition tried to hide it yesterday, and it is still being rolled out. That is what the Australian said this morning.

My attention has been drawn to a further proposal by the Leader of the Opposition in the Financial Review on 18 May to provide mezzanine finance to fund his knowledge policies. My understanding of mezzanine finance is that that is the finance you get when your debts run up so high that the banks will not fund you any more. On top of that, you get mezzanine finance and high interest rates. The worst finance minister in Australian history is now casting around for these funny money alternatives to fund a policy that he has not got the money to pay for.

This government’s innovation policies are funded in the budget because we have managed Australia’s economy well. The Leader of the Opposition is now creating uncertainty for all Australia’s researchers and scientists. They do not know whether they are going to get any money out of this package, because he is directing that the funding be delayed in the Senate. All we do know with certainty is that the Labor Party continues to be what it has always been: a negative, obstructive opposition that you cannot trust with money.

Taxation: Family Payments

Mr SWAN (2.41 p.m.)—My question without notice is directed to the Minister for Community Services. Minister, can you confirm that the government will in most instances claw back Centrelink family payments by stripping some or all of families’ tax refunds rather than sending out debt letters? Why is the government attempting to hide the family debt problem in the government’s tax system?

Mr ANTHONY—It is disappointing that the member for Lilley and the opposition have this policy—if they have a policy—where they obviously do not agree with the family tax benefits, which have been extraordinarily generous. I was just wondering what, if you were ever to be successful in regaining the treasury bench, you would do. Are you going to roll it back? Are you going to strip away family tax benefits? Are you going to strip away—

Mr SPEAKER—The minister will address his remarks through the chair.

Mr ANTHONY—What we have done—
Mr Swan interjecting—
Mr ANTHONY—is increase payments—
Mr Swan interjecting—
Mr SPEAKER—The member for Lilley is warned!
Mr ANTHONY—What we have done is to increase payments dramatically to Australian families. That is a good thing. We have also educated Australian families so that, when they have a change in circumstances which affects their income, they need to let Centrelink know. That is why we have had over 800,000 families over the last five months—
Mr McMullan—Mr Speaker, this particular question was very brief and specific—
Mr SPEAKER—Does the Manager of Opposition Business have a point of order?
Mr McMullan—Yes, it goes to relevance. This is a specific question relating to whether or not the debts were going to be reclaimed by taking away people’s tax refunds. This might be a good answer to some of the previous questions, but it does not relate to this question, which was specific and explicit and needs an answer.
Mr SPEAKER—The minister was addressing the issue of family payments and I had allowed him to continue. I will listen for his response to the question.
Mr ANTHONY—What I was attempting to say before I was interrupted by the Manager of Opposition Business was that there has been a substantial increase. What we do want, though, is for families to have to give their accurate estimates. We do not want to pay them—
Mr McMullan interjecting—
Mr ANTHONY—This is not clawback at all. It has absolutely nothing to do with it. What it is about is getting accurate estimates. Of course, what we have done, which we are the first government to do, is, if people underestimate their income, we give them a 10 per cent top up. That was never done when the Australian Labor Party was there. There have been substantial increases. What we want are accurate estimates, so that families get their correct entitlements—and that is what we are doing.

Dairy Regional Assistance Program
Mr SOMLYAY (2.45 p.m.)—I ask the Minister for Agriculture, Fisheries and Forestry to update the House on the progress of the federal government’s Dairy Regional Assistance Program. How is this program assisting communities which relied heavily on dairying as a major employer and are now searching for alternative industries? Minister, what obstacles exist to the government’s assistance for dairy communities?
Mr TRUSS—I thank the honourable member for Fairfax for his question—

Opposition members interjecting—
Mr TRUSS—I note the very quick responses and jeers coming from members opposite. They are always very quick to condemn this government’s program to assist dairy farmers who are struggling to come to grips with the decision by state governments to deregulate their industry. Labor has done nothing for dairy farmers. It has done nothing in Queensland, nothing in New South Wales, nothing in Victoria—
Mr Sidebottom interjecting—
Mr SPEAKER—I expect the member for Braddon—
Mr Horne interjecting—
Mr SPEAKER—and the member for Paterson to extend to the minister the courtesies obliged under the standing orders.
Mr TRUSS—Labor has done nothing to assist dairy farmers.
Mrs Draper interjecting—
Mr SPEAKER—The member for Makin!
Mr Vaile interjecting—
Mr SPEAKER—Minister for Trade!
Mr Horne—Mr Speaker, on a point of order: I invite you to ask the minister to come to the point rather than inviting members from—
Mr SPEAKER—The member for Paterson will resume his seat. He does not have a point of order. The obligation on the
The member for Paterson is as contained in standing order 55.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan is warned!

Mr TRUSS—After the states acted to deregulate their dairy industries, this government put in place a significant assistance package for dairy farmers. That package has already committed over $1.6 billion to dairy farmers around Australia. But included in the package was a small element to provide assistance also to dairy communities. An amount of $45 million—hopefully boosted to $60 million shortly—will help provide assistance to those communities that have also been affected by dairy deregulation. The honourable member for Fairfax represents one of those communities. Indeed the Caloolla shire is one of those areas that have been identified amongst the 10 most affected shires in the whole of Australia. So the dairy adjustment program has already provided 100 projects to create new jobs and new industry opportunities in communities around Australia.

I am surprised at the interjections from members opposite, because when this program was introduced the shadow minister actually sought to take credit for it. He actually went out and said, ‘I called for provision to be made for regional adjustment assistance to help communities with the impacts of deregulation.’ So the man who masquerades as the shadow minister, when he is not asleep at the wheel, supported this program when it was introduced. But, of course, over in the Senate, where Senator Forshaw actually runs Labor policy, the attitude is somewhat different. In fact, this week in the Senate, Senator Forshaw, when referring to this program and commenting on an announcement, said:

Not so long ago, $1.5 million was announced by the Prime Minister ... for a meatworks in the electorate of the minister for agriculture.

As usual, he got nearly all his facts wrong. It was $1.6 million. Also, the Prime Minister did not make the announcement in my electorate, nor is the meatworks in my electorate; it is in the electorate of the honourable member for Fairfax. It is a $1.6 million project that will create about 100 new jobs. That is the sort of program that Senator Forshaw is criticising. In fact, he actually called it ‘milk-barrelling’. That was the word he used. So, whenever assistance is to be provided to a country electorate, a country area suffering from deregulation implemented by a state Labor government, Labor dismisses it all as milk-barrelling. So there is a pretty clear message out there to people in rural and regional Australia: if ever Labor is elected, any programs that benefit rural and regional Australia are on the rack.

Naturally, you cannot blame Senator Forshaw for getting the electorates wrong. I know that, like most Labor operatives, he has not left the city limits too long, so he has probably got his geography a bit mixed. But the reality is that this is a significant project in the electorate of the honourable member for Fairfax that has already—

Mr Sidebottom interjecting—

Mr SPEAKER—I warn the member for Braddon!

Mr TRUSS—shown the potential to provide significant benefits for that region. So, once again, where are Labor heading? At one stage, we had the shadow minister for agriculture saying that Dairy RAP was a good idea. Senator Forshaw, who is usually running agriculture policy, says the opposite. We go into other areas as well. The shadow minister for education sits on the front bench, but the real decisions, or announcements, are made by the member for Werriwa. And we have the shadow foreign minister on the frontbench, but the member for Griffith making the decisions. Labor are divided. They do not know where they are going and it is high time they backed the government’s initiatives to provide real benefits to dairy farmers around Australia.

NATURAL TAXATION: FAMILY PAYMENTS

Ms GERICK (2.50 p.m.)—My question is to the Minister for Community Services. Minister, isn’t it a fact that the government will not provide families with the information to calculate their likely family payment

Ms GERICK-
debt, making it impossible for accountants or families to determine their tax assessment under the Howard government’s tax system? Minister, with many families making financial decisions based on their expected tax refund, isn’t the government’s strategy to hide the debt problem going to cause many families great hardship?

Mr Anthony—Over the last year, through numerous publications, through advertising and also through correspondence to those 2.2 million Australian families receiving extra family tax benefits—substantial increases under the Liberal-National government—we have continued to communicate with them to ensure that they give Centrelink an accurate estimate of their income. That is what we have been doing and that has been our policy over the last year.

Mr Albanese interjecting—

Mr Speaker—The member for Grayndler!

Mr Albanese interjecting—

Mr Speaker—The member for Grayndler is warned!

Forest Industry Structural Adjustment Program

Fran Bailey (2.52 p.m.)—My question is addressed to the Minister for Forestry and Conservation. Would the minister update the House in respect of the distribution of the regional forest agreement—Forest Industry Structural Adjustment Program—funding, and any other assistance to the Australian hardwood industry? Would the minister also inform the House what representations he has received in support of grant applicants and any difficulties he has experienced in arranging the expenditure of these funds?

Mr Tuckey—I thank the member for McEwen for her question and her continuing interest in the welfare of the workers of the forest industry in her electorate. Whilst she would be primarily interested in the arrangements in Victoria, let me inform the House that just recently grant offers were made to 11 separate localities within Queensland, where of course the state government has rejected any assistance to sawmills and the Commonwealth has had to go it alone. The electorates involved are Blair, Fairfax, Wide Bay, Capricornia, Longman, Hinkler and Oxley. All of those particular electorates have benefited from a grant of $4.127 million. Furthermore, advertisements—that much criticised activity that the opposition levels at us—have gone out in New South Wales to invite applications for funds totalling nearly $40 million.

The member for McEwen of course is very interested in the circumstances in Victoria, being a representative from that state. Five RFAs were signed in Victoria and an amount of money totalling some $42.6 million was allocated for distribution both by way of business exit and, of course, business development, which is the job creating aspect of this particular program. As a consequence, 12 industry development assistance grants valued at $5.3 million have already been offered to applicants in that state. Another 31 applications valued at about $9 million are well advanced in the assessment process, and I anticipate offers are imminent. These grants cover the forestry dependent electorates of McEwen, Indi, Gippsland, Burke and McMillan, and they will result in approximately $60 million when they are leveraged up by private investment of new investment providing new jobs and protecting existing jobs. There is a projected high total of $3 million going to one of those electorates.

As I said a moment ago, this process was well advertised, and I have noted that a number of MPs with a genuine interest have made representations on behalf of the applicants in their electorates. Members from Victoria are currently giving applicants information and asking them if they can offer assistance, and they have been consistent in their applications to me, ensuring that the interests of their constituents are properly represented. In fact, those members are the member for Indi, Mr Lou Lieberman, the member for McEwen, Mrs Fran Bailey, and the member for Gippsland, the Hon. Peter McGauran. Other members making representations that have not received grants include the member for Corangamite, Mr
McArthur, the member for Ballarat, Michael Ronaldson, and the member for Burke.

If anybody has read my list of the forestry dependent electorates, they will note that there is one name missing—the person who stood up in this House yesterday, trying to gain a political advantage over the misfortune of his own constituents. What was he up to? He is quoted in the Sun-Herald today as saying that his electorate has not got a cent. Yet, in fact, in that first $5 million worth of offers, there is one very substantial offer to the electorate of McMillan. So he has already got some money. His problem is that he did not know, and, worse, he did not care. He has a habit of jumping up and making personal explanations. At the end of this question time, he might tell us who the body is that already has a grant, and, more, who is the other operator that is going to get three times as much money, if that application that is still on the waiting list is successful.

Mr Speaker, I have called to your attention just how many people, including the member for Burke, have written to me and put their case for the workers, but I have had not one word from the member for McMillan. Has he rung up these applicants and said, ‘Listen, fella, is there any help that I can give? Can I use my office to go and talk to Tuckey about it?’ Yesterday, the member for McMillan—

Mr TUCKEY—Ha! The member for McEwen is always there. But never has the member for McMillan cast his shadow upon my door. It would be a pretty poor shadow. But the reality is that there is a need for the member to go and talk to some of the people that are seeking government assistance because he can give them the value of the expertise of his office to ensure that they do get the money.

But let me take this a step further, because in fact it is a habit of this member at the end of every one of my speeches of this nature to stand up and quote two letters he has written to me. We had better talk about those. The first one is a letter that asks for my assistance in a matter relating to a state government.

Mr Beazley—Mr Speaker—

Mr TUCKEY—Isn’t it amazing—the big guy is in to help the little guy.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect!

Mr Beazley—Mr Speaker, I raise a point of order on relevance and proportion.

Mr SPEAKER—I have not as yet recognised the Leader of the Opposition. He is entitled to be heard in silence.

Mr Beazley—I raise a point of order on relevance and proportion, Mr Speaker. This rant has gone for 10 minutes. When are you going to sit him down?

Mr SPEAKER—The Leader of the Opposition is aware that that was not a valid point of order. There is no restriction in the standing order about the time taken to answer questions; nor has the time taken as indicated by the clock to this date been excessive. I do, however, require the minister to return to the question.

Mr TUCKEY—Thank you, Mr Speaker. This is an important part of the question that I am now addressing.

Mr Price—I raise a point of order, Mr Speaker. Is standing order 76 being adhered to by the minister?

Mr SPEAKER—As I indicated, I require the minister to come back to the question.
Mr TUCKEY—The issue I wish to touch on in this particular answer is very relevant because it deals with the question that was put to me about difficulties I have in this matter. One of the great difficulties I have in assisting this industry exists in the electorate of McMillan, because that electorate is the most highly capitalised forestry products sector within Australia. It is the one that has the pulp and paper mills; and we know that of course they want sovereign risk security because of the huge investments they need to grow their businesses and create jobs in an electorate where the local member admits unemployment is very large.

I was about to explain why that is most difficult. I got the other letter from the member for McMillan, and in it he eulogised the RFA and its legislation. I got so carried away I went to the Prime Minister and I said, ‘Labor is obviously going to support the RFA legislation, which is so important to these larger mills such as those that we are trying to assist.’ When I got that I thought, ‘The member for McMillan is behind it. This is going to get through caucus. He writes me a letter!’ So I brought it on the next week, after getting this letter which has been put up in this House about three or four times; and on 13 October, after his letter of, I think, 21 September, we actually had a vote—and that vote the Labor Party opposed.

Mr Beazley—I raise a point of order on relevance, Mr Speaker. There is a provision for statements and they are explicitly excluded from question time, and this is a statement.

Mr SPEAKER—I have been in this chamber for 18 years and I have witnessed many question times in which the answer to a question ran long past eight minutes and 43 seconds. I would, however, indicate to the minister that his answer has been longer than has become the norm and ask him to wind his answer up.

Mr TUCKEY—Thank you, Mr Speaker. I was in the process of doing just that. I had just informed the House that, having brought that regional forest agreement legislation back to the House, on 13 October there was a vote and it was recorded in Hansard on page 11526. Every Labor member came in and opposed it bar one. The member for McMillan was neither present nor recorded as a pair.

Mr Leo McLeay—I raise a point of order, Mr Speaker. I draw your attention to standing order 85. This is very tedious and very repetitious.

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

Mr TUCKEY—Mr Speaker—

Mr Leo McLeay—Mr Speaker, I have drawn your attention to standing order 85 and I asked—

Mr SPEAKER—I have ruled.

Mr Leo McLeay—Well, you did not say you had ruled.

Mr SPEAKER—I do not need to indicate anything other than the fact that the minister has the call. The minister has the call.

Mr TUCKEY—Thank you, Mr Speaker. The point that is most important is that here am I, here are numerous members of the government working their hardest to get funds into their electorates for their workers in the forest industry, and no electorate is more dependent on the forest industry than the electorate of McMillan. The member for McMillan gets up in this place yesterday. He did not care about his local people. He just wanted to make a political point over their misfortune.

Mr Adams—I raise a point of order.

Mr TUCKEY—We heard you, too. How did you vote?

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

Mr Adams—In standing order 76—

Mr SPEAKER—I remind the member for Lyons that the minister has in fact concluded his answer.

Mr Adams—There is no need for a point of order, Mr Speaker.

Regional Development: Enterprise Zones

Mr ANDREN (3.06 p.m.)—My question without notice is to the Deputy Prime Min-
ister in his capacity as Minister for Transport and Regional Services. What is the government’s view of the Institute of Chartered Accountants and the New South Wales Local Government and Shires Association’s report, ably promoted by the CENTROC group of councils led by Cowra and presented to the government in April, which calls for the establishment of enterprise zones to promote targeted regional development incentives and for the Commonwealth to join in a task force to fully investigate the enterprise zone concept? Minister, what analysis has the government done of the report thus far? Will the government be forming the task force recommended in the report? If not, why not?

Mr ANDERSON—The normal process for the analysis of ideas, concepts and submissions that go to the heart of taxation is for them to be considered as part of the budgetary process each year. I can tell the honourable member for Calare that those proposals have been drawn to my attention and to the Treasurer’s attention and that we have discussed them. Beyond that, I have nothing to add at this point in time except to make the observation that, wherever we have seen the opportunity to make legitimate advances in seeking to promote economic growth and better circumstances in rural and regional Australia, we have done so. Again I refer to them and make the point that they were all done on budget, not in the red.

Contingency Reserve: Strategic Investment Incentives

Mr ANDREWS (3.08 p.m.)—My question is addressed to the Minister for Finance and Administration. I ask the minister to inform the House how and why the contingency reserve is utilised in relation to strategic investment incentives. Is the minister aware of any alternative approaches?

Mr FAHEY—I thank the honourable member for Menzies for his question. Yesterday we saw an appalling lack of knowledge by the honourable member for Melbourne about basic budget processes when he described the contingency reserve as a ‘rainy day fund’—a piggy bank. The contingency reserve, which I might say was a mechanism used by Labor in their budgets—

Mr Tanner—Not like you, though.

Mr SPEAKER—The member for Melbourne!

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne chooses to defy the chair after I have asked him to adhere to the standing orders.

Mr FAHEY—It is a mechanism for ensuring that the aggregate estimates are based on the best information available at the time of the budget. It includes commercial-in-confidence, national security in-confidence items, allowances for estimating biases, parameter revisions as well as, of course, late decisions.

Opposition members interjecting—

Mr FAHEY—Well, funds are not appropriated for items included in the contingency reserve. The appropriation is made by parliament at the first available time so that funds can then be drawn down by the relevant agencies.

When it comes to strategic investment incentives, the Prime Minister announced—from memory, in December 1997—in the Investing for growth statement that incentives for appropriate investments in this country would be considered. The strategic investment incentives are contained in the contingency reserve.

Mr Cox interjecting—

Mr FAHEY—That guru from South Australia—at least he believes he is—has now said, ‘Why don’t you put them in?’ Well, it is very, very basic, and I would have thought you had enough exposure in your former life to know how basic it is. You do not state a sum of money that is available for anybody to apply for; otherwise they will ask for the lot. Quite clearly, you want to evaluate what are the competing programs—

Mr Tanner—Can you say that again?

Mr FAHEY—and you want to utilise what you might use to ensure what projects are appropriate. That is why you do not state
the amount that is there, but it is then appropriated.

Mr Tanner interjecting—

Mr FAHEY—If the honourable member for Melbourne took offence at the Christmas Island aerospace project, which will create several hundred jobs in an emerging, new, smart industry during its operation, then he has the right to vote it down when it comes in the additional estimates—just as he could have voted down the support under this particular project that was given to the Visy pulp mill, which creates 250 jobs, and a $450 billion investment in Tumut; just as he could have voted down, again another very smart industry, the Syntroleum gas to liquids plant that this particular program assisted which is a case of fuel technology value adding to Australia’s currently underutilised gas resources; and just as he could have voted down the support that was given to General Motors Holden in Victoria where they wanted to invest something like—

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne!

Mr FAHEY—$400 million—

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne is warned!

Mr FAHEY—to develop a new fuel efficient engine for the car industry in this country, and this project supported it. That is what this particular fund is about and that is what it assists. It is appropriated and it comes through the parliament before it is drawn down by any department.

Is there an alternative? Mr Speaker, I can tell you this: there was no piggy bank when we got there. There was no ‘rainy day fund’ that had money sitting in it. What we saw, despite the contingency reserve, was a total ignoring of any proper budgetary processes which led to some $70 billion of debt being run up in the last five years of Labor. So what we saw in the context of proper budgetary processes was a complete ignoring of those processes to the point that we inherited debt. We certainly did not inherit any rainy day funds, and all that we have done subsequently is to ensure that there is a proper, economic process under the control of this government that allows us to support emerging industries that are creating jobs in this country. And we shall continue to do so.

Job Network: Placements

Ms KERNOT (3.14 p.m.)—My question is to the Minister for Employment Services. Minister, can you confirm that on 10 April you and an adviser visited the offices of Leonie Green and Associates where you met with Ms Green and senior management in their boardroom? Is it not a fact that at this meeting Ms Green briefed you in detail on the use of her labour hire firm to place job seekers into what we are calling ‘phantom jobs’ and that documentation regarding a future expansion of this scheme was supplied to you by Ms Green? Minister, what documentation was handed to you and your adviser and will you table it in the parliament today? Minister, why have you told the House that the first time you were informed of this practice was on 4 June?

Mr BROUGH—On Monday the member for Dickson came in here and made accusations that at a meeting on 16 February this detail had occurred. That turned out to be a NESA board meeting two days after I had been sworn in. I checked all of the records on that occasion and found that neither other board members that had been there, departmental people, minutes of that meeting nor my staff had any knowledge of that situation, because it did not occur. Now you come back today and say that at a meeting I attended on the Gold Coast with Leonie Green some time in April—and I take the April to be—

Ms Kernot—It’s a different—

Mr SPEAKER—Member for Dickson! The minister has the call.

Mr BROUGH—I can confirm that I have visited many Job Network sites and Job Network members in the line of my duty, as getting across my portfolio, and one of those was Leonie Green, along with one of my staff. She at the time took us around her office and showed us different aspects of her business: occupational therapy, et cetera. In
relation to your specific allegation that she provided me with some paperwork relating to a phantom jobs scheme. I can confirm that I have no recollection of receiving any such documents. Can I say that to suggest—which I presume you are—that a senior Job Network member, with millions of dollars worth of federal government money at her disposal to provide employment services, would inform me, as the minister, of some shonky practice and that I would then say, ‘Wink, wink, nod, nod, not a problem,’ is stupid in the extreme, and I would expect even less of you.

**Workplace Relations: Trade Unions**

Mr BAIRD (3.17 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Can the minister advise the House what further evidence the government has of the influence of organisations registered under the Workplace Relations Act, particularly trade unions, on the Australian industrial policy making process? What is the government’s response to the latest round of union muscle flexing? Are there any alternative policies that exist in relation to this issue?

Mr ABBOTT—I thank the member for Cook for his question. Events of the past few days, particularly the union-led blockade of the New South Wales parliament, have put on public display the real power relationships at the heart of ACTU-Labor Inc., the giant political industrial complex which is probably the biggest network of intrigue and influence that this country knows. At the heart of the wave of union muscle flexing which we are now seeing right around country is that strong sense that the unions have of ownership over the Australian Labor Party. Thanks to the notorious 60-40 rule, they know they own it—and they are determined to control it and to operate it.

Just recently there has been a proposal from Premier Beattie of Queensland to change the 60-40 rule—not to abolish the 60-40 rule but to change it. He wants to change the rule so that the size of the union bloc vote depends not upon the size of its membership but upon the size of its donations. This is a novel concept, this is a world first from a supposedly democratic party, to make the size of your vote depend upon the size of your wallet. Let us make no mistake: this is not about cleaning up the Australian Labor Party; it is about taking power off right-wing unions, such as the AWU, and giving it to left-wing unions, such as the CFMEU, which have more power to extort things like compulsory donations to the union picnic fund, which it can then recycle into Labor Party coffers. Anyone who has witnessed the actions of the CFMEU in recent times would say that taking power off the AWU to give it to the CFMEU is like taking power off the mafia and handing it to the triads.

This problem is not just about union power and influence but also about the historic weakness of the Leader of the Opposition. Today the *Courier-Mail* carried a report on Premier Beattie’s proposals to change the union bloc vote rules. It says that Kim Beazley privately regards the Beattie decision as too severe. But then it says:

But Mr Beazley—

Dr Martin—Mr Speaker—

Mrs Crosio—Why don’t you give us some of your policies for a change?

**Opposition members interjecting—**

Mr SPEAKER—The member for Cunningham has the call. He is being denied the call by the intervention of members on his left.

Dr Martin—Mr Speaker. I raise a point of order on relevance. I know that successive Speakers have ruled that ministers must respond to questions which have relevance to their own portfolios. Nothing that this minister is on about in this answer has anything to do with his responsibilities.

Mr SPEAKER—The minister was asked—

**Honourable members interjecting—**

Mr SPEAKER—The member for Cunningham and the Minister for Foreign Affairs! The member for Lalor! The member for Prospect!

Ms Gillard interjecting—
Mr SPEAKER—If the member for Lalor wants to continue to represent her electorate, she will abide by the standing orders. The member for Cunningham is better aware than all but one other member of this chamber, apart from me, that successive Speakers have indicated that there is an obligation to be relevant to the question asked. The minister was asked a question which included a comment about alternative policies.

Mr McMullan—Mr Speaker, on the point of order: standing order 142 makes it very clear that matters with which ministers deal, and questions and answers, must relate to public affairs with which the minister is officially connected, to proceedings pending in the House or to matters of administration for which the minister is responsible. None of the matters to which he is referring are matters that are within his area of responsibility as a minister. They relate to matters over which he has no jurisdiction—for which we are very grateful—and they relate to matters that are not proceedings pending in this House. They are not matters with which he can properly deal.

Mr SPEAKER—I allowed the question to stand and it was not challenged. The question that was allowed to stand included a question to the minister about alternative policies or arrangements. I invite the minister to continue his answer—

Mr Beazley interjecting—

Mr SPEAKER—Alternative policies, if the Leader of the Opposition wishes. I will listen to the minister’s reply.

Mr ABBOTT—I was asked about the influence of registered organisations, particularly unions. I am dealing with Premier Beattie’s proposals to reduce the influence of unions.

Mr McMullan—Mr Speaker—

Mr SPEAKER—The minister will resume his seat.

Mr Crean—You can’t help your smirk!

Mr SPEAKER—I warn the Deputy Leader of the Opposition!

Mr McMullan—On a point of order: in what manner is the matter of Premier Beattie’s proposition to reform the rules of the Labor Party either within the area of jurisdiction of this minister or an alternative policy which he has any particular responsibility over or any right to be answering questions on in this House? The question itself was not out of order, but the answer is straying far beyond any area of ministerial responsibility of this minister, as it usually does but this time far more than usual.

Mr SPEAKER—As the Manager of Opposition Business is well aware, standing order 142 applies to questions. The obligation on the minister is to answer the question, and that is what I am asking him to do—

Mr McMullan interjecting—

Mr SPEAKER—Since I am still addressing the chamber, the Manager of Opposition Business might exercise some courtesy. Since he is the Minister for Employment, Workplace Relations and Small Business—but I do not see that that is immediately relevant—I deemed his answer to be relevant to matters over which he has some control.

Mr ABBOTT—I am quoting from this morning’s Courier-Mail, and it says:

But Mr Beazley will only back a national executive push for change if the Premier is happy with any compromise.

Here he is—he is the one person inside the Labor Party who cannot do anything without getting permission. He is like a schoolkid who cannot do anything without getting a note from his parents. His attitude seems to be, ‘Of course I must follow them; I am their
leader.’ The Australian people have come to the conclusion that he is as tough as a bowl of stewed cabbage.

Job Network: Placements

Ms KERNOT (3.27 p.m.)—My question is again to the Minister for Employment Services. Minister, will you confirm that your department already has a copy of an interim report into its investigation of the placing of people into phantom jobs under the Job Network? Does this report also investigate IPA, another Job Network provider, that appears to have been placing people into phantom jobs, whereby their unemployed clients are asked to hand out this flyer for only a few hours before being sacked? Minister, will you table this report today and not leave it until after parliament has risen in the hope of avoiding parliamentary scrutiny?

Mr BROUGH—I can confirm, as I said to you on Monday, that I have asked the Department of Employment, Workplace Relations and Small Business to expedite the investigation into the Leonie Green and Associates allegations that were made at Senate estimates, and they are doing that. As I indicated to the House on Monday, it is my intention to be able to bring that information to the House as soon as possible, and I would like to be able to think we could have that done tomorrow. I cannot give you that commitment, because it is done at arm’s length by the department. But we are making every effort to ensure that I can make a report to this House on those allegations.

I am aware of IPA, and once again your false and malicious comments about false jobs and phoney jobs should be pursued. IPA did in fact employ people to distribute material.

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Mr Adams interjecting—

Mr SPEAKER—The member for Lyons, as an occupier of the chair, might care to refer to the standing orders, and then take a point of order if he wishes.

Mr BROUGH—The IPA company has been operating a temporary staff labour hire company since 1984. In 1992, IPA commenced working with unemployed job seekers under the government contracts of the day and has done so continually since that time. In relation to this particular issue, it employed some 26 people, I think, to distribute material where it was offering short-term employees to local employers.

Ms KERNOT—Twenty hours free work.

Mr BROUGH—Now am I to suggest that the shadow minister has a problem with wage subsidies, which has been a policy of the Labor Party for many years.

Ms KERNOT interjecting—

Mr SPEAKER—The minister has the call.

Mr BROUGH—So now are you suggesting to the Labor Party that this is a failed policy. I come back to IPA and the question at hand. The personnel that were employed by IPA as promotional walkers have instructions and guidelines, which I have here—

Ms KERNOT—So did Leonie Green.

Mr SPEAKER—The member for Dickson is warned!

Mr BROUGH—It is a pre-screening form which each member had to fill out. Every member of IPA has been assured as to their continuing to work in a proper job, not a phoney job. I would suggest that, if you wish to make those allegations, don’t use the privilege of the House but do so outside of this place and see what occurs.

Ms KERNOT—Mr Speaker, I seek leave to table the IPA flyer which offers 20 hours free work, from these promotional walkers, as the minister called them.

Leave not granted.

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

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.31 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—Yes.

Mr SPEAKER—Please proceed.
Mr BEAZLEY—I have been misrepresented twice by the Prime Minister. In an answer in question time earlier today, the Prime Minister suggested that I had a ‘restoration of the PMG’ mantra. I have never in my life called for the restoration of the PMG, much less made it a mantra. The second was that I had an intention to reregulate the telecommunications system. Mr Speaker, I introduced competition in the telecommunications system, which, along with technology, is the key to falling telco prices, not privatisation.

Mr SPEAKER—The Leader of the Opposition cannot enter into debate, and will resume his seat.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Taxation: Family Tax Payments
Mr ANTHONY (Richmond—Minister for Community Services) (3.32 p.m.)—Mr Speaker, I would like to add to a previous answer that I gave.

Mr SPEAKER—The minister may proceed.

Mr ANTHONY—I did mention in previous answers a top-up of 10 per cent. I was wrong. In fact, we are much more generous than that; we will top up to their full entitlements under FTB.

Telecommunications: Policy
Mr HOWARD (Bennelong—Prime Minister) (3.32 p.m.)—Mr Speaker, I wish to add to the answer I gave regarding the dramatic fall in telecommunications service prices.

Mr SPEAKER—The Prime Minister may proceed.

Mr HOWARD—It showed a fall of 23½ per cent in national long-distance calls. I spoke of a report, but the reference—

Mr Snowdon interjecting—

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

Mr HOWARD—There are in fact two reports. The one that came out today dealt with prices, and the one that came out earlier dealt with the tremendous performance of the customer service guarantee. There are two reports rather than one, but the story is a marvellous one of achievement.

PERSONAL EXPLANATIONS

Mr STEPHEN SMITH (Perth) (3.33 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr STEPHEN SMITH—Yes, by the Prime Minister in question time.

Mr SPEAKER—Please proceed.

Mr STEPHEN SMITH—The Prime Minister in question time asserted that I supported the reregulation of the telecommunications industry and a lessening of competition in that industry. The Prime Minister also said that a report in the Financial Review of 6 June was an authoritative recording of my views in this regard. Mr Speaker, on 6 June, after the publication of that report, I said publicly that the report did not correctly reflect my views, I was not in favour of re-regulation of the telecommunications industry and that I favoured a more competitive telecommunication industry, and those matters were already on the public record. The assertions made by the Prime Minister are not true.

Mr SPEAKER—The member for Perth has indicated where he has been misrepresented and will resume his seat.

BUSINESS

Mr REITH (Flinders—Leader of the House) (3.34 p.m.)—Mr Speaker, I seek your indulgence to make a statement about the sitting arrangements.

Mr SPEAKER—The Leader of the House may proceed.

Mr REITH—Thank you. I will be brief. There are, unfortunately, good prospects that the House may have to sit tomorrow night. The advice I have, as at a few minutes ago, is that the Senate are likely to sit late tomorrow night. That being the case, subject to the bills that they have before them and the likelihood of their coming back, there is a real chance that we will be sitting tomorrow night, and people should make arrangements accord-
ingly. Obviously, from the government’s perspective, we will try to negotiate a better outcome than that, but in the Senate it is more on the Labor Party than on us.

QUESTIONS TO MR SPEAKER
Parliament House: Catering Contract
Mr BEVIS (3.34 p.m.)—Mr Speaker, I have a question to you. It relates to the question I asked last Wednesday. You may recall that I asked a question of you in relation to staff arrangements resulting from the change in the tender for the staff cafeteria and the Queen Victoria Terrace cafeteria.

Mr SPEAKER—I interrupt briefly to say that I trust that he is in receipt of a response from me.

Mr BEVIS—I am not, actually. That is why I was querying whether there would be a response before the House is due to rise tomorrow.

Mr SPEAKER—Yes. I indicate to the member for Brisbane that I in fact signed a letter to him on, I would have thought, Monday. I was absent yesterday. I will follow the matter up this afternoon.

Mr BEVIS—Thank you, Mr Speaker.

PERSONAL EXPLANATIONS
Mr ZAHRA (McMillan) (3.35 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ZAHRA—Yes.

Mr SPEAKER—Please proceed.

Mr ZAHRA—The Minister for Forestry and Conservation in question time today suggested that I had never made representations to him on behalf of timber workers. Mr Speaker, this is not true and, as you know, I have sought on five previous occasions to table letters that I have sent to the minister on behalf of timber workers, along with his replies to my correspondence.

QUESTIONS TO MR SPEAKER
Minister for Forestry and Conservation
Mr ZAHRA (3.36 p.m.)—Mr Speaker, I have a question for you.

Mr SPEAKER—The honourable member may proceed.

Mr ZAHRA—in relation to the minister’s misrepresenting of me in the parliament, whilst I am not much concerned about attacks from the Minister for Forestry and Conservation, because there does not seem to be—

Mr SPEAKER—The member for McMillan will come to his question or I will sit him down.

Mr ZAHRA—because there does not seem to being much steel left in his iron bar, I still—

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

PERSONAL EXPLANATIONS
Mr COX (Kingston) (3.36 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr COX—Yes.

Mr SPEAKER—Please proceed.

Mr COX—At question time the Minister for Finance and Administration suggested that I would agree with his contention that government assistance to industry should be funded from the contingency reserve because, if a specific appropriation were provided, there would be applications for the full amount of that appropriation. On the contrary, I believe that there should be greater transparency of industry assistance and that there is no justification for not providing a specific appropriation for a program that was announced in 1997.

Mr SPEAKER—The member for Kingston will not enter into argument. He has indicated where he was misrepresented.

QUESTIONS TO MR SPEAKER
Standing Orders: Application
Mr O’KEEFE (3.37 p.m.)—I have a question for you, Mr Speaker. It relates to the circumstances that took place during question time with the Minister for Employment,
Workplace Relations and Small Business, and the number of questions that were asked of you about the application of the relevant standing order. My question is this: standing order No. 142 outlines the nature of questions which may be asked of a minister. As you know, it requires that they relate to:

... public affairs with which the Minister is officially connected, to proceedings pending in the House, or to any matter of administration for which the Minister is responsible.

At one point you did refer to the fact that standing order No. 142 makes that requirement. Standing order No. 145 says very specifically:

An answer shall be relevant to the question.

The point I am asking you—

Mr Reith—Mr Speaker, I rise on a point of order. On many previous occasions, people attempted to use questions to you after question time as a means of disputing matters which arose during question time. I put it to you that the same ploy is now being presented, and it is inappropriate and outside the conventions and the practices of you and previous Speakers.

Mr SPEAKER—There is no point of order.

Mr O’KEEFE—My question really relates to asking you about the application of these two standing orders. It seems clear to me that the question asked of the minister in no way related to the issues that he continued to ramble on about and in no way could you say that the requirement of standing order No. 145 was fulfilled. I am asking you to outline the basis on which you draw the conclusion that the minister was relevant.

Mr Reith—I rise on a point of order, Mr Speaker. My point of order is under standing order No. 152.

At the conclusion of the question period, questions without notice may be put to the Speaker relating to any matter of administration for which he or she is responsible.

This is not a matter of administration. This is a matter of the discretion that you have under the standing orders, and your interpretation.

Mrs Crosio—It is administration. He administers question time.

Mr Reith—No, administration is the administration of the affairs of the House and the department. I put it to you that this is well outside the standing orders. I recognise that, as a matter of convention, you have been generous in allowing people to ask you about anything under the sun, basically, but it is quite inappropriate and, if not on this occasion a reflection on the chair, it is simply a disguise to have an argument that people had during question time.

Mrs Crosio—Do you mean that the Speaker in this parliament is not in administration?

Mr SPEAKER—I warn the member for Prospect. The member for Prospect has been warned and, if I deal with her, she might like to bear in mind a note sent to her late last week.

Mr O’KEEFE—In relation to the point of order raised by the minister relating to the point of order I had taken, it is a continuing practice in this House, and has been for many years, for members to use the provision enabling questions to the Speaker to seek clarification of interpretations given by the Speaker, for the better understanding of members, and that is all I was doing.

Mr Reith—Mr Speaker, I rise on a further point of order. The fact of the matter is that there is a clear statement under the standing orders. Whatever might be said about convention and practice does not override the standing orders. I have already acknowledged that, from time to time, there has been clarification, but it has not been standard practice for people to get up and challenge the Speaker’s rulings during question time. Mr Speaker, I put it to you that this is quite an important matter. People should not be allowed, under the disguise of such questions, to use this as a regular forum for having a go at some standing order interpretation that you have enunciated during question time.

Mr SPEAKER—I appreciate the concern of the Leader of the House. I have been here long enough—longer, in fact, than the mem-
ber for Burke. I know when the member for Burke is challenging the chair’s authority and I know when I believe he is seeking additional information. I am confident that in this case he is seeking additional information. As the member for Burke is well aware, standing order No. 142 states:

Questions may be put to a Minister relating to public affairs with which the Minister is officially connected, to proceedings pending in the House or to any matter of administration for which the Minister is responsible.

The Minister for Employment, Workplace Relations and Small Business was asked a question about the influence of trade unions on Australia’s industrial policy. There was little question he was also asked about alternative proposals. There was little doubt that he had responsibility in that area, and so I allowed the question to stand. There was some concern as to his reply later, but I had no doubt—or I would have sat him down—that his reply was in an area over which he also had responsibility, because it referred to the possible impact of trade unions on Australia’s industrial policy. For that reason, I did not believe he had in any way contravened standing order No. 142. In the case of standing order No. 145, there is an obligation, as everyone knows, that the answer should be relevant to the question: because of the nature of the question, I deemed his answer relevant.

Standing Orders: Application

Mr McCLELLAND (3.44 p.m.)—On that issue, I think it was last December that you ruled a question out of order—I think appropriately, with respect—where we asked the Deputy Prime Minister a question regarding the policy of the National Party. My research is that that is entirely consistent with Barlin. The issue is, however, that government members—

Mr Reith—Mr Speaker, there are forms and procedures in the House. If a member wishes to make a statement, he should seek your leave to do so. He has not even sought a personal explanation or a point of order or anything.

Mr SPEAKER—As the Leader of the House would be well aware, it is not the character of the member for Barton to abuse the forms of the House. For that reason, I believed the member for Barton was in the process of asking me a question.

Mr McCLELLAND—The issue is that the government tends to avoid that challenge by asking a general question: is the minister aware of any alternative policies? My question to you is by way of clarification of your last answer, which I think implies that, in answering such a general question, ministers should nonetheless be relevant to their portfolio responsibilities.

Mr SPEAKER—The member for Barton may be interested to know—and I may need to report this to the House later—but I have, as the member for Barker is aware, spent the last weekend during what flying I have done checking a heap of Hansards of question time from 1990 through to 2001. I am very satisfied, if that does not sound too smug, that the arrangements I have made in question time during the three years I have occupied the chair have been entirely consistent with the arrangements that applied when former Speakers occupied the chair.

House of Representatives: Tabling of Papers

Mr PRICE (3.46 p.m.)—Mr Speaker—

Mr Reith interjecting—

Mr PRICE—I gave him notice that I was going to ask the question.

Mr SPEAKER—The member for Chifley will address his remarks through the chair.

Mr Leo McLeay interjecting—

Mr SPEAKER—I warn the Chief Opposition Whip.

Mr PRICE—Mr Speaker, I would like to ask you two questions about the tabling of papers by the Leader of the House. When he does so, he says, ‘Papers are tabled as listed in the schedule circulated to honourable members.’ I am unable to find any such schedule. In fact, the Table Office makes them available by email some two hours after they are tabled. I do not want, necessarily, to be saving the reputation of the Leader of
the House, but that may need to be investigated. The second thing is this: if you are a senator, most of those reports are available from 9 a.m. If you are interested in a report as a member, you have to wait until after they are tabled quite late in the afternoon, but if you are a senator you have access to them at 9 a.m. Would you investigate that for me and for all other honourable members so that the practice might be harmonised and we not be discriminated against?

Mr SPEAKER—In response to the member for Chifley, I am sure that this practice is consistent with the practice that has applied in the House for at least the last decade and possibly longer. It may be necessary to take it up with the Procedure Committee. I will take it up with the Clerk in the first instance.

AUDITOR-GENERAL’S REPORTS

Report No. 53 of 2000-01

Mr SPEAKER—I present the Auditor-General’s audit report No. 53 of 2000-01 entitled Performance audit: Commonwealth management of leased office property.

Ordered that the report be printed.

PAPERS

Mr REITH (Flinders—Leader of the House)—Papers are tabled in accordance with the list circulated to honourable members earlier today—or to be circulated later this afternoon by email. Details of the papers will be recorded in the Votes and Proceedings.

Motion (by Mr Reith) proposed:

That the House take note of the following papers:


Debate (on motion by Mr McMullan) adjourned.

COMMITTEES

Intelligence Services Committee

Appointment

Mr REITH (Flinders—Leader of the House) (3.49 p.m.)—by leave—I move the motion relating to the proposed Joint Select Committee on the Intelligence Services, as amended, that:

1) a Joint Select Committee to be known as the Joint Select Committee on the Intelligence Services be appointed to inquire into and report on the proposed legislative reforms in:

(a) the Intelligence Services Bill 2001 and the Intelligence Services (Consequential Provisions) Bill 2001; and

(b) the provision in the Cybercrime Bill 2001 relating to the Australian Secret Intelligence Service (ASIS) and the Defence Signals Directorate (DSD) - Liability for Certain Acts.

2) the committee consist of 15 members: 5 members of the House of Representatives to be nominated by the Government Whip or Whips, 4 members of the House of Representatives to be nominated by the Opposition Whip or Whips, 3 senators to be nominated by the Leader of the Government in the Senate, 2 senators to be nominated by the Leader of the Opposition in the Senate and 1 senator to be nominated by any minority party.

3) every nomination of a member of the committee be forthwith notified in writing to the President of the Senate and the Speaker of the House of Representatives.

4) the members of the committee hold office as a joint select committee until presentation of the committee’s report or until the House of Representatives is dissolved, whichever is the earlier.

5) the committee report no later than 20 August 2001.

6) the committee elect a Government member as its chair.

7) the committee elect a deputy chair who shall act as chair of the committee at any time
when the chair is not present at a meeting of the committee.

(8) at any time when the chair and deputy chair are not present at a meeting of the committee, the members present shall elect another member to act as chair at that meeting.

(9) the chair, or the deputy chair when acting as chair, shall have a deliberative vote and, in the event of an equality of voting, a casting vote.

(10) 5 members of the committee constitute a quorum of the committee, provided that in a deliberative meeting the quorum shall include 3 members of either House of the Government parties and 2 members of either House of the non-government parties.

(11) the committee have power to:
(a) send for persons, papers and records;
(b) move from place to place;
(c) adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives.

(12) the committee may determine the manner of conduct of its proceedings and in so doing shall consider whether the procedures prescribed in s.92F(2) and (3) of the Australian Security Intelligence Organisation Act 1979 (‘the ASIO Act’) should be followed.

(13) the committee shall ensure that any documents having a national security classification provided to the committee are, while in the custody of the committee, kept at a place under such terms and conditions as are agreed between the committee and the Director-General of ASIS, the Director of DSD, or the Inspector-General of Intelligence and Security, as appropriate.

(14) the committee shall ensure that the identity of staff of ASIS is appropriately protected in accordance with the provisions of the Intelligence Services Bill.

(15) the committee has leave to report from time to time its proceedings and the evidence taken and any recommendations as it may deem fit.

(16) a message be sent to the Senate acquainting it with this resolution and requesting that it concur and take action accordingly.

Question resolved in the affirmative.

MATTERS OF PUBLIC IMPORTANCE

Goods and Services Tax: Families

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

The savage impact of the Government’s GST tax package on Australian families.

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

More than the number of members required by the standing orders having risen in their places—

Mr SWAN (Lilley) (3.50 p.m.)—What the minister confirmed in question time today is that there is a family debt time bomb out there that is going to soak the cash out of Australian families. The Howard government can spend $20 million a month on blatant political advertising, but they will not spend one cent on information for Australian families so that they can innocently avoid incurring a substantial family debt. What we know, and what was confirmed by the minister in the House today, is that there are 500,000 Australian families out there who may incur up to $1,000 debt through their family payment system. The government can spend $20 million advertising the private health insurance industry—blatant political advertising—but they cannot spend a cent of that money to inform Australian families how they should not incur that debt.

This is a political time bomb that they did not want to surface before the Aston by-election, and it is one that they wanted to occur in secret. What they wanted to happen was for these debts to be silently thieved from the tax returns of Australian families, silently thieved by the Treasurer of Australia through the tax return process. What we have seen here today is an indication of how out of touch and how mean the Howard government is. This political time bomb is going to impact, as confirmed by the minister, on 500,000 families with family tax benefit debts and 200,000 families with child-care benefit debts.
How do we know that the Howard government decided it was not going to engage in some genuine information advertising? We know that because their impact assessment papers from the department say it. This is what the department says:

It is now unlikely there will be a media campaign dealing with the estimate reconciliation issues. That is, this department put forward a comprehensive public information campaign so that the families of Australia could be alerted as to how to not incur a substantial family debt, and the government quashed it because they want to hide the problem. They want to hide the problem in the tax system. They want to confine it to tax returns. They are not going to send letters out to those families that are going to incur this debt. It is going to be silently taken from their tax return. They are not going to tell the accountants of Australia what the potential debt is for those 500,000 families, so when they prepare their tax returns by themselves or with their accountant they will have no idea. They will be expecting in some cases to receive a substantial refund, and when it comes back there is a rude shock. There is either no refund or there is a substantial debt, because this government have set out deliberately to hide the debt in the taxation system. They want to confine it to tax returns.

They are not going to send letters out to those families that are going to incur this debt. It is going to be silently taken from their tax return. They are not going to tell the accountants of Australia what the potential debt is for those 500,000 families, so when they prepare their tax returns by themselves or with their accountant they will have no idea. They will be expecting in some cases to receive a substantial refund, and when it comes back there is a rude shock. There is either no refund or there is a substantial debt, because this government have set out deliberately to hide the debt in the taxation system. For those Australian families that do not lodge tax returns, the government have decided to send them their bills on 16 July—two days after the Aston by-election. What the minister did not say in this House during question time is that those debt notices could be posted to those people at any time from 1 July. So, Minister, perhaps you would like to tell the House during your response why that is not the case. Why aren’t those debt notices being sent out to the people who do not lodge tax returns? That is the whole point.

Here we have a government that is determined to hide the nature and the extent of the problem. It is determined to do it, because it is soaking out the cash of Australian families, clawing back its mean and inadequate GST compensation for Australian families. The memo from the department, dated 16 July, says this:

Bulk reconciliation of customers not required to lodge tax returns. This will include a high proportion of single parents.

Minister, that includes single parents in Aston. These details could have been sent to these families well before 16 July, and that is the whole point.

This is all pretty familiar, isn’t it? The day after the Ryan by-election we had that note from John Howard’s best political friend, Shane Stone. He wrote it all down—remember that dear John letter that appeared in the Bulletin? He said:

This government is mean and tricky.

The events of family payment debt prove that this government is still mean and is still very tricky. Shane Stone was right when he said that this government always has to be dragged, kicking and screaming, to fix its mistakes. The Aston by-election will be the opportunity for local families to tell John Howard that they have not passed through the GST phase with flying colours but that they have passed through the GST phase to incur huge family payment debts. Up to 500,000 Australians will have debts up to $1,000. That is not flying colours; that is an enormous amount of misery and financial grief for too many Australian families. And for the 13,000 Australian families in Aston receiving family payments, up to half of those could incur a debt of up to $1,000.

Of course, the pensioners of Aston know a lot about this, because on 20 March they had pension clawback, where their four per cent pension increase was clawed back to two per cent. From 16 July onward, the people in Aston are going to get John Howard’s family payments—

Mr DEPUTY SPEAKER (Mr Nehl)—You will refer to the Prime Minister correctly.

Mr SWAN—They are going to get the Prime Minister’s family payments clawback after 16 July. They are all very familiar with it, because the whole process was outlined by Shane Stone. But it is not as if the government did not have any warning about this. In fact, we warned the government about this.
on 4 April last year. I will quote what we said in this House:

Under the new payments, the 10 per cent tolerance of variation in income is to be replaced by a zero tolerance. This should, I think, send shudders down the spines of many members of this parliament. This zero tolerance for families reflects this government’s real attitude to the needs of low and middle income Australian families—zero tolerance. As I have said on many occasions, this is a government which is very weak in taxing the strong and very strong in taxing the weak. Nothing demonstrates this more in this bill than the zero tolerance shown to estimates that families are supposed to provide.

There are two new aspects of this family payment system, which the minister says is so good, that are so punitive to Australian families. The first one is zero tolerance. There used to be a 10 per cent buffer. If your underestimate was less than 10 per cent, that was not a problem—you would not get a debt—but for every dollar of underestimate you now get a debt. So zero tolerance for Australian families—not very family-friendly, Minister. Secondly, you expect families in this country to provide an estimate of their income one year in advance. No other form of payment that we have in this system of government expects anyone to provide an estimate of income one year in advance. So these two elements are what have produced this family tax time bomb, this debt time bomb that is now going to be faced by so many Australian families.

You would expect a government like this to come up with a system which is so unreal and so out of touch with the everyday lives of Australian families. The Prime Minister and ministers like those opposite all live in the 1950s, when people worked nine to five, when they had steady incomes and when nothing changed from week to week—we see that. But, Minister, we are in the new century and families’ incomes change. We have a casualised work force and people work overtime irregularly. All of these things mean that this government is completely out of touch, and now it has plunged to new lows to hide the deception. That is where we get this sneaky attempt to simply take these debts out of the tax returns. Like a thief in the night, silently without any warning, this government is going to take these debts from the tax returns of unsuspecting taxpayers. When families or accountants calculate the likely tax return, they will not know the amount of likely family payment clawback—they will not have a clue.

With other benefits, the department normally sends a note out saying what the likely problem is going to be. That is not going to occur here. That is why there were intense discussions in this minister’s department over a period of months about the need for there to be a significant public information campaign to alert people to the problem, but the discussions were quashed. As always, this government are always mean and they are always tricky. It was simply hoped that they could skate through, that many families would not notice that significant amounts of money had been taken from their tax returns. That is why we have the department gearing up significantly with all those measures mentioned in question time. They are going to have flying squads, Saturday openings dedicated to reconciliation, and so on. There are all these emergency measures, because if you had actually communicated effectively with the people affected months and months ago, you would not have the scope or the problem that you have before you. That is the problem.

What has been the government’s solution to this in the interim? Its solution has been extremely dishonest. This government has instructed Centrelink officers to tell families that they should change their income estimate, to falsely overestimate their income so they can try and make a dent in their debt at tax time. This government is actually instructing very good Centrelink officers to tell people not to tell the truth about the nature of their income. Why is that the case? It is because of the administrative processes that you have set up, Minister. Even if you instantaneously ring Centrelink and advise them of a change in your income, you can still receive a debt at the end of the year—even if you move instantaneously. That is why this system is so unfair. You have not put in place processes within the department
to take that into account to ensure that even those people who instantaneously advise Centrelink of a change in income do not receive a debt.

Minister Anthony is frequently in the media talking about how tough this government is on fraud. There was an example of this in the newspapers this morning. We saw in the *Herald Sun*: ‘Where the cheats are’. What Minister Anthony does not tell the journalists who write these articles is that the moneys recovered are not just the moneys recovered from a small proportion of people who are cheating the system: they are the moneys recovered from people who have been innocently overpaid in their family payments. So you go out and blackguard the hardworking families of Australia trying to do the right thing by their children and the right thing by their government and you include the money you recover from them in articles like ‘Where the cheats are’, and you issue press releases like ‘Public dobs in dole cheats’. You lump the families of Australia into that slander.

The interesting thing about the figures that the minister provides is that the areas of Knox in Melbourne, Box Hill and Ringwood had some of the highest rates of recovery of the money that the minister says publicly is money that is recovered from dole cheats. But it is not. It is actually money recovered from families who have been innocently hit by unexpected debts because of the failures in the administrative processes of this minister. In the Aston by-election, all of those families who have been hit with debts and all of those families who are going to get debts need to know that this minister thinks they are dole cheats. That is the only way he can explain the fact that so much of what he is currently working on is so out of whack with the needs of Australian families.

What does Minister Vanstone say about all of this? She simply puts out completely misleading propaganda. She claimed recently, in April, that only families rorting the system would receive debts. That is what Minister Vanstone said: only families who receive debts are rorting the system; no-one is caught up innocently in this system. If you get a debt, you are rorting the system. She claimed that a family would have to under-estimate their income by $18,000 to receive a $1,000 debt. That is wrong. A yearly income estimate, as we demonstrated in question time—and the minister did not dispute it—could be as little as $1,500 out to incur a $1,000 debt for just one child. I repeat: it could be as little as $1,500 out to incur a $1,000 debt for one child. For a family earning $30,000, this amounts to an error of just five per cent but, of course, for this government, being 95 per cent or 96 per cent correct is just not good enough. What they really want to do is call you a dole cheat and imply that you are rorting their fatally flawed system. Minister, these are the sorts of tactics we are getting. The problem is that this system is a time bomb. It is a debt time bomb for too many Australian families, and too many of them are going to suffer.

We also had to suffer from the minister this absurd claim about what a dramatic increase there had been in family payments under this government. What he did not tell the people of Australia was that he suspended their indexation and that about half of the increase that all families have received was actually their automatic indexation. Minister, that is why families cannot stretch the amount of money they earn in the work force and through family payments around the price rises that are coming from the GST—like the 11 and 12 per cent for electricity, the increases in telephone charges, the increases in insurance of 35 and 38 per cent and so on. That is why so many Australian families are finding it so hard to make ends meet. The fact is that Australian families do not have crystal balls to predict their future income and most do not have the accounting software to deal with the government’s complicated zero tolerance family payments policy. John Howard is not supporting battling Australian families; he is creating them. *(Time expired)*

**Mr Anthony** *(Richmond—Minister for Community Services)* *(4.05 p.m.)—* This discussion of a matter of public importance gives me a great opportunity to correct a lot
of the misinformation, scare tactics and drivel from the member for Lilley. The important point that he is trying to emphasise today is that we have not informed families of the reconciliation process that is coming up. That is absolutely incorrect. What I will demonstrate today in this discussion is what we have done to notify families; indeed, what we are doing to support Australian families. I will highlight what the Australian Labor Party’s policy was for Australian families and I will go through some of the detail of how we are assisting families in this new taxation system.

The first point to be made is that there is an indication that there has been a secret agenda, that we have been hiding something. As far as reconciliation is concerned, we have put out numerous publications over the last year and before, advising families—because they are going to be receiving substantially higher payments through family tax benefit, through family tax benefit part B or through child-care benefit—that it is important that they do get their income estimates right. I quote from a publication, *Family Buzz*, that was produced in December last year:

> Checking your entitlement at the end of the year reconciliation.

> A checking process reconciliation occurs after the end of each financial year to see if you have been paid too much or too little. The income estimates you have given us throughout the year will be compared with your actual adjustable taxable family income after the end of the financial year. You will pay your extra family tax benefit or child-care benefit if you have been underpaid or recover any amounts that you should not have received. Once you have checked your entitlements, we will then send you information about that.

They are also trying to make out this line that we have been holding back on the sending out of notices. It is absolutely ludicrous. How can you send out notices before they are due? The people will receive family tax payments on this Friday, 29 June. When we finish the financial year, of course we will send them out. They will proceed two weeks from there, because, if a person received a payment on 29 June, their next payment is not due until Friday, 13 July.

This line that they are running that somehow we are holding this back until the Aston by-election is absolute rubbish. The Australian Labor Party have no empathy. They certainly do not care for the Australian public. The member for Lilley is champing at the bit. Here is ‘Family assistance’. We have another one we put out last year. There is another one, ‘Family tax benefit’. There is another article in ‘Family Buzz’, and another one about shared care arrangements and estimating income. There is another one about estimating your income. ‘Are your family payments being paid correctly?’ You can use the ready reckoner. And on and on it goes.

What the Labor Party are doing here is this. The only policy that they have is to run a deliberate scare campaign to try to paint this picture of a government that is uncaring. We know that their policies when they had stewardship here for 13 years were excessively anti-family. Most families were paying 17 per cent mortgage rates when Labor were last in power. Seventeen per cent! An average family on a $150,000 mortgage are now saving $1,000 a month, which obviously goes a substantial way to assisting a family.

Let us talk about unemployment. Unemployment rates were 11 per cent. How many families were out of work because of the cavalier policies of the Australian Labor Party? We had a Labor Party that continued to rack up taxes, whether they were wholesale sales taxes, petrol taxes or tobacco taxes. And remember the l-a-w law income taxes that never happened? Were these policies family friendly? Of course they were not. They were not friendly at all. There were 17 per cent mortgage rates and the highest unemployment. Of course, many Australian families struggled dramatically.

What this government has done through tax cuts—$12 billion worth of tax cuts, which dramatically affects families, which is beneficial for them—is provide a substantial increase in family tax benefits. Yes, we have simplified a system which is significantly
less complex than the 12 payments there were before. Let us look at Chris Murphy, from Econtech, when he was talking about the government’s new taxation system and the impact on families. Over the past 12 months, the consumer price index has risen by six per cent. Yes, wages for that period, over that 12 months, have increased by 3.7 per cent. But what has not been told is this. When you take into account the personal income tax scale that came with the new taxation system, which changed the various bands and generally reduced marginal tax rates, and if you think about the position of someone who was on average wages, around $40,000 a year, 12 months ago under the old taxation system they were paying $10,400 in taxes, with an after tax wage of around $29,600.

Suppose you have had an average wage increase over the past 12 months of 3.7 per cent. There have been real wage increases while we have been in power—not decreases as in the last six years when Labor was here. That wage would take you to $41,500. Once you apply the new taxation system to the new wage level, through their wages, it has gone up. Their tax bill has been cut by $1,000. So their after tax wage increase is actually 8.2 per cent compared to a CPI of six per cent. That does not even take into account the extra payments that we have made in family tax payments, which, as I mentioned before, are around $2.4 billion.

Let me look at the obsession that those opposite have with Aston. We do have an excellent candidate there. David Ross is another excellent candidate, who is standing in the seat of Lilley. I am sure the member for Lilley would know about that, because David Ross certainly does have a genuine interest in the people of Lilley. One of the things that I was reminded of is that the member for Lilley is so keen about monitoring prices and how they affect families. It reminds me of the Lilley price watch. Remember that famous publication put out by Wayne. Normally we rely on ABS statistics. We might rely on CPI increases or perhaps on the ACCC looking at data. But no, we have Wayne’s price watch.

He ran this survey a number of times last year, in March 2000, April 2000 and June 2000. Of course, he stopped it with the introduction of the GST, although we did see an August survey. The interesting point in that August survey, where he was trying to paint this picture of a mean, tricky government, is this. He covered 28 items in the supermarket, of which around 20 items went down in price. It is absolutely outrageous that the member for Lilley is misleading the parliament today about the family tax benefit and claiming that people have not been informed. There has been an enormous amount of effort to ensure that people have their reconciliation correct. That is why—he asked the question and I had to repeat the answer to him twice—we put in more staff, particularly with Centrelink, to ensure that people get their accurate estimates. What is wrong with that? What is wrong with people ensuring that they get their correct entitlement?

The other point he raised earlier on is the government’s attitude to ensuring that the social security system is transparent. We want to ensure that people get their correct entitlements—not more, not less. What the member for Lilley wants is a very relaxed system where people who are not entitled to it receive it, and where people who are entitled to social security payments get paid more. In social security, we must look particularly at those who take deliberate actions—not families; there are many families out there who have to have readjustments. They may have debts incurred.

Of course, we are very conscious of that, and that is why it is terribly important for families to get their estimates right. But what we will not do is tolerate people who are deliberately defrauding the Commonwealth. I am surprised that you will. I am surprised that the member for Lilley is basically supporting these people or is against the government’s policy of ensuring that people get their correct entitlements. Of course, if people do not, and if people are abusing the system, we will use whatever powers are
appropriate to ensure that that money is re-
paid. If they are deliberately defrauding the
Commonwealth, if they are using assumed
identities and if they are claiming benefits
they are not entitled to, they are subject to
prosecution.

As I said, the member for Lilley’s price
watch is totally misleading to the people of
Lilley. I know David Ross is doing a great
job there in outlining for the people some of
the policies of the Labor Party.

The interesting thing when we talk about
family tax benefits is that the whole premise
of Labor’s argument is based on the fact that
we have paid people substantially more. We
have paid them over $2 billion a year. That is
an increase of over 20 per cent—including
substantial increases to sole parents and to
families—and indeed there will be another
increase this Sunday. What is wrong with
that? What is wrong with a further increase
of $6.72 per fortnight, which will take the
payment up to $122.92 for a child under 13?
We are also raising it $8.54 for children be-
tween the ages of 13 and 15. What we have
done in this whole system is to give families
choice. Families can either have their pay-
ments once a fortnight or they can choose to
have it through the taxation system. There
are 400,000 people who will probably do
that—400,000 who now have a choice they
never had before.

The other thing that is important with the
changes that will come through next week is
that we have actually increased the amount
that families can earn before their payments
decrease—a good thing. It will increase by
$1,657 per year. That will take the threshold
up to just under $30,000, and of course that
threshold will also increase at the top end of
the band. That is a 5.8 per cent increase that
we will be delivering to the families right
across this system, replacing the ramshackle
system that we inherited from the previous
Labor Party administration.

In one of their other arguments, the Labor
Party says that we are anti-family. It is re-
markable to say that, particularly in the
child-care area, because this government has
a fantastic record. It is a fantastic record,
because we will spend $6 billion over the
next four years, which is on top of the $4.3
billion that we spent in the last four years—a
30 per cent increase on what the Australian
Labor Party spent. The Australian Labor
Party had a child-care system which was
running out of control and which had prices
that were rising by 8.5 per cent per annum.
They have slowed down to four per cent.
There were 459,000 children using Com-
monwealth funded child care—and they
claim they had a great policy. Well, how
come we have 700,000 children now who are
using child care? What is more, the actual
price has gone down. But, no, even the
Leader of the Opposition, ably abetted by the
member for Lilley, claimed a year ago that
the GST would see a massive increase in the
cost of child care. Collins Class Kim—I get a
sort of sinking feeling about that—

Mr DEPUTY SPEAKER (Mr Nehl)—
You will refer to the Leader of the
Opposition by his correct title.

Mr ANTHONY—He was absolutely in-
correct. The fact is that—along with the sub-
stantial increases in family tax payments—
child-care costs have fallen by nine per cent
over the last 12 months, which has made
child care affordable, particularly in Aston,
for those many families receiving it. You ask
yourself: what is the Australian Labor
Party’s policy on families? Do they have
one? Have they enunciated it? Of course not.
Their policy, which we inherited, was to
spend more and go further into debt
—and they did a very good job of that. It was $80
billion, as I have mentioned—a 17 per cent
rise in interest rates, 11 per cent for the
maximum rate of unemployment and a
whole plethora of other policies. What we
have done is to give $12 billion in tax cuts
directly to families—substantial increases in
the family tax benefit, a system which is far
superior to what the Australian Labor Party
had.

The only family that the Australian Labor
Party is concerned about is their brothers and
sisters in the trade union movement. That is
the family that they respond to. Even when
you look at the frontbench now in this par-
liament, you have got the family. There is brother Simon, brother Martin and—God forbid—sister Jennie is coming into the parliament shortly. It is one big family of ex-union leaders and their family policy is to look after themselves. The Labor family cannot do anything positive for real Australian families. What I want to know is: will Labor policies, if they ever get them, represent the real interests of the people or will they represent their own hungry grab for power?

Ms Gillard interjecting—

Mr DEPUTY SPEAKER—The member for Lalor is not in her place and should be silent.

Mr ANTHONY—That is the issue that we are dealing with here. The issue is that this government has put more money towards Australian families than the Labor Party has ever done. The only policy that the Labor Party has is to continue scare tactics to try to put the fear into older and younger Australians and to try to make an issue out of the fact that we have paid families substantially more under the family tax benefit. We do want families to get their correct entitlement—not more, not less—and certainly if they do overestimate their income, for the first time there is an opportunity for those families to receive a top-up payment that they never got under the previous system. There are 2.2 million Australian families and over four million children who have benefited through increased family tax benefit. We do want families to get their correct entitlement—not more, not less—and certainly if they do overestimate their income, for the first time there is an opportunity for those families to receive a top-up payment that they never got under the previous system.

Ms GERICK (Canning) (4.20 p.m.)—From the time that the coalition government announced that they were going to introduce the GST and its new tax system, they were warned that it would hurt average Australian families and those most vulnerable in our community. Naturally, they ignored all advice, because they had the arrogant attitude that they knew what is best for all of us. Families were promised that they would be compensated and that the GST would be good for Australia. What I ask, though, is: how can it be good for Australia if our families are hurting and the government have failed to do anything to help. We have had backflips, clawback of the clawback and so-called compensation packages, but of course there is no real action to help the families in our community.

The minister just spoke of the Labor Party running a scare campaign. I do not need to run a scare campaign, because in my electorate of Canning the families are already scared. They are scared by the impact on their budget by this government’s GST, and this family payments debacle is just one more nail in the government’s coffin. Everybody who goes shopping every week knows that their family has had increases. They cannot maintain the lifestyle that they used to have before their budget was battered by this GST. The government did not address any of the problems that families are suffering. A typical family’s expenses have increased dramatically. Electricity is up by 12 per cent; gas, 10 per cent; insurance, 35 per cent; telephone bills, seven per cent; medicines, six per cent; sporting fees, 12 per cent; children’s shoes, seven per cent; haircuts, 11.7 per cent; and petrol, 7.8 per cent.

That means that families are having to cut back even on essentials, not to mention luxuries. For example, if they drive their kids to school, they have to pay petrol. If their kids go to government schools, they have to pay compulsory school fees. These things are going up. If their kids want to play netball on Saturday, it is more expensive. We should not be punishing families who are a little less well off with these things and saying that they cannot have those any more. The minister said that they have all been compensated, that they have had a tax refund, but the tax refund has been eaten up. If you look at what the average family’s budget has increased by, you will see it consumes 90 per cent of that so-called tax refund that they are getting.

When they get hit with this bill in two weeks time they will be running scared. Does it mean that they do not apply for it at all? If they are unsure, they are told to con-
I spend a good proportion of my time trying to help people who have endeavoured to contact Centrelink. They sit in my office and they show me the file that they have taken to Centrelink. They have a copy of the paperwork, but it has not been recorded properly. It is not the fault of staff at Centrelink. They have done their very best, but they are overworked and under pressure. Anyone who goes into a Centrelink office will know it is a nightmare for the staff and for the person trying to gain the service. So it is not good enough to say ‘Contact Centrelink’. I have an electorate that takes in a wide rural area. If you live in Waroona or Dwellingup, where there is no local Centrelink office, you cannot catch a bus down to Mandurah to the local Centrelink office because there is no bus to catch. And, for a lot of these people, even if there were a bus, they could not afford to catch it anyway. So they are in a catch-22 situation, and it is unfair.

I want to share with you the choices that some people in my electorate are forced to make. These are real people—they are not made up—who have contacted my office with problems they are having, and the family payments problem is going to be just one more that they have to face in the next two weeks. Mrs Jackson is living in Armadale, and she rang me to tell me the sacrifices that she and her husband are having to make because of the new tax system. She and her husband cannot afford home contents insurance any more. They have had to cut it back because of the huge increase in insurance costs. Now she spends her time worrying that they will be burgled or that there will be a fire, and their contents are not fully insured because they just cannot afford it. She said that they would like to go out more, but they cannot even afford to catch a train from Armadale into the city or to Carousel to go and see a movie. They have family living in the south-west, a couple of hours drive away, but they have not been to see them for years because they cannot afford it. That is a real family that is hurting because of the government’s decisions.

Another woman living and working in my electorate is juggling family responsibilities and a small business. She discovered in the last week that she is now being forced to pay a tax on a tax. She runs a trucking business. She bought a new truck that cost $162,000, but she has to pay GST of roughly $10,000 because of stamp duty implications. I recently had a community contact lunch where I invite leaders of community groups to come into my office, and we sit down and discuss what is going on and what we can do to make our area work better. They are all saying that they are struggling to cope with the demand on their services because more and more families cannot cope.

One family of six children came to see me recently. One child suffers from ADD and psoriasis. The medication he needs to take has been taken off the PBS, and the medication for ADD is expensive. In recent weeks, they have sold their dining room table and their fridge to meet their son’s medical costs. Their cost of living has naturally gone up, and they have high utility costs. The next step for them was that they had to cut down on the food that they were buying for their family. We helped Maureen get an appointment with the Salvation Army, and they got her a fridge. The difficulty, though, was that we had to ring six agencies before we could get hold of someone who could assist—not that all of the services did not want to help but they had already handed out all of their goods to people who are in need. Some volunteer services have difficulties nowadays in getting volunteers. Volunteers are dropping off quite often because, if they are in the management team of that community group, they cannot face the demands that the GST puts on them.

This is an unfair government. It does not care about humans. In fact, it seems to be at its happiest when it is accusing average Australians of being cheats. Most families cannot predict what their incomes are going to be for the 12 months ahead. A lot of people have part-time work or casual work. We have a high unemployment rate in some areas, and people take whatever work they can get. They cannot predict it 12 months in advance. It would be great if they could. I am sure every family in Canning would love to
be able to write to Centrelink and say, ‘This year we are going to earn $35,000.’ They would be in seventh heaven. But they are not living in that comfortable world; they are living in the real world, which is the world that the government continues to hide from. It comes out only when we drag it kicking and screaming to face its responsibilities.

The last family that I will refer to is a husband and wife who are pastors in Waroona. They wrote to me after the budget to explain how disappointed they were that the government did not deal with the problems that they are having. They believe that they have been discriminated against because they are an average family. There was nothing in the budget to help them, and their problems seem to get worse and worse every day. And they told me not just about their experiences because, as pastors, they help other people continually.

So the government needs to go back, have a look at its policy, recognise that yet another backflip is required, do the paperwork that is involved and help the families in Canning and in every other electorate in Australia. No-one likes to see people suffering. Any member who spends time in their electorate visiting people and having people visit their electorate office will find that most of the people they meet are in desperate need of assistance and comfort. That is our role. It is not to suggest that families are rorters. One paper suggested that 40 per cent of people are going to be asked to make a repayment. I do not believe that 40 per cent of my families in Canning are rorters or cheats, and I find it offensive that that is suggested. They may make genuine errors, however. The government has no credibility on this issue. When it is asked, ‘Will this hurt Australian families?’ it reminds me of the character in the Vicar of Dibley who, when asked a question, would answer no, no, no, but it is always a yes at the end.

Mrs ELSON (Forde) (4.30 p.m.)—It must be very hard for the member for Lilley to actually keep a straight face when proposing such a ridiculous matter of public importance. Then again he was Labor’s spin doctor back in the bad old days of the Hawke-Keating-Beazley government, so he knows a thing or two about distortions and untruths. This flawed strategy to try to scare the public, constantly talking down Australia and being negative for the sake of it, is not going to get Labor back into office. The only thing that a ridiculous MPI like this does is prove how much out of touch the Labor Party remains with real Australians and how little they have to offer. All it does is show that they will say and do anything to try to win a few votes, regardless of whether it is the truth or not. All it does is remind people of what Labor were really like in office. The choice people will have to face later this year is our record of lowering taxes and raising living standards and Labor’s record in office. And when you look at that record, that is where their own words in this MPI—‘savage impact’—really do ring true.

How savage was the impact on Australian families when Labor, with the Leader of the Opposition as Minister for Finance, delivered home loan interest rates of over 17 per cent? How savage an impact did that have on Australian families?

Mr Sidebottom—Haven’t you got anything original to say? You’ve been in government for five years. Get up to the present. Try to get to 2001.

Mrs ELSON—If you would like something original, I will add that I know from personal experience what a struggle it was. I had to take out a second mortgage under Labor and I had to raise eight children. They did not give me anything to compensate for that. I could have lost the house if it were not for the extra jobs I and my husband had to take on, and my young children helped me. They did not care about families then and they do not care about families now. I have four adult children who have families and who tell me how much easier it is under this government’s than I had it under their government.

Mr Sidebottom—Do they ring you every day?
Mrs ELSON—They are not silver spoon children. They are good trades people, and hardworking.

Mr Bruce Scott interjecting—

Mr DEPUTY SPEAKER (Mr Jenkins)—The minister is not assisting. The honourable member for Braddon will resume his seat or leave the chamber quietly.

Mrs ELSON—Under the Howard government’s strong economic management, families today are getting ahead. They are benefiting enormously from our policies of responsible economic management and keeping interest rates low—so much so that the average family now pays $300 less every month on an average home loan than they did when Labor was last in office. You cannot stand to hear the truth. There is an incredible list of benefits delivered to Australian families by the Howard government, from the first round of tax cuts shortly after we were elected to the Stronger Families and Communities Strategy that directly benefits our local communities. More importantly, the new tax package, delivered in full last June, has built on our achievements and brought very significant benefits for Australian families. It is the tax package that reduces taxes and massively increases family benefits. That is the bottom line and that is the reality.

The new tax package actually raises less revenue than the old tax system that it replaced. At the same time, we increased family payments by over $2.4 billion. I know that economics is not a Labor strong point—

The question the member for Lilley ought to be asking himself is how savage an impact did this have on Australian families, in particular on those on low and fixed incomes? What was worse, the l-a-w tax cuts that Australian families had been promised and were anticipating were never delivered by Labor, yet they have the audacity to come into this chamber and propose an MPI like this. The fact is that the new tax package is a fundamental and long overdue change to the system that was recognised as outdated and unfair. It is a change that Labor never had the courage or the leadership to bring about. It is a change that is in the nation’s best interest. Most importantly, it is a change that is in the interests of Australian families.

Australian families are at the heart of everything that the Howard government does. We are motivated by a genuine desire to recognise the valuable role families play in our society, in particular those families that are raising and nurturing children. That is why more families now qualify under our simplified family payments system that is part of the new tax package. The 12 complex and confusing different payments that grew under Labor have been simplified into three payments and have delivered extra benefits for Australian families. The family tax benefit part A delivers an extra $140 a year for each child, while family tax benefit part B delivers an extra $350 a year for a single income family with a child under five. The increased benefits total $2.4 billion in the pockets of all Australian families, not the $10 billion that the Labor Party took out
when they were in office. And this is on top of the $12 billion of personal income tax cuts that all Australians enjoyed under this new system—personal income tax cuts that have restored incentive for family breadwinners to work harder and earn more money without having to pay tax at the top marginal rates. Of course, the Labor Party conveniently ignore the tax cuts of the package and bring out the big bogeyman approach to the GST, which is apparently to blame for every ill in the world.

Let us look at the GST a little more realistically. It is a tax that has replaced a raft of other taxes. The GST does not apply to most foods. In fact, Choice magazine found that the price of an average family’s shopping trolley of goods has actually fallen under the new tax system. So the family shopping is actually cheaper. The GST does not apply to financial services or rent, so mortgage payments and rent payments are not affected—except, of course, that low interest rates mean that mortgage payments are $300 less a month than they were under Labor. Health services and prescription medicines are GST free, as are health premiums. In fact, health premiums are much cheaper with the government’s 30 per cent rebate. Education and child-care services are GST free. Local government rates are GST free. So this big bogeyman of the GST does not apply to many of the fundamental aspects of raising a family and working to a budget. Having raised a family of eight children myself, I know that mortgage payments and food account for most of the family budget, and these items do not attract GST. Actually, they are significantly cheaper as a result of this government’s policies.

When you think about it rationally and consider the income tax cuts and major increases in family payments, not to mention the significant increase in child-care funding the government has made—we will be spending a record $5.6 billion on child-care payments and services over the next four years—there is no way on earth, not by any stretch of the imagination, that you could say there has been a ‘savage impact’ on Australian families under the new tax system. Australian families are better off under the new tax system and under the Howard government. The member for Lilley can put on his ‘preacher of doom and gloom’ robes and come in here and propose a ridiculous matter of public importance but it will not change the facts. When you talk about a ‘savage impact’, you cannot get much worse than Labor’s trifecta when in government. Labor has a track record of high interest rates, of increasing taxes over and over again and of running up debt and mortgaging our children’s future. Labor savaged Australian families when they were last in government and Australian parents will not forget that track record. They will not be fooled by the negativity and nonsense that the Labor Party are now trying to pass off as reality. The reality is that the Howard government has delivered, and will continue to deliver, real benefits for all Australians, particularly those who deserve it most—and they include, without a doubt, families raising children. 

(Time expired)

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

PARLIAMENTARY ZONE
Approval of Proposal

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (4.40 p.m.)—On behalf of the Minister representing the Minister for Regional Services, Territories and Local Government, I move:

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 25 June 2001, namely: Construction of Reconciliation Place.

As part of the government’s commitment to the ongoing reconciliation process, the Prime Minister, the Hon. John Howard, announced on 22 May 2000 that a reconciliation square, as it was then called, would be constructed in the national capital. Following a national design competition, the National Capital Authority proposes to construct Reconcilia-
Reconciliation Place will provide a focal point for contemplation in the telling and sharing of the stories of reconciliation. There is a physical and symbolic connection to Commonwealth Place via a grand ramp. The offices of Reconciliation Australia are to be located in Commonwealth Place. Reconciliation Place will also provide a pedestrian connection between the National Library of Australia and the High Court of Australia, which is currently linked to the National Gallery of Australia by a bridge.

Reconciliation Place comprises a grassed mound sited centrally in Parkes Place. Extending towards the National Library of Australia and the High Court of Australia is paving which, together with the mound, forms a pedestrian promenade. The ramp from Commonwealth Place splits at its intersection with Reconciliation Place and curves around the northern edge of the proposed central mound. The new paths extend from either side of this new central grassed mound, and it is proposed that a water feature be included in the mound. Along the paths are sited ‘slivers’—the designer’s terminology for displays—which tell the stories of reconciliation. The designer’s intention is that the landscape features—the mound, the paths and so on—provide a setting or a framework for the slivers. It is intended that the initial construction contain four slivers and that further slivers telling different stories be added to the place from time to time. The slivers are an essential component of the design and critical to its success. Their subject matter and the design is yet to be finalised. Each sliver requires an individual artistic input; each sliver would be individually lit and include artwork and text and may be constructed in stainless steel, stone, timber or similar quality materials.

As the Parliament House vista is on the Register of the National Estate, the Australian Heritage Commission has been consulted and has advised that it supports the project. The Joint Standing Committee on the National Capital and External Territories has considered the proposal and has agreed to the proposed works. Approval by the houses of parliament is sought so that construction can commence on Reconciliation Place. Details of the slivers, the water feature and lighting are yet to be finalised and it is proposed that these be submitted separately to parliament for formal approval in August 2001.

The approval of both houses of parliament for works to construct Reconciliation Place in the parliamentary zone is sought under section 5 of the Parliament Act 1974. The Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, has lodged copies of the text in the table office of both chambers for the information of honourable members and senators.

I want to pay tribute to the designers and say, as Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs, that I think that this project is a very important national project in the context of reconciliation, because it will be a symbolic representation of the path that we have been on nationally. It will, I think, be a symbolic representation of much of our history; the stories that can be told will be there—the good and the bad. If we are going to deal with reconciliation, if we are going to deal with our history, there needs to be that opportunity.

I take this opportunity to thank those who were associated with the supervision of this competition and those who played a role in the judging of it. My parliamentary secretary, Chris Gallus, has played a particular role in relation to this, and I thank her for her work. The member for Hughes, Danna Vale, was involved in the development of the project and the ultimate selection of this design through the competition that was held, and I thank her for her involvement. They will both speak, I imagine, in relation to this, as will others. I commend this development to the House, because it is one of the more important and symbolic opportunities that have been taken. Reconciliation Place, when it is completed, will be a very important and focal point of the reconciliation task that we have all been involved in.
Ms ELLIS (Canberra) (4.46 p.m.)—I will be relatively brief, but I would like to take the opportunity to contribute to this debate on the construction of Reconciliation Place, obviously as a concerned member of this House on the question of reconciliation, as the local member for Canberra in the ACT, which of course is where Reconciliation Place is going to be located, in the parliamentary triangle, and also as a member of the Joint Standing Committee on the National Capital and External Territories.

I say at the outset that I welcome any action from government—or from anyone else, for that matter—that is going to further advance true and proper reconciliation in this country. This is one of those steps that I would acknowledge. Without wishing to be a wet blanket on the debate, because I am not intending that at all, while this is a very welcome thing, gestures of a monumental kind are welcome and are important and have a very constructive role, they do not—I do not think the government is intending this at all but I want to just say this for the record—in any way replace some of the more practical and real hands-on reconciliation actions that can be taken.

Having been involved in the report Health is life, which was the product of the inquiry into the state of indigenous health of this country, I can think of many other ways we can move forward very practically and very honestly in true reconciliation by way of helping to improve the state of indigenous health of our population in this country. I would like to think that this sort of action goes hand-in-hand with those sorts of things and that we will take more proactive action in, for instance, the housing, the wellbeing and the health of our indigenous people.

Having said that, I have one comment to make that I think is terribly important. As a member of the Joint Standing Committee on the National Capital and External Territories, I regretted very deeply the very short time the committee had to consider this proposal. We endorsed it with no reservations, but the committee was a little bit disappointed, to put it mildly, that we had only a very short period of time. As a result of that, the briefings that were offered to us by the National Capital Authority most of the committee could not attend—and I regret that because I was one of those committee members who could not attend. We obviously had no intention of ever wishing to slow this process, and acted accordingly and with great integrity towards the process; but, having been part of that approval process, I look forward to actually getting some further briefings on the shape and the design of the project.

It is a very exciting project, for very many reasons. As the local member, I was extremely pleased to see someone like Ms Matilda House involved. She is a regarded elder of the Ngunnawal people, the traditional owners of the land on which we are standing right now. I was very pleased that she, along with some other people within this region, had a role in this. I do not mean by saying that that I am imagining or professing that this is a project only relevant to the Ngunnawal—it is not in fact—but it was good to see that our local community within the Canberra region had a role in this. I do not mean by saying that that I am imagining or professing that this is a project only relevant to the Ngunnawal—it is not in fact—but it was good to see that our local community within the Canberra region had a role in its consideration and development, as did some local business people and developmental people as well.

I look forward to seeing the development of this project. As a member of the joint standing committee, I also look forward—hopefully, with more time next time—to the further phase of this development, particularly Commonwealth Square. As I understand it, this is the first part of the construction of Reconciliation Place and the works that are being approved by this motion are in fact that early development and that more development will be forthcoming. I am looking forward to seeing that and, hopefully, approving it as we did in that committee process that I have just referred to.

I congratulate the people who have participated in the design of Reconciliation Place. I can imagine that it would have been a fairly emotional process for those people because they are attempting to encompass the views of a very broad range of people. When we put a monument—for want of a
better term—of this kind in a place, as is being proposed here, it is in fact a national point of interest. It is going to be a national thing that people who come to Canberra to see other national monuments and other points of national recognition will include in their visit. It has a very important place, as I might say does the tent embassy, which has been there for so many years now and is part of a pathway of history.

I think that Reconciliation Place is hopefully going to be the continuation of that pathway of history, as the national recognition of the journey of our indigenous folk and where it has taken them in this country in the last 200 years or so. I would like to congratulate the people involved. There has obviously been a great deal of work put into this. I look forward to seeing the papers and the development of the next phase as this project continues into the future.

Mrs GALLUS (Hindmarsh—Parliamentary Secretary to the Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs) (4.53 p.m.)—I acknowledge the comments of the previous speaker, the member for Canberra, and her recognition of the need for practical reconciliation and the importance of addressing the disadvantage experienced by a large number of Australia’s disadvantaged people. Reconciliation Place will be a site to honour the importance of reconciliation in this nation’s life and a place that will continue to develop with Australians as we grow together. It will acknowledge the history of this nation’s first people and also our shared history. This is a history that has not always been positive and a history that contains elements of which we cannot be proud.

Reconciliation Place will recognise the significant contributions made to this country by the indigenous people that have helped to shape this nation’s identity. I hope that for many Australians, particularly indigenous Australians, this will be a place that begins the process of healing the hurts of the past. As previously stated by the Prime Minister, Reconciliation Place, located as it will be in the heart of the parliamentary triangle, both physically and symbolically will signify the importance that the government places on the process of reconciliation. Reconciliation Place will be a place to celebrate the efforts and contributions by everyday Australians to the reconciliation process. It will be a place to encourage people to join the process so they can better understand the history and the cultures of Aboriginal and Torres Strait Islander people.

I would also like to acknowledge the role played by women in the process of reconciliation and their contribution to the stories that will make up Reconciliation Place. The Council for Aboriginal Reconciliation found that all women, both indigenous and non-indigenous, play an enormous role in working to keep their families and communities strong. The council consulted with many women’s organisations and found that there was a great similarity of views regarding the reconciliation process. There was also a strong view that it was women who played a major role in nurturing and healing our society. Their efforts to keep communities together and the reconciliation process a part of our everyday lives needs to be acknowledged.

While Reconciliation Place will play an important role in the ongoing process of reconciliation, achieving reconciliation requires a universal effort across all levels of government and by all sectors of the community. The government is strongly committed to the process of reconciliation and to implementing both symbolic and more practical measures to ensure that the reconciliation process continues. We must accept that there will be times when we will disagree on the process or even on issues, but understanding and accepting another point of view is what reconciliation is often about. What is undisputed is that we are all heading in the same direction and that the more committed we are to reconciliation the nearer our destination. Reconciliation can be viewed as a long road: looking forward we may think we have a long way to go, but by looking back we know we have come a long way. It is a powerful force for good and has the potential to make us a stronger nation.
I am sorry today to see that the shadow minister for Aboriginal and Torres Strait Islander affairs is not here, because I would have appreciated hearing his comments and support for the concept and the reality of Reconciliation Place. In concluding, Reconciliation Place is not the beginning of the process but part of an ongoing commitment by this government to ensuring reconciliation continues to be an integral part of Australian life.

Mrs VALE (Hughes) (4.57 p.m.)—I gladly support this motion to seek approval of the House to construct Reconciliation Place in the parliamentary zone. I acknowledge the Ngunnawal people, the traditional owners of this land, and especially the work of Matilda House in bringing this to reality. Reconciliation means to make friends after an estrangement, and I know of no Australian who does not want friendship between our indigenous and non-indigenous peoples.

The journey towards reconciliation formally began in 1967 when non-indigenous Australians overwhelmingly voted yes in a landmark referendum which granted to our indigenous neighbours the same recognition and rights common to every Australian. This journey continued informally on one autumn day in May last year when both indigenous and non-indigenous Australians walked together across the Sydney Harbour Bridge. And in other states, across other bridges, Australians walked together in a moving tribute to the goodwill and friendship that exist between us across our wide brown land. Another event which marks the living spirit for reconciliation is the Praise Corroboree which occurs every year here in the Great Hall in Parliament House. This annual event of prayer and praise is led by the respected indigenous pastor Peter Walker and draws together indigenous and non-indigenous Australians from across the continent in a week of prayer for peace and harmony for us all.

The building of Reconciliation Place in the parliamentary zone will be another important step in the journey of reconciliation. This monument will reflect, by its prominence in the parliamentary precinct, the high priority we attach to this solemn national aspiration. However, as well as emblems of reconciliation, there need to be tangible outcomes of reconciliation that improve the quality of the lives of our earliest Australians. Decades ago we as a nation set about sharing more equitably our country’s resources to ensure that material outcomes for our indigenous Australians better approximated the experience of the wider Australian community. This has proved to be a harder task. There is a long way to go, but the shortfall in material equity should not deter us from making the gestures of friendship, forgiveness and understanding that occupy the realm of symbols. Symbols are an important signpost along our journey.

Despite all that has been done, and despite the long and difficult road on which Australians have together embarked, it is only comparatively recently that many of us have come to realise that there are still far too many of us—especially many women and children—in remote communities who live in daily terror of physical, psychological or sexual abuse from which there is no safe refuge or safe house. In my view, this is the most significant issue challenging us as a nation today. I say to these women and children: ‘You are not alone; together we will face the challenge and work towards your protection and support.’ When every Australian woman and child experiences the same sense of safety and security from harm enjoyed by the vast majority as a matter of habitual right we will then truly know that we have reconciliation for all of us. In supporting this motion for Reconciliation Place, I commit myself, on behalf of these women and children, to work in this place to bring about the peace and sense of safety and security that they rightly deserve as my fellow Australians.

Question resolved in the affirmative.

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:
Appropriation (HIH Assistance) Bill 2001
Appropriation (Parliamentary Departments) Bill (No. 1) 2001-2002
Appropriation Bill (No. 1) 2001-2002
Appropriation Bill (No. 2) 2001-2002
Taxation Laws Amendment Bill (No. 3) 2001

PASSENGER MOVEMENT CHARGE AMENDMENT BILL 2001

Main Committee Report
Bill returned from Main Committee with an amendment; certified copy of bill and schedule of amendment presented.
Ordered that the bill be taken into consideration forthwith.

Main Committee's amendment—
(1) Schedule 1, item 2, page 3 (line 10), omit “1 July 2001.”; substitute:
1 July 2001, unless:
(a) the person departs using a ticket or equivalent authority; and
(b) the ticket or authority was sold or issued before 1 July 2001.

Amendment agreed to.
Bill, as amended, agreed to.

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

COPYRIGHT AMENDMENT (PARALLEL IMPORTATION) BILL 2001

Consideration in Detail
Consideration resumed.

Mr BRUCE SCOTT (Maranoa—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (5.03 p.m.)—The debate on this bill was suspended because of question time, and we are continuing with that debate. The last speaker was the member for Fraser. Parallel importation is the importation of non-infringing, essentially non-pirated products without needing the permission of the Australian copyright owner. Personal non-commercial importation of copyright products is permitted. Parallel importation applies to physical products, not to copies of copyright works or subject matter downloaded from the Internet in Australia. Currently the Copyright Act gives the Australian copyright owner an exclusive right to authorise the importation of books, periodicals, printed music or software for commercial distribution. Sound recordings have been able to be parallel imported since 1998.

Copyright owners currently have the ability under the Copyright Act of 1968 to control the Australian market for each imported copy of a book, software product, periodicals, publications or printed music. This control can lead to comparatively high prices, substantial delays in access to material, or a lack of access to some material in retail outlets altogether. Australia is a net importer of copyright material and it is essential to the development of our information economy that printed material and software are widely available on a reasonable and competitive basis. Whilst personal importation of these products is not affected, the availability and price of the vast majority of material is able to be controlled at the national or regional level by the Australian copyright holder. Parallel importation will allow the importation of physical products on the same competitive basis as the downloading of licensed material from the Internet. Allowing for parallel importation reduces the potential for price discrimination against the Australian market and is likely to increase the accessibility of printed material as well as software.

The opposition members have asked why the government accepts the ACCC pricing. The Australian Consumer and Competition Commission is an independent statutory authority, with responsibility in particular for administering the Trade Practices Act 1974 and the Prices Surveillance Act 1983. As Ms Bridge, of the Australian Publishers Association, the APA, has stated:
... no-one quibbles with the ACCC's mathematics.
That is from the Hansard of 10 May 2001, on page 40. The ACCC submitted a supplementary submission to the Senate Legal and Constitutional Legislation Committee in which they addressed the matters raised in the committee hearings by industry bodies.
The ACCC has responded to the criticism made during the Senate Legal and Constitutional Legislation Committee hearings by submitting a further submission to the committee. There is no independent evidence to substantiate claims of large job losses and the potential closures of businesses.

The Industry Commission report also noted that Australia’s printing industry had improved its overall competitiveness since 1992, resulting in reduced imports and higher output, despite the reduction of the book bounty. This quite clearly suggests that the industry can compete at the international level, irrespective of the removal of parallel import restrictions. The book industry assistance plan is a very generous package which addresses both existing initiatives and future initiatives. The government has committed $240 million over four years, of which $48 million is available to the printing industry.

Bill agreed to.

Third Reading

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

**DAIRY PRODUCE LEGISLATION AMENDMENT (SUPPLEMENTARY ASSISTANCE) BILL 2001**

**Consideration of Senate Message**

Message from the Governor-General recommending appropriation for requested amendment announced.

Bill returned from the Senate with a request for an amendment.

Ordered that the requested amendment be taken into consideration forthwith.

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**Senate’s requested amendment**—

1. Schedule 1, item 10, page 6 (after line 24), before subclause (1), insert:

   Levels of additional market milk payment rights

   (1A) It is a policy objective that there be 2 levels of additional market milk rights as follows:

   (a) basic additional market milk rights;

   (b) additional market milk rights.

   (1B) It is a policy objective that an entity is eligible for the higher of either:

   (a) basic additional market milk rights;

   or

   (b) additional market milk rights;

   but not both.

   Basic additional market milk rights

   (1C) The basic additional market milk right is $15,000.

   (1D) It is a policy objective that an entity is not eligible to be granted a basic additional market milk payment right unless:

   (a) the entity has been granted a payment right under the DSAP scheme in respect of a dairy farm enterprise (the qualifying enterprise); and

   (b) the entity held an interest (of a kind referred to in the SDA scheme) in that enterprise, or in any other dairy farm enterprise, at a time referred to in the SDA scheme; and

   (c) the number (the market milk number) worked out in accordance with the following formula is at least 25.1 (rounding to 1 decimal place and rounding up if the second decimal place is 5 or more):

   \[
   \frac{\text{Total number of litres of market milk delivered by the qualifying enterprise in the 1998-1999 financial year}}{\text{Total number of litres of manufacturing milk delivered by that enterprise in that year}} + \frac{\text{Total number of litres of manufacturing milk delivered by that enterprise in that year}}{100}
   \]

   Note: See also subclause (5) for how those delivery numbers are worked out.
Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (5.10 p.m.)—I move:

That the requested amendment be not made but that in place thereof the Dairy Produce Legislation Amendment (Supplementary Assistance) Bill 2001 be amended as follows:

(1) Schedule 1, item 3, page 4 (line 6), omit “2 types of SDA payment rights:”, substitute “3 types of SDA payment rights: basic market milk payment rights.”.

(2) Schedule 1, item 10, page 5 (before line 21), before paragraph (a), insert:

(aa) basic market milk payment rights;

(3) Schedule 1, item 10, page 6 (line 20), omit “2 types”, substitute “3 types”.

(4) Schedule 1, item 10, page 6 (before line 22), before paragraph (a), insert:

(aa) a type called basic market milk payment rights;

(5) Schedule 1, item 10, page 6 (after line 23), at the end of clause 37D, add:

(2) It is a policy objective that, if an entity is eligible to be granted a basic market milk payment right and an additional market milk payment right, the entity is eligible to be granted the payment right with the higher face value and is not eligible to be granted the other payment right.

(6) Schedule 1, item 10, page 6 (before line 24), before clause 37E, insert:

37DA Basic market milk payment rights—eligibility etc.

Basic eligibility criteria

(1) It is a policy objective that an entity is not eligible to be granted a basic market milk payment right unless:

(a) the entity has been granted a payment right under the DSAP scheme in respect of a dairy farm enterprise (the qualifying enterprise); and

(b) the entity held an interest (of a kind referred to in the SDA scheme) in that enterprise, or in any other dairy farm enterprise, at a time referred to in the SDA scheme; and

(c) the number (the market milk number) worked out in accordance with the following formula is at least 25.1 (rounding to 1 decimal place and rounding up if the second decimal place is 5 or more):

\[
\text{Total number of litres of market milk delivered by the qualifying enterprise in the 1998-1999 financial year} \times 100
\]

\[
\frac{\text{Total number of litres of market milk delivered by that enterprise in that year}}{\text{Total number of litres of manufacturing milk delivered by that enterprise in that year}} + \frac{\text{Total number of litres of manufacturing milk delivered by that enterprise in that year}}{\text{Total number of litres of market milk delivered by the qualifying enterprise in the 1998-1999 financial year}} \times 100
\]

Note: See also subclause (4) for how those delivery numbers are worked out.
Calculation of face value

(2) It is a policy objective that the face value of an entity’s basic market milk payment right is to be a share (worked out in accordance with the SDA scheme) of the overall market milk amount for the qualifying enterprise.

Interpretation

(3) For the purposes of this clause, the overall market milk amount for the qualifying enterprise is:

(a) if the market milk number is at least 25.1 and less than 30.1—$10,000; or

(b) if the market milk number is at least 30.1—$15,000.

(4) A reference in this clause to the total number of litres of market milk, or the total number of litres of manufacturing milk, delivered by the qualifying enterprise in the 1998-1999 financial year is a reference to that number as determined by the DAA to have taken to have been delivered by that enterprise in that year.

(5) This clause is subject to clause 37V (about the effect of death on eligibility etc. for the grant of payment rights).

(7) Schedule 1, item 10, (page 8), line 15, omit the heading, substitute:

37F Market milk payment rights—offsetting

(8) Schedule 1, item 10, page 8 (line 16), after “entity’s”, insert “basic market milk payment right or”.

(9) Schedule 1, item 10, page 8 (line 29), after “entity’s”, insert “basic market milk payment right or”.

During the debate on the bill in both the House and the Senate, we have heard opposition parties claim that the government’s additional market milk payments would not adequately address the needs of some farmers who were previously reliant on market milk premiums. The opposition has argued that the government’s focus on assisting those most adversely affected should be broadened. However, the opposition’s amendment request, as I have already indicated, is not well-targeted and would increase the overall costs of the package by an estimated $60 million. It would increase the costs of the additional payments package to milk consumers by more than 40 per cent. This would be an unacceptable outcome. It would also strike at the integrity of the package, which was and is designed fundamentally to assist those dairy farmers who are faced with the biggest adjustment task.

The government is prepared to propose a compromise amendment which increases the coverage of the additional market milk payments in a targeted way but retains a focus on those most vulnerable farmers. The government’s counterproposal would lower the eligibility threshold by 10 percentage points, from 35.1 per cent to 25.1 per cent market milk dependency. It will provide a minimum payment of $10,000 or $15,000, depending on the level of market milk deliveries. It would, therefore, be a more measured response to the adjustment challenge than that proposed in the opposition amendment request.

In effect, the government’s new basic milk payment right sets a floor in the market milk payment for those enterprises which have a market milk payment dependency of more than 25 per cent. Enterprises with a market milk dependency of more than 25 per cent and less than 30.1 per cent would be eligible for a minimum enterprise entitlement of $10,000. From 30.1 per cent upwards, the entitlement would increase to $15,000.

Once market milk dependency reaches more than 35 per cent, the enterprise would then be entitled to the additional market milk payment currently provided for in the bill. As I have previously indicated, the bill provides for additional payments to be made, based on a sliding scale from 0.12c a litre for market milk deliveries of 35.1 per cent or more up to 12c a litre at 45 per cent and above.

It is important to note that an entity would be eligible for either the basic payment or the additional market milk payment, whichever is the larger. This means that, if an enterprise met the eligibility criteria for both the minimum basic market milk entitlement of $15,000 and for an additional market milk
payment of $20,000, the enterprise would be entitled to the larger of the two, the $20,000. This entitlement would be shared among the entities in accordance with their sharing of the entitlements under the original package, provided they were still involved in a dairy farm enterprise on 21 May 2001. As with the additional market milk payment, farmers would have the choice of taking the basic milk payment as a lump sum or as a quarterly payment over eight years.

The new payment is expected to provide benefit to about 892 additional farm enterprises, with some 569 in South Australia, 129 in New South Wales, 134 in Queensland and 60 in Western Australia. The proposal is estimated to cost an extra $19 million and will require an extension of the 11c market milk levy for about two months.

As I have indicated previously, the government has moved promptly to address the concerns of vulnerable dairy farmers and their communities in the light of requests it has received from the industry and as reported in the ABARE report. Payments under the Supplementary Dairy Assistance Scheme, including the basic market milk payment, will be largely based on DSAP entitlements and information already available to the Dairy Adjustment Authority. Notification of the additional market milk and basic milk entitlements will be made shortly after passage of this bill, and payments can be made promptly on completion of acceptance processes. As this is the last week of the current winter sittings, I would again like to stress the importance of the passage of this legislation before parliament rises tomorrow. It is imperative that farmers who are in genuine need receive this additional assistance as soon as possible. There should not be a delay of two months or probably more if the government’s compromise proposal is not accepted this week. I present the explanatory memorandum. Our compromise proposal goes a very long way towards meeting some of the proposals put by the Senate, and I urge its smooth passage. (Time expired)

Mr O’CONNOR (Corio) (5.16 p.m.)—It is very interesting that the Minister for Agriculture, Fisheries and Forestry comes in here with what he terms ‘his compromise proposal’. It is an interesting proposition, because his colleagues in the Senate indicated there would be no compromise on the floor of the Senate, but the minister has come into the House with a proposal that amends what was put to the Senate and passed by the Senate.

Essentially, the Supplementary Dairy Assistance Scheme package was deficient in this respect: it failed to provide assistance to some dairy farmers who were hardest hit by deregulation, particularly those in Queensland and New South Wales. What the original supplementary package effectively did, however, was penalise some of those dairy farmers who had made a commercial decision ahead of dairy deregulation to restructure their enterprises themselves. In some cases in those states, dairy farmers expanded their farms and their herds and they updated their plant. In the process of doing that they went into debt. Then, of course, came deregulation and the massive miscalculation by the government of the impacts of that on dairy farmers in particular areas of Australia. In the wake of dairy deregulation, the farmers to whom I have just alluded who reduced their dependence on market milk below this particular threshold of 35 per cent found themselves receiving no assistance at all from this package.

The minister’s Supplementary Dairy Assistance Scheme package has created significant divisions within the ranks of dairy farmers, certainly between states. There are dairy farmers in some states who were opposed to any sort of supplementary assistance package at all, and we acknowledge that particular position, as has the minister on many occasions. However, there were a number of dairy farmers in the worst affected areas in the worst affected states who were not going to be able to access this supplementary assistance package at all. Recognising this, the opposition moved its amendment in the Senate to ensure that some assistance, some reward, flowed through to those farmers who
had attempted to do the right thing in advance of dairy deregulation—they had restructured their enterprises and prepared in a positive manner for that event, but are now excluded from the government’s supplementary assistance package.

We examined very closely the amendments that were put forward by the Australian Democrats and we examined the proposals that were floated from the One Nation representative in the Senate, and we came to the conclusion that to support those would lead to a significant increase in the cost of the package, and we were mindful of that particular fact when we made and structured the amendment that we did on the floor of the Senate. I understand that it was a vigorous debate on the floor of the Senate. There were significant discussions at the officer level, and also between senators from both sides of the House. But I want to make this quite clear: although perhaps the exact form of words in the motion passed by the Senate might not have reflected the eventual financial outcome that the minister assessed, in the discussions and the debate we made it quite clear that the proposal that we were putting would cost in the region of $15 million. (Extension of time granted) I note that the minister has indicated that the alternative measures that he has proposed would cost in the order of $19 million. Am I correct in that respect? We do not have the resources of the government at our disposal to accurately cost it, but it is surprising that in the minister’s assessment of his proposal, which is not too far removed from the one that we put up, there is a difference of only $4 million. So I think it is a little naughty of the minister to be mounting the argument that our proposal would have cost $60 million, when in fact we had costed our proposal at $15 million. The hair-splitting in this was the definition under the legislation of the farm as either an entity or an enterprise. We accept the technical amendment that the minister has proposed to clarify that it is enterprises that we are talking about, and the calculation that he has made fits very closely with the one that we have.

We need to go back just one step to have a look at the original package of assistance that was provided by this government. The minister was in the parliament even today on the issue of the DRAP funding—which is a part of this supplementary package and a part of the original package—once again creating the myths that he was not responsible in any way for dairy deregulation, when on the floor of this House and in his press releases he has made the statement that, unless the states agreed with this proposal, there would be no federal umbrella legislation to give effect to this $1.7 billion package. The second point that he continues to make is that he portrays this particular package as being the government’s money. I need to clarify yet again that this is not the federal government’s money and it is not the Howard government’s money—it is the consumers of Australia who are now supporting a supplementary assistance package, as they did with the $1.7 billion. I say to the minister that the reason why I am standing here debating your particular proposal and the reason why we are debating yet again the supplementary assistance package is that the original one failed and it has taken the government too long to respond to the dire straits that many dairy farmers have found themselves in.
I really do think that this amendment that the minister has brought in here is a bit mean and it is a bit tricky. It is tricky because he has modified in a very small way the proposal that won the support of the Senate and that was passed by the Senate, and that was the proposal that was put by the opposition. (Extension of time granted) That particular proposal that we put was made in good faith. It was made in good faith, because the opposition saw that there was a deficiency in the supplementary assistance package—that it was creating divisions in the ranks of dairy farmers, that the supplementary assistance package as it stood did not address the needs of hard-pressed dairy farmers who were excluded and, in a perverse sort of way, it did not acknowledge the contribution of the dairy farmers who had restructured their enterprise in advance of dairy deregulation, who are now excluded from the supplementary assistance package. The fact that we are debating this issue here tonight is an indication of the lack of planning and the lack of vision that motivated this whole exercise on behalf of the government.

I find it interesting that the minister considers that this particular proposal will add $19 million to the cost of the package. The assessment that we have done would indicate that there are some substantial savings in the supplementary assistance package that would defray the actual cost of this particular proposal and that, within the ambit of the total package and the elements of the original package, there is a considerable amount of unspent money that could have been used to top up or to make this particular payment. Many people in the community might argue that this is really a pretty hollow gesture of $19 million when you match it against the $1.9 billion at which this package stands at the moment. I say to those people that there is important symbolism in this particular proposal. It seeks to pick up those dairy farmers who looked at the commercial realities of their industry, who went out and planned for change and who were then excluded from the supplementary assistance package when the going got really tough, when the prices fell out of the marketplace, when land values fell in many dairying communities and when incomes were severely reduced.

Minister, I think this is a bit mean and tricky. I would suggest to you that we could have resolved this matter even before the Senate proposal came to the House. But inherent in the proposal that you are making, as I understand it—and I stand to be corrected on this—is that there be a reduction in the payment to some dairy farmers who would have received more assistance had the Senate amendment been passed, even in a slightly amended form in a technical sense. If that is the case, you are coming into this House with a very mean-spirited proposal. If the outcome of what you are proposing is going to mean that those dairy farmers are going to receive less—some of them will receive less under your proposal than they would under the one that is proposed by the Senate—we will oppose your amendment on the floor of this House. I would encourage other speakers who might have some words to say on this to join me in debate.

Mr ZAHRA (McMillan) (5.31 p.m.)—The National Party do not know much, but they know how to look after each other. That is what we have seen from this government. Whenever the National Party have been given any sort of responsibility for any administration, their instinct has always been not to be competent in their portfolio, not to be good at their job, not to look after their constituencies, but only to look after their political mates. That is what we have seen from start to finish in everything which the National Party have touched in relation to their role in the federal government. And we have seen it in relation to dairying. It has been no more stark than in relation to the administration of the dairy regional assistance package. The way in which this package has been administered is outrageous. It is absolutely shameful that this has been used as a pork barrel fund instead of being used to set up this industry to assist dairy dependent communities.

Mr Truss—Mr Deputy Speaker, I rise on a point of order. The amendments make no
reference to the dairy regional adjustment program. Therefore, the comments of the honourable member are out of order. This is, after all, a debate on the confined nature of the amendments.

Mr DEPUTY SPEAKER (Mr Hollis)—It is a fairly restrictive debate, but I am sure the member for McMillan will draw his comments back to the amendments as moved.

Mr ZAHRA—Absolutely, Mr Deputy Speaker. They might not like it, but it is important that someone in here says these things and gives voice to the real concerns that people in dairy dependent communities have in relation to the way in which this program has been administered. What about, for example, the Baw Baw Shire Council proposal? They put in to the Dairy Regional Assistance Program for a mere $500,000—a mere $500,000 from DRAP—to try to expand existing businesses which are doing well in their districts, to try to create an additional 50 or 60 jobs. They did not receive a cent from the Dairy Regional Assistance Program.

Mr Truss—I rise on a point of order. There is no reference in the amendments to the Baw Baw Shire Council. I suggest that the member’s attention should be drawn to the nature of the amendments.

Mr DEPUTY SPEAKER—With respect to the point made by the minister, I thought we were talking about a sum of money. I thought the honourable member for McMillan was drawing his comments to that sum of money. I heard $60 million mentioned and he is talking about $500,000. It is still a sum of money.

Mr Truss—It is a sum of money for a totally different purpose. One is for distribution to farmers. There are no amendments before the chamber in relation to the Dairy Regional Assistance Program.

Mr O’Connor—On the point of order, Mr Deputy Speaker: this amendment relates to a supplementary assistance package of $140 million, of which $20 million is for DRAP purposes. As I understand it, $20 million is for anomalies and $100 million is for dairy farmers.

Mr DEPUTY SPEAKER—As I am sure you will appreciate—for those of us who are not dairy farmers—it is quite a detailed bill, but I am sure the honourable member for McMillan will confine his remarks within the constraints of the amendments that we are considering.

Mr ZAHRA—Mr Deputy Speaker, I am. It is not my fault that the Minister for Agriculture, Fisheries and Forestry does not understand the nature of his own amendments to the legislation. There is an additional payment of around $20 million to the Dairy Regional Assistance Program. It is not my fault that the minister for agriculture does not understand that, and it is not my fault that the federal government saw fit not to provide any support at all to the Baw Baw Shire Council proposal which asked for only $400,000 from this program. It asked for only $400,000 for this very dairy dependent community. It would have created around 50 or 60 new jobs in Baw Baw Shire Council, a local government area which has suffered enormously as a result of the shake-out in the dairy industry. They have lost 160 jobs at the Drouin Bonlac factory.

This is no small thing. When it comes to similar closures which have taken place in other parts of regional Australia, the federal government has been pretty quick to step in. In Eden in New South Wales, when they lost 150 or 200 jobs at their cannery, in a community of about the same size, the federal government was pretty quick to step in and to give them $3.5 million. But what did it give the people of Drouin out of DRAP? Not one cent. The government should be ashamed of itself. It should be condemned for its behaviour in not supporting this very worthwhile submission proposed by Baw Baw Shire Council. When it comes to the other components of the amendments, I should say, in relation to the additional $100 million—(Time expired)

Mr HORNE (Paterson) (5.36 p.m.)—I would like to take the opportunity to speak on these amendments. They really do epito-
mise those famous words of Shane Stone—‘mean’, ‘tricky’ and ‘not listening’. What we have here is a Pontius Pilate of a minister that accepts no responsibility for the decisions that he has made. That is what this is about. For 12 months we have heard the Minister for Agriculture, Fisheries and Forestry saying that it is the states that brought about deregulation, but we know only too well that the day he came in here and put the dairy deregulation legislation on the table he said, ‘They have a date to comply. If they don’t comply, it will be withdrawn.’

The other furphy that he has perpetuated since that time is that this is a federally funded program. We all know it is not. We all know that it is funded by the consumers of Australia who, for the next nine years, will be paying 11c a litre. I even beg to differ from that. As soon as you talk to the dairy farmers, you will find out that they know that their farm gate price has dropped a heck of a lot more than 11c a litre. They know that they are actually funding their own compensation package.

Let us talk about today. This supplementary program today is really rewarding the wrong people. As the member for Corio said, a farmer who accepted that deregulation was inevitable and set out to change his business—to expand productivity, to expand production—to be able to produce larger volumes of milk at a lower price stands the risk of getting absolutely no compensation, no reward from this government for having initiative. On the other hand, what it does do is this. If there is a farmer who is now currently exiting the business and will go out in the next few weeks but was there on that date in May that is determined by this piece of legislation, he will get full compensation as long as his quota was above 35 per cent.

What is this government all about? Do you want a progressive dairy industry? Do you want to reward the people that you want to stay in this industry? The Dairy Produce Legislation Amendment (Supplementary Assistance) Bill 2001 certainly does not show that. I am pleased that the member for Page came in here, because, when we were debating the bill the other day, I thought I got a wink and a nod from the member for Page. He knows that what I am saying is exactly right. If the dairy industry has a place in Australia’s future, it is there for the people who have the determination, the will and the vision to make it work. This government is certainly not rewarding those people.

The other point I would like to make is that I represent two of the most adversely affected communities in the whole of Australia. The ABARE report shows that. I pleaded with the minister last December, in his office, that communities such as Dungog and Gloucester need assistance. It is very difficult for small communities that do not have any processing or manufacturing industry as part of their normal day-to-day employment pattern. It is very difficult for the small shire councils in those areas to come up with a package to encourage industry to be there. It really is for the federal government to go into those communities and say, ‘Let us put people in with expertise, look at your strengths, look at your weaknesses, and try to determine an industry that could come in here and replace the enormous losses.’ And we are talking about big losses. In the case of Dungog, the income that came into that community from dairying was about $16 million a year. For Gloucester, it was about $14 million. It has been lost and it is not being replaced by anything.

The minister can say, ‘We’ve given Gloucester a million dollars.’ I appreciate it, and he knows that I supported that. He knows I wrote to him in support of that. I do support it. But it is not going to be ongoing. It will keep in employment for six months only the people who lost their jobs at the dairy factory when it closed, and at the end of six months those jobs will disappear. Those six months may be up until the election period; they probably will be. And what will be the government’s responsibility then? I daresay none. And that is the tragedy of this whole package. (Time expired)

Mr O’CONNOR (Corio) (5.41 p.m.)—I would like to speak in the debate on the Dairy Produce Legislation Amendment
Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (5.43 p.m.)—In the debate on the Dairy Produce Legislation Amendment (Supplementary Assistance) Bill 2001, a number of issues have been raised that I would like to respond to briefly. The member for Paterson, and I think also the opposition spokesman, the member for Corio, made the comment that they felt that it was necessary to reward those dairy farmers who had perceived that deregulation was coming and therefore restructured their enterprises in advance. That is, of course, precisely the argument that the Victorians and the Tasmanian farmers have been using right through this debate to say that no farmer should get anything. The Victorians say, ‘We perceived that deregulation was coming; we responded.’ And now they are critical that farmers in New South Wales, Queensland and Western Australia are receiving adjustment assistance. I am aware that that argument is being put now in Queensland and New South Wales. It is one farmer against another.

I do not want to set one farmer against another, but obviously, wherever you set a dividing line to qualify for assistance, somebody falls short of it and somebody gets over the line. Indeed, with the new 25 per cent figure, there is bound to be a farmer out there somewhere who is on 24.9 per cent. One of the reasons we have chosen a two-step process in relation to triggering the new minimum payment is to try to remove some of that enormous high jump that occurs on a particular number. Now there is a two-step payment, which I think is fairer in phasing in the benefits that will be received under these new arrangements.

There have also been a number of suggestions about this package somehow being ‘mean and tricky’. I have heard those words used. In fact, the famous union heavy who runs the organisation in Queensland, Mr Ludwig, made those comments about the Labor government in that state, but I do not think that sort of name calling helps to resolve this issue. We have endeavoured to be cooperative. This alternative was offered in the Senate but rejected by the Labor Party at the time. The issue could have been resolved in the Senate last night but that was not what happened. The reality is that we have before us Senate amendments which I am advised would cost $60 million. They would provide erratic windfall gains to certain dairy farmers depending on the nature of their enterprise and certainly would be anything but fair. One other very interesting point is that the effect of these changes—both what the opposition was proposing and now what the government is proposing—is that the benefits do not flow overwhelmingly to the states in most need: New South Wales, Queensland and Western Australia. They go to South Australia. Two-thirds of all the farmers who are going to get a benefit under these new changes in fact come from South Australia. I know that there are farmers in South Australia who have also had to endure some degree of adjustment,
but when you get down to market milk entitlements of 25 per cent and look at the statistics, look also at the substantial improvements that there have been in manufacturing milk prices over recent times—I am not claiming that that is as a result of deregulation; it is fundamentally as a result of the improved world dairy prices—dairy farmers who fall into that category are actually looking at improved returns this year, and I strongly welcome that. So it is not a matter of requiring the level of adjustment at those lower levels of market milk component that there is at the higher levels. So that is the reason why the original bill targeted those who have got to make the biggest adjustment. That is why the figure of 35 per cent was originally chosen.

I know that adjustment levels are required at lower percentages of market milk as well. These proposed amendments address those needs as well. The government has gone a very long way by way of a compromise to endeavour to get this legislation passed. Frankly, if it is not passed by the Senate in this form tomorrow, the money simply will not be paid to dairy farmers. And I would invite members opposite to go out and explain to dairy farmers why they did not allow the passage of this bill through the Senate to enable the cheques to be paid promptly. We are offering that situation—

Mr Horne—You will not pass our amendments.

Mr TRUSS—No. Your amendments are fundamentally flawed and cannot be passed. To be fair to the shadow minister, I think he has acknowledged that. I am not seeking to apportion blame as to why they are fundamentally flawed, but they are, and everyone accepts that. We are now putting before the House a very fair proposal and one that I think should be supported by all members in the interests of the progress and future of the dairy industry in this country. (Time expired)

Question resolved in the affirmative.
before age 55, would have the payment of that pension deferred, including the option to commute part of that pension to a lump sum, until age 55.

There are some exceptions set out, essentially based on invalidity, early access in case of financial hardship, which I understand mirrors the public provision generally, and also the reversionary death benefit where eligible spouses and children would receive a reversionary pension on the death of a former member whose pension is deferred before age 55. On that basis, as it does the things that we have been told it does, we are not opposing this measure.

We have not had the opportunity to consider this collectively, so I will do something that is a bit unusual for a frontbencher and simply make a few personal remarks, and I emphasise in making them that these are personal remarks. You get what you pay for in this world, and the vast majority of people do not go into parliament for financial reward or financial advantage. Frankly, recruitment issues arise on both sides of the House. Some of our best people decide that they would be much better off in their careers as barristers and in other walks of life, and some of the best people on the other side of the House or in the Liberal Party decide that it is really much more lucrative and much less hard work to be company directors and so on. I believe that as a nation we are better off having our best and brightest and most talented people not working on keeping corporate crooks out of jail, or even running biscuit or soft drink companies, but running the country.

I remember hearing many years ago Ralph Nader say that a life lived in public service is the best kind of life, and I think that is right. I have always enjoyed the opportunity to live a life in public service through the parliament, but there is no doubt in my mind that, for those who are interested in cutting and slashing MPs’ entitlements, that may have superficial appeal—I understand that it has a great deal of superficial appeal—but if it leads to recruitment problems and not getting your best people into parliament, it is a seriously false economy.

On the question of preservation of superannuation, I understand and appreciate the significance of public concerns about this, especially in terms of my being opposition spokesman on superannuation and being a supporter of preservation and of encouraging the idea that money should be set aside for retirement income purposes and therefore preserved until you get to a certain age. Based on that, there is a strong moral case for putting us in exactly the same situation as are other members of the community.

I hope, however, that this measure does not have one of two possible effects, which are foreseeable. One is what I would describe as a ‘bottleneck effect’, that is, MPs staying on until age 55, even after the political process has, in a large measure, worn them out, and their simply doing it for financial reasons. There is no doubt that, if that incentive is there to stick around until 55, people will take it. They will put the effort into reorganising their preselections and so on. But the political process is quite a wearing process and with people who are worn out, who do not have something further to contribute or who simply want to move on to other things, I think this bottleneck effect might occur. It is not a problem for me—I am 46 and I think I am still fit; I intend to stick around, electorate and party willing, for another 10 years—but this might be a problem for others in the future.

The second effect relates to my view that MPs should make decisions without fear or favour, without thinking about what might be in it for them in the long term. I certainly think that Australia is a country which is blessed in terms of issues of political corruption. Nearly all of the MPs that I see in the parliament are not in it for financial reward and do not seek to personally enrich themselves during their parliamentary careers. But, if you have a situation where people are concerning themselves with post parliamentary careers, that can impact adversely on the without fear or favour nature of decision making in this House. If people bowled up
the idea that, if they engage in another line of work after they leave the parliament, that ought to be offset against their superannuation—and that is the case with some public sector appointments—I think there would be quite a reasonable case to be made for thinking about that. You do not want people to be able to advantage themselves in this way. But that is not really the situation that is being argued here.

These are simply a few of my personal reflections on this issue before us. I do not intend to be inveigled into interviews or to make myself a public media whipping boy on these things. I will be like the woman in the TV program ‘Allo ’Allo, who in a bogus French accent says, ‘Listen very carefully. I shall say this only once.’ The opposition’s position is that we will not be opposing the legislation which has come before us. I understand the member for Calare intends to move some amendments. Labor will not be supporting those amendments. We do not believe that they add to the sorts of superannuation arrangements which are appropriate, but in any event, as I said before, whatever we say about these things is devalued by the fact that we are seen to be personally interested in them and to have a conflict of interest. So we do think that the question of MPs’ entitlements generally, including those of superannuation, ought to be the subject of independent determination by the Remuneration Tribunal.

Mr ANDREWS (Menzies) (6.00 p.m.)—Yesterday, while reading for another purpose, I came across the following passage:

To be a good member of Parliament is, let me tell you, no easy task,—especially at this time, when there is so strong a disposition to run into the perilous extremes of servile compliance or wild popularity. To unite circumspection with vigor is absolutely necessary, but it is extremely difficult.

It could have been written recently, but it was not. It was written over 300 years ago, in 1791, by Edmund Burke, one of the most significant and perceptive members of parliament ever. I mention this passage for two reasons. First, it suggests a sense of balance and proportion is a necessary virtue in public life, especially in how we respond to any issue; and this is not unrelated to the matter before the House, the Parliamentary Contributory Superannuation Amendment Bill 2001. Secondly, it reminds me that this debate we are having now should be part of a wider discussion rarely held, it seems, in Australia—namely, the conditions necessary or sufficient to attract to public life the best possible candidates for the future wellbeing of the nation.

I will start with a few facts which are often glossed over in relation to this subject. The first is that less than half the members of this place actually qualify for the pension or superannuation, as it is sometimes called. That is, the average term of members of parliament in Australia is less than the eight years or three parliamentary terms required to qualify for the entire pension. While mention is made from time to time of some younger persons who have qualified—probably the most notable of those mentioned being former Senator O’Chee and former Attorney-General Lavarch—it should be seen in the context that more than half the members of the Australian parliament never become eligible. To reinforce my point, it is my estimate, having done a rough count today, that less than a third of the current members of the House have been here for more than 10 years.

Secondly, I believe that these matters ought to be seen in their totality: not only the point that I have made that only some members receive the pension but also that, looking at salary overall, what are regarded as normal and ordinary by almost every Australian worker—overtime, sick leave, long service leave, holiday pay and those matters—do not apply in the same way to members of parliament. Thirdly, I would estimate that the minimum length of time that members of parliament work in any week is 70 hours and I suspect in many cases, on both sides and in all parties and all hues of political colour here, it is often in the order of 80 to 100 hours a week. Fourthly, many members come to this place indebted even before they are sworn in, because of the cost of election campaigns and the personal outgo-
ings that they incur in terms of candidature. Fifthly, many, if not all, spend well in excess of their electoral allowance on their electorate, and so those moneys are not part of their income. Finally, a combination of contributions to the superannuation or pension fund and the superannuation surcharge on top of normal income tax rates reduces the disposable income substantially. It is not unknown for members of parliament to be in financial difficulty—that has occurred.

Looking at this matter, I think a number of principles can be advanced. The first is that membership of the Australian parliament should be open to any citizen of this nation, regardless of their material or financial background. I for one take great pride in the fact that, despite coming from relatively humble beginnings and a relatively humble background, I was able to obtain a good education and subsequently to be elected to this House.

The second principle I believe people would generally subscribe to is that there ought to be a fair and adequate remuneration to members of parliament. Firstly, this should recognise that there are unique features of this position. Secondly, it should recognise that, for a variety of reasons, members often, after having been here for a number of years, find it difficult to regain employment or regain places in their profession. Just in this last week a former member, who had been here for two terms—whose identity I do not wish to disclose, for obvious reasons—phoned me and indicated being still unable after a number of years to find employment despite virtually being prepared to take whatever was to come along. And this is a person of some ability. So there are some real difficulties there. Thirdly, in terms of an adequate package, I do not think we should allow a culture to develop in this country where members of parliament become financially beholden to particular interest groups.

The third principle that can help to illuminate the subject is that we should not alter arrangements where members have entered parliament and have continued to serve on a clear understanding of what their remuneration would be. We do not expect any reasonable employer in this country to unilaterally and retrospectively change the basis upon which a person undertook a job; in fact, the person might even be able to take legal action in relation to that. Those are principles which apply here.

Finally, we ought to avoid some unintended consequences in the way in which we look at these matters. There are two dangers to be avoided. First, the group of people for whom there will be major disincentives to offer themselves for public office, in particular those in their 30s and 40s. This is compounded by some other demographic factors, like people marrying at an older age and consequently having younger families and children. Second, the current degree of cynicism about the political process generally. The consequence is that parliament is more likely to be populated, if we allow this to happen, by political party apparatchiks or those who are independently wealthy, but not by representatives of the great middle ground of Australia.

There is a second danger which we always need to be alert to and that is the danger that members of parliament could become beholden to vested interests. The last thing that we would want in Australia is the advent, if I can put it that way, of the American system where, to get into the American Congress, you virtually have to be a millionaire or a multimillionaire and where, if you are not a multimillionaire, you need a lot of multimillionaires or vested interest groups supporting your candidature and your continued place in the Congress. I do not think any Australians want that, and that is a danger which we should also be alert to.

Ultimately, it is a question of balance. As I said at the outset in that opening quote, it is a balance and it is an important principle of how we actually attract people to public life in Australia. No doubt some changes will be made as time goes on. I believe that this bill does try to achieve a balance, yet move in a way which members of the community
might want us to move and, for that reason, I commend the bill to the House.

Mr ANDREN (Calare) (6.08 p.m.)—I want to start my contribution to this debate on the Parliamentary Contributory Superannuation Amendment Bill 2001 by dispelling some of the myths that have been run by people inside and outside this place about the scheme itself and my interest in it. Myth 1 is that it is all right for Andren to argue for the parliamentary super scheme to be reformed because he is rich. Wrong. If only it were true. As my declaration of interests show, I own one modest house in Narooma and have another fully mortgaged in Millthorpe, near Orange, where I live. Other than these properties, my only other significant assets are superannuation from my previous employment—due to a divorce settlement, that amounts to around $70,000—and, like everyone else in this place, my superannuation entitlement under the parliamentary superannuation scheme, which is worth at the moment about $50,000.

Myth 2 is that, in campaigning on this issue, I have sought to denigrate politicians and the political institution itself. False. My interest in reform of the parliamentary scheme has been driven solely and purely by a strong conviction that, without complete transparency and accountability in the whole system of parliamentary entitlements and allowances, we cannot hope to start the process of rebuilding public faith in our political system. We, as law makers, cannot talk about broader reform of superannuation in this country until we reform our own house, but not just in an ad hoc, reactionary, piecemeal way as this bill proposes. I have publicly acknowledged how hard the majority of parliamentarians—at least in this place—work: the long hours, the time away from families, the lack of weekends, et cetera. I have repeatedly stated that I have no problem with MPs being paid properly, although I have to say that some in this place have not done themselves much credit through claims, for example, that they are paid only $8.50 an hour. On my calculation, for the member in question that works out at about 250 hours a week. While in my view the current back-bench salary along with its fringe benefits is adequate, if we have to, let us have that debate about what a politician is worth. All I have argued all along is that parliamentarians should have the same superannuation arrangements as apply to the rest of the community. By ‘same’ I mean not just access age but in the size of the employer contribution and coverage under the superannuation guarantee.

Myth 3 is that my private member’s bill is a cheap political stunt. Wrong. I do not need stunts to represent my electorate of Calare. In seeking to give MPs the freedom to opt out of the parliamentary scheme, I have sought to do little more than implement one of the recommendations from the 1997 report of the Senate Select Committee on Superannuation. Government members of that committee recommended, among other things, that upon taking office new parliamentarians should be offered the choice of opting out in favour of a fully funded accumulation scheme or retirement savings account of their choice. My bill went just one step further: to provide choice to current members too.

Regarding the issue of choice of superannuation, Mr Deputy Speaker, I draw your attention to page 197 of Budget Paper No. 2. It details how over the next two years the government will allocate $14 million for an education and communications campaign to promote its choice of fund policy for the wider community. As the Minister for Financial Services and Regulation said when introducing the government’s choice of fund legislation into this place on 12 November 1998:

The choice of fund arrangements are about giving employees greater choice and control over their superannuation savings, which in turn will give them greater sense of ownership of these savings.

The fundamentals of this reform are that employees get a genuine choice as to which fund their superannuation is paid.

Clearly, with freedom of choice so basic to this government’s policies in fields such as health, education, union membership and
indeed superannuation for the wider community, there should also be freedom of choice in MPs’ super. Besides addressing the obvious hypocrisy and double standards in this differential treatment, from a personal level I want to opt out because I consider the scheme fails the tests of equity, fairness, transparency and compatibility with community standards.

This bill does nothing to address these concerns. Until the scheme is reformed, how can any of us look constituents in the eye whenever the issue of broader superannuation reform is raised. Indeed, how can any of us look in the eye those people who contact us for help with accessing a portion of their super early due to a financial, medical or some other emergency.

Myth 4 is that the contributions are not generous. Some in this place have argued that the parliamentary super scheme is not generous by community standards. For example, the member for Barker on 5 June emailed one concerned constituent to say:

There is a lot of nonsense put in the papers and the media about superannuation including the fallacy about $65,000 per annum in entitlements from the taxpayer.

The member for Barker and many others in this place have argued that the parliamentary super scheme is not generous by community standards. For example, the member for Barker on 5 June emailed one concerned constituent to say:

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politics not having a go because of the inadequacy of a backbench salary of $92,000 and rising, with all the other benefits. We are all volunteers in this place, and for most money is not—or should not be—an issue at all. If you are going into this business for the money, you are doing it for the wrong reason. In fact, I have just advertised for a position in my office with a salary of $35,000 and was inundated with applications from people with excellent qualifications, many of whom willing to take a pay cut to make a difference at that level. This whole argument is a furphy—and, besides, there is a simple enough solution: pay MPs what they are worth up front, and pay their super under the guarantee legislation. One of my amendments refers to that solution, yet it has already been flagged, without any explanation, that there is absolutely no interest in them.

Myth 7 is that the Remuneration Tribunal should determine MPs’ super. This is the ALP’s line to try to deflect responsibility and attention from the issue. The problem is that the tribunal has already ruled on the MPs’ super scheme and found it to be fine. In its December 1999 report on MPs’ pay, the tribunal concluded that it was satisfied that the remuneration package for senators and members—salary, superannuation and vehicle—was competitive. This is half of the submissions so far to the inquiry into the private member’s bill on opting out of the superannuation scheme. Over 3,000 submissions have been put in for that, and there is a hearing due in Sydney on 11 July. This legislation will pre-empt that. Again, one of my recommendations is that we defer this debate until we have the results of that inquiry. The ALP still thinks the Remuneration Tribunal is the appropriate body to determine MPs’ super arrangements. And the government, with this bill, asks the very body which says the scheme as it currently stands is fine to determine a redundancy package for MPs.

Myth 8 is that MPs need a special redundancy package because of the unique insecurities of political life. In responding to this one, I will defer to the words of the member for Werriwa, who said in the Main Committee on 2 November 2000:

Parliamentary superannuation as a generous entitlement made sense when we alone in the community faced job insecurity. But now, in the new economy, job insecurity is all over the place. There is hardly an Australian who feels secure in their workplace.

That argument applies equally to redundancies for MPs who lose or leave office prior to becoming entitled to a pension. Clearly, parliamentarians should be treated no differently in terms of redundancies from the rest of the workforce. The other point which exposes the hypocrisy of this redundancy argument is the differential treatment of MPs’ staff. Political staff face the same, and perhaps more, insecurities as their masters. If there is to be a redundancy package for MPs, it should be no more generous than those their staff receive. The scheme already pays a generous Commonwealth supplement to MPs who lose or leave office. A member who leaves voluntarily is entitled to all of their contributions plus one and one-sixth of this amount. A member who loses office is entitled to their contributions plus a supplement of two and one-third of those contributions. This call for a redundancy package is really about allowing the major parties to get rid of political dead wood. The current scheme has allowed them to do that very well, by allowing MPs to leave quietly with their payout if they do not perform or if someone better comes along.

Having dealt with the myths that have been injected into the debate by those who want to stay with the status quo, I now turn to the bill currently before the House. I believe it is deceitful, and it will not have my support, because it fails to recognise the unconscionable generosity of the scheme. All this bill does is require us as politicians and representatives of the people to drive on the same side of the road as the people; it does not attend to the generosity. The bill’s explanatory memorandum says it all. It says:

It is estimated ... the deferral of ... pensions for new Senators and Members to age 55 ... will have a small positive effect on the fiscal balance—up to only—

... $0.50 million in 2004/05).
The generous payments have been deferred, the employer contribution has not been changed and the bill does nothing whatsoever to make the scheme transparent or provide members with choice. In addition, it is a nonsense to exclude current MPs from the preservation age. The minister talks of ‘arrangements made by members’. I ask him what arrangements can possibly have been made by anyone beyond the next election, unless they are retiring. The act is already dealing with the issue of early lump sum access by banning it for contributions made and entitlements accrued post 1 July 2001. I note here also that in the 1997 budget the government announced that the superannuation preservation age for the wider community would be increased from 55 to 60 on a phased-in basis, meaning that by 2025 the preservation age will be 60 years for anyone born after June 1964, with the age 60 preservation age being reduced by one year for each year that a person’s birthday is before 1 July 1964.

This means that only those born before 1 July 1960 will have a preservation age of 55, yet the government is making it 55 for all new members of parliament. This grandfathering, as it is called, is all set out in regulation 6.01 of the Superannuation Industry Supervision Regulations 1994. In the consideration in detail stage I will be asking the minister to explain the logic and consistency of this differential, which will only get worse over time.

Under this bill there will still be employer contributions from the Commonwealth up to 89 per cent and averaging 69 per cent of current MPs’ pays. The Prime Minister and Leader of the Opposition are constantly asking for credibility, yet all sides have twisted and dived on this issue for years. The Prime Minister went to Aston and said:

More and more people in Australia are looking to have representatives who resonate and connect with their local communities.

What he failed to say is that at heart they want the law-makers, their representatives, to have the same superannuation rules as they do.

How can you blame, for example, the father who came to my office last year seeking assistance in getting early access to his superannuation to help pay for the funeral and other expenses arising from the suicide death of his teenage son for having lost faith in the system? My staff and I tried to help him as much as we could. We were able to get a release of some funds, but still not enough, and he gave up in anger and frustration. I recall in the end that he just could not face providing the faceless bureaucrats with additional hard evidence of funeral related expenses or accepting that his credit situation with the bank was critical. Who could blame him? I have not put that case away. We want to revisit it. At this stage it seems that he has gone as far as he can go with the amount that he has been given access to. With cases like that repeated across the country, it is easy to see why voters get disillusioned when they realise not only the different standards regarding politicians but the inherent generosity of the scheme, or when they voice their concerns to politicians and receive dismissive replies like some that I have noticed in answer to people who have requested information of members.

The bill, with its hasty introduction—I understand even before it was presented to the joint coalition party room—and lack of speakers betrays the lack of concern about this issue by those on both sides of politics. This is a quick fix—hopefully through the Senate and out of the way before the winter recess and before the Senate committee inquiry into the Parliamentary (Choice of Superannuation) Bill set down for hearings in Sydney on 11 July. I will be moving a second reading amendment which calls for debate on this bill to be deferred until after the Senate select committee completes and reports on the inquiry into the Parliamentary (Choice of Superannuation) Bill I introduced into this House. There have been well over 3,000 submissions from the public and interest groups, including the superannuation industry, pensioners and superannuants and ordinary people wanting to see a super scheme for MPs that is no different from that applying to the general community. To pre-empt
that inquiry with this bill is an insult to this parliament and the people who have made those submissions.

In the consideration in detail stage of the debate, I will be moving three amendments providing for an independent inquiry separate from the Remuneration Tribunal to investigate the salaries and entitlements of MPs and ministers, that all sitting members be included under the preservation age principles of the bill and that the amendments contained in my choice of superannuation bill be included as amendments to this legislation. I do not expect those amendments to pass this place, but they will be introduced in the Senate. Until they are part of this legislation, I cannot support it. In the meantime, I formally move:

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

“the second reading of the bill be deferred until after the Senate Select Committee on Superannuation and Financial Services has reported on its inquiry into the provisions of the Parliamentary (Choice of Superannuation Bill) 2001”.

I commend that amendment to the House, conscious that I do not have a seconder.

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

There being no seconder, the amendment lapses. The question remains that this bill be read a second time.

Mr ANDREN (Calare) (6.29 p.m.)—In considering in detail the Parliamentary Contributory Superannuation Amendment Bill 2001, I move:

(1) Page 1 (after line 10), after clause 2, insert:

2A Commencement of independent committee of inquiry

On the day this provision commences, an independent committee of inquiry is to be established with a membership including lay persons and industry experts. The committee is to review the salaries of members, Ministers and office holders with a view to setting salary levels, out of which the superannuation guarantee will be paid by the Commonwealth, as employer, to complying superannuation funds chosen by members.

This amendment calls for the establishment of an independent committee of inquiry with a membership of lay persons and industry experts. The committee will be charged with reviewing the salaries of members, ministers and office holders with a view to setting salary levels out of which the superannuation guarantee will be paid by the Common-
wealth, as employer, to complying superannuation funds or approved savings schemes chosen by members.

For too long parliaments around the country have avoided the issue of parliamentary salaries, allowing a raft of entitlements to grow up around a base salary that is so often criticised by members—and, indeed, at times by the media and commentators—as being inadequate for the job. Let us have that debate, but we must place all entitlements, fringe benefits and salary on the table and once and for all work out a salary package. A committee that has the confidence of the public must perform that task. Ways of suggesting committees with broad appeal were canvassed during the republican model debate. A government with the will can do it. Perhaps our retiring Governor-General is the man to head up such an inquiry, whose membership should also include such bodies as ASFA, the Australian Superannuation Funds Association, and a layperson. Looking through the series of submissions, I came across one from Ian Fisher of Edmonton in Queensland, who made one of 3,000 submissions to the Senate committee inquiry into the Parliamentary (Choice of Superannuation) Bill 2001 that I introduced to this parliament. Mr Fisher said that most politicians work hard and spend many nights and weekends away from their families. He says that politicians should be adequately financially compensated, but he believes that politicians’ superannuation should be brought into line with rules governing superannuation for ordinary people. We need people like that who can bring an objective community view to such an inquiry. We need those other experts. We need transparency in this process, and acceptability to the wider public. The Remuneration Tribunal is not the body to conduct that inquiry, and I seek the support of the House with this amendment.

If I may, I would mention amendment No. 2 circulated in my name. I am advised that the requirements of standing order 292 mean that unless the parliament receives a letter of approval for the very small appropriation this amendment would require, it is out of order. This means that, unless the government supports the amendment and seeks the Governor-General’s approval, there is no point proceeding with it. I wrote to the minister this afternoon asking for his agreement to this amendment along with the others. The clauses included in proposed amendment No. 2, circulated in my name, seek to give senators and members of the House of Representatives the freedom to opt out of the compulsory parliamentary superannuation scheme. They remove the compulsion for new members to belong to the parliamentary scheme, and allow existing members to have any accrued superannuation benefit rolled over into a complying fund or RSA of their choice.

Members opting out will have Commonwealth contributions paid to their complying fund or RSA in line with requirements of the Superannuation Guarantee (Administration) Act 1992. Under that legislation the majority of Australian workers currently have contributions made on their behalf by their employers. The government’s choice of superannuation legislation currently before the Senate specifically exempts members and senators. As an individual, I demand that right to opt out and I cannot see how that right can be denied. It would mean, in essence, that I and any other member who wishes to make their own superannuation arrangements would, by the very fact of withdrawing from that scheme, reduce the public funding exposure to the parliamentary scheme. I ask the minister to tell me why that is not a fair and logical step that this government should take.

Mr FAHEY (Macarthur—Minister for Finance and Administration) (6.33 p.m.)—The honourable member for Calare has moved a couple of amendments and spoken to them. I would indicate, on the last issue that the member has raised, the question of choice, that the question of choice can be given further consideration for members of parliament when the Senate committee has completed its consideration of the honourable member’s private member’s bill. What the government is doing here in this fairly simple bill, the Parliamentary Contributory Superannuation Amendment Bill 2001, is to
indicate that the pension will not vest in new members of the parliament after the next general election until they reach the age of 55. Other issues can be considered. As to any suggestion of haste, I do not know an issue that has been around longer. I can say that since the time I got down to this parliament 5½ years ago it has been a constant subject of debate. It is raised from time to time by the media, by the small parties and by Independents. It is raised generally in the community for reasons, I suggest, such that whatever the level of benefit available it would not be generally accepted in the community. That is a simple fact, and most members of parliament do not seek to argue or justify, for that very reason.

We have to be realistic and have balance, and the government believes in that. As to the choice to opt in or opt out, I note that the honourable member for Calare said that he will not allow his rights under the superannuation to vest into a pension scheme. I presume it is his intention to leave the parliament. Well, that is his choice. Others have done that previously, and that is a decision that he will have to make, perhaps after another term. In the meantime, the government has not ruled out the question of choice. It is quite happy to consider that again at a later point in time.

The first amendment related to the question of an independent group of people. There is an independent group of people—the Remuneration Tribunal. When it comes to the salaries of members of parliament, all members of parliament—and, I suspect, a great number of people in the community—would be aware that there was a fairly extensive study undertaken by the Remuneration Tribunal the year before last. It concluded in December 1999 and, as a result of that, there was a system put in place that would allow for annual increments in the salary component. That Remuneration Tribunal independently—and it operates very much independently of government, I can assure the honourable member for Calare and all honourable members—will be asked to consider for new members whether the question of redundancy is relevant. That is something that was considered and suggested in a minority report in a Senate inquiry on this issue, one of those other inquiries that got a great deal of public attention and public debate a few years ago.

Whether there is an outcome—and the honourable member in his remarks at the second reading stage suggested that there is a wish to provide redundancy—that is a matter for the Remuneration Tribunal. It is not a matter that the government wants to adjudicate on, and that is the reason it has been referred to an independent body. The government does not see a need to have a once-and-for-all independent lay group to consider this issue, when there is in fact that independent group there now that looks after such matters. So the government does not support this amendment.

Amendment negatived, Mr Andren dissenting.

Mr ANDREN (Calare) (6.37 p.m.)—by leave—I move:

(3) Schedule 1, item 3, page 4 (line 7), at the end of the subsection, add:

; or

(c) the person is a continuing member of the Senate at the transitional general election.

(4) Schedule 1, item 3, page 4 (lines 8 to 36), omit subsections 22DB (2) to (5).

Amendment No. 3 adds the following phrase to the definition of a deferring member, that the person is a continuing member of the Senate at the transitional general election. Amendment No. 4 omits subsections 22DB(2) to 22DB(5). This has the effect of including all members of the next parliament—the House and the Senate—under the provision requiring no access to superannuation until the age of 55. If we are talking about community standards, I note that superannuation laws for the rest of the community require that those born after 1964 are not allowed access to their superannuation until the age of 60. Therefore, this legislation is not fair, and I suggest that it has not been thought through well enough, even on the score of preservation age. On this basis, my amendments Nos 3 and 4 are eminently fair.
There is no reason why existing members should not be subject to the same provisions on an equity basis with new members. It does not affect their superannuation in any way, but simply makes them fall into line with their fellow members and with most of the community. I would be interested in the minister’s responses to the phased superannuation access period—55 to 60—and the reasons why this does not apply to this particular legislation.

Mr FAHEY (Macarthur—Minister for Finance and Administration) (6.39 p.m.)—I will respond immediately to the question put by the honourable member for Calare: it does apply to members of parliament. The honourable member is referring to the lump sum that was passed in legislation in 1999. For those who were born after the date in 1964, it is phased in over a period of years and ultimately concludes, I think, in 2025 at age 60. That is applicable only to lump sum, and it does apply to members of parliament, as it applies to the rest of the community. So, as I had it explained to me, there is consistency there, and nothing in this legislation interferes with the consistency of what was passed in 1999. Pension is available at the age of 55, and that is what this bill is really about—pension only at age 55. Again, the government does not intend to support these amendments.

I should probably indicate that I did not respond as I said I would at the end of the second reading stage to a matter raised at the second reading stage and the amendment moved at that point to delay the consideration of this bill until such time as the committee reported in the Senate. Again, I undertake to the honourable member that anything that comes out of the committee’s report will be considered by the government and by me personally. I think it is important, though, after all the debate on this issue over all the years, that we do move towards the alignment of the major issue that the community talks about, and that is the age 55 vesting of the pension, and that is the purpose of this bill. Again, I indicate that the government cannot support these amendments.

Amendments negatived, Mr Andren dissenting.

Bill agreed to.

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

ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION AMENDMENT (WILDLIFE PROTECTION) BILL 2001

Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (6.42 p.m.)—I move:

That the bill be now read a second time.

The Minister for the Environment and Heritage, Senator the Hon. Robert Hill, mentioned in his address to the Senate during the Centenary of Federation sittings in Melbourne that one of the most important issues for the next century would be preventing the extinction of species. The minister made that statement recognising that we have a responsibility to future generations to safeguard the planet’s biodiversity. I am pleased that today I am introducing into the House a bill that will help us to discharge that responsibility.

The Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 enhances protection for both Australia’s native species and for species in other countries that are threatened by trade. Importantly, the bill will also establish a regime that is transparent and user friendly. The rules have been simplified to enable the costs of administration to be reduced. Resources will instead be focused on high priority conservation measures. Permits will no longer be required for trivial cases. The focus has shifted from process to outcomes, delivering benefits for proponents and the environment.

On a global scale, the illegal trade in wildlife is horrific. In dollar terms, it is likely to be second only to the illicit drug trade. Most people are aware of high profile species such as the black rhino and the elephant.
and the role that illegal trade has played in their demise. But there are also many less charismatic species that have been seriously threatened by illegal trade—species such as the Chiru, a Tibetan antelope, the Brazilian Rosewood, the salmon-crested cockatoo from Indonesia, the Queen Alexandra’s butterfly from Papua New Guinea and the Baltic sturgeon. Australian native species are also in demand by wildlife smugglers. A rough knob-tailed gecko can fetch up to $US2000, while the Palm Cockatoo may be sold for $US12,000 per pair.

There are also good news stories, where truly sustainable, often community based, use of wildlife is delivering real conservation benefits. The bill seeks to promote such outcomes, ensuring that any use of wildlife is ecologically sustainable.

Australia, along with more than 150 other nations, is a party to the Convention on International Trade in Endangered Species, CITES. This convention provides an international framework for addressing the threats to wildlife from international trade.

Australia is recognised for the leadership role it has played within CITES. In recent years, we have enhanced this reputation through our advocacy of pioneering measures to protect marine species under CITES. We were successful in uplisting our population of dugong to appendix I, we have nominated the great white shark for CITES listing and we have initiated work under CITES on the conservation of syngnathids and seahorses. In addition, Australia has actively opposed recent proposals to downlist the great whale species.

CITES is currently implemented in Australia through the Wildlife Protection (Regulation of Exports and Imports) Act 1982. While the wildlife protection act is still fundamentally sound, it no longer represents best practice.

The processes under the wildlife protection act are not user friendly. The provisions are too complex, and permits are required in circumstances where the permitting process delivers no conservation benefit. In addition, the act is difficult to enforce, does not sufficiently incorporate requirements for ecosystem assessments and does not incorporate important principles such as the precautionary principle.

Accordingly, the bill provides for the wildlife protection act to be repealed and the scheme for regulating wildlife trade to be upgraded, simplified and incorporated into the EPBC Act.

The new wildlife trade provisions of the EPBC Act fully implement CITES and will ensure Australia continues to have the toughest wildlife trade laws in the world.

The bill also introduces into the EPBC Act measures that regulate trade in Australia’s native species that are not CITES listed.

The EPBC Act provides, for the first time in the history of our federation, substantive protection under Commonwealth legislation for threatened species and their habitats.

Now the protection offered by the EPBC Act is further enhanced by the inclusion of measures to regulate trade in our biodiversity, with the objective of ensuring any use of our native species is ecologically sustainable.

The bill delivers many improvements over the existing regime in the wildlife protection act. For example:

- Under the new regime, decisions regarding the sustainable use of wildlife, including permit decisions and decisions whether to approve harvesting arrangements, must consider potential impacts on the ecosystem generally. As a result, the bill requires an assessment of both the broader impacts on biodiversity and habitat and the direct impacts on the species to be harvested.

- Animal welfare considerations are a higher priority. The bill increases the emphasis on welfare issues by providing the government with the capacity, through regulations, to ensure proposals for the sustainable use of wildlife observe strict welfare requirements.

- The rules are simplified. Permits will not be required for trivial cases—such as the export of a moulted feather.
Inclusion in the EPBC Act framework means the wildlife trade provisions are more effectively integrated with formal environmental impact assessment processes. These processes, reflecting best environmental practice, incorporate strict time frames to ensure efficient consideration by government.

Enforcement of the bill is significantly enhanced by a restructuring of the offence of possession of an illegally imported specimen. If a person is caught in possession of a CITES species or a product derived from a CITES species, no longer will the prosecution bear the burden of having to prove that the product has been illegally imported. This burden on the prosecution has rendered effective enforcement of the act almost impossible. Under the bill, a defendant will now need to provide evidence, such as an import permit, that the CITES specimen was legally imported. This is a major step forward in the enforcement of CITES in Australia.

Commercial exports of products derived from native species may occur only if the relevant species is harvested in accordance with arrangements approved by the federal environment minister. The bill strengthens the sustainability criteria that these arrangements must meet—requiring ecosystem assessments, adherence to best practice welfare requirements, adaptive management schemes and strong monitoring and enforcement regimes. In particular, the bill encourages the development of higher level management plans rather than allowing inappropriate reliance on lower level wildlife trade operations, formerly controlled specimen declarations. This is achieved by limiting the types of operations that can be approved as a wildlife trade operation.

The bill introduces a requirement for the precautionary principle to be considered in making decisions regarding the use of wildlife.

Groundbreaking provisions introduce a formal process for the strategic environmental assessment of proposals to import live animals and plants, providing a new level of protection against potentially invasive species. The intent is to prevent additional invasive species entering Australia. These provisions will complement Australia’s existing quarantine legislation.

The bill maintains the ban on commercial exports of live native mammals, birds, reptiles and amphibians.

The transparency of the decision making process is enhanced through provisions requiring publication of applications and decisions on the Internet.

Protection for dolphins and whales is improved.

Importantly, the bill also enhances the efficiency and timeliness of the approval process. As a result, the new scheme is user friendly and free from unnecessary impediments to the ecologically sustainable and ethical use of our native species. For example, the bill provides a streamlined process for permit decisions, including tight statutory time frames.

It also provides greater flexibility for non-commercial exports from, and imports to, Australian zoos—both private and public—for the purposes of exhibition and conservation breeding.

In addition, for the first time the bill provides for the Commonwealth accreditation of state wildlife management plans. Exports carried out in accordance with an accredited plan do not require export permits. This is a major advantage for those industries that can demonstrate they operate in accordance with a management plan that is truly world’s best practice. However, the criteria for accreditation are strict—the management plan must contain specific and ecologically sustainable limits on the taking of native species. Harvesting arrangements, including the specific limits on harvesting, must be approved by the federal environment minister.
The bill retains the requirement for an import permit in respect of species listed on appendix II. This provision goes beyond the strict requirements of CITES, maintaining Australia’s reputation at the forefront of global efforts to protect species that may be threatened by trade.

The bill does recognise some CITES exemptions for the first time, including the personal and household effects exemption and a limited exemption for CITES II personal baggage imports. These exemptions do not in any way undermine Australia’s strict conservation requirements. Rather, they mean that permits will not be required in trivial cases. For example, it will be possible to import some items, such as limited quantities of American ginseng, without a permit from the federal environment minister. This will reduce unnecessary administrative costs, freeing up resources that can be reallocated to issues of true conservation significance.

The bill also includes three minor changes to enhance the efficiency of the environmental assessment process for matters of national environmental significance.

- Regulations can be made identifying actions that are taken to be actions that trigger the national environmental significance provisions in division 1 of part 3 of the EPBC Act. This will enable the government to provide greater certainty for all stakeholders by identifying in regulations those actions or classes of action that it believes will or should trigger the EPBC Act. For example, the regulations will reduce uncertainty in relation to ‘marginal cases’ that are specified in regulations.
- The minister can issue an evidentiary certificate which is prima facie evidence that a person has contravened or is likely to contravene a civil penalty provision in relation to the protection of a matter of national environmental significance. It is intended that evidentiary certificates will only be issued where the minister has reasonable grounds to believe that a person has contravened or is likely to contravene a relevant civil penalty provision.
- The EPBC Act currently permits the environment minister in certain circumstances to request a proponent to refer an action for a decision as to whether or not approval under the act is required. The bill provides that, where a proponent fails to refer an action as requested, the environment minister can make a decision as to whether or not approval is required. Such a decision can therefore be made only after providing an opportunity—15 business days—for consultation with the person to whom the request is made. The government places a high priority on this consultation. If there nevertheless remains a difference of view on whether the act applies, the government can decide to trigger the act in the absence of a referral where necessary to promote:
  - a timely and efficient assessment process, including through the accreditation of state processes; and/or
  - the protection of matters of national environmental significance.

Given opportunity for consultation, it is expected that this course of action will rarely be required.

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

Mr KELVIN THOMSON (Wills) (6.54 p.m.)—Australia has an incredible diversity of ecosystems and species, many of which do not occur elsewhere in the world. Our natural assets are rich and extensive. Our landscapes have been changing over the millennia but the rate of change is increasing dramatically. We are losing our biodiversity. Since European settlement, there have been profound changes to the environment. We have lost an estimated 75 per cent of our rainforests and 40 per cent of total forest area, and nearly 70 per cent of all native vegetation has been removed or significantly modified by human activity. Our record of mammal species extinctions is the worst for any country. We have lost 10 of 144 original marsupials, eight of 54 native rodents, with
23 per cent currently listed as extinct, endangered or vulnerable. It has also been predicted that half our land based birds species will become extinct during this century. That is an appalling prediction and one that I certainly hope does not come true. The Australian Conservation Foundation has noted the following in its publication *A natural advantage*:

While extinction is a natural part of the evolutionary process, the current rate of human-induced global extinctions is between 1,000 and 10,000 times the natural rate. Today's extinction rate has not been matched since the dinosaurs disappeared 65 million years ago.

Although human-induced changes have affected the Australian landscape for 50,000 years or more, the changes in the 200 years since European colonisation have caused catastrophic loss of soil, vegetation and biodiversity.

Australia is not the only country in which biodiversity is at risk. Global species extinctions continue at frightening rates. The 1996 state of the environment report recognised loss of biodiversity as perhaps our most serious environmental problem. It is under threat from habitat destruction, land clearing, inappropriate and ecologically insensitive developments and climate change. Let me add that it is also under threat from the apathy and lack of commitment of the Howard government.

It is under threat from the global trade in endangered species. The illegal trade in wildlife that may be adversely affected by trade; secondly, promote the conservation of biodiversity in Australia and other countries; fourthly, ensure that any commercial utilisation of Australian native wildlife for the purposes of export is managed in an ecologically sustainable way; and, fifthly, promote the humane treatment of wildlife.

Labor supports the objectives of this bill, but we remain concerned about the considerable shortcomings in the Howard government's approach to the protection of biodiversity and the environment.

As the government foreshadowed in its consultation process for the reform of Commonwealth environment legislation, this bill incorporates the Wildlife Protection Act into the Environment Protection and Biodiversity Conservation Act. Many of the amendments in this bill represent either a continuation of current legislation or an improvement both in process and outcome. We have a situation where we have the amended provisions of the Wildlife Protection (Regulation of Exports and Imports) Act 1982 being incorporated into the Environment Protection and Biodiversity Conservation Act. The Wildlife Protection Act itself is repealed consequent upon its provisions being incorporated. There are effective savings and transitional arrangements for decisions and processes under the Wildlife Protection Act. There are
some minor consequential amendments to other Commonwealth legislation which is affected by the repeal of the Wildlife Protection Act, and there are three technical amendments to the act to improve the operation of the environmental assessment and approval processes.

The legislation is designed to overcome some of the inefficiencies and enforcement difficulties of the current legislation and to address some of the issues raised in the Senate inquiry into the commercial utilisation of Australian wildlife. We support the provisions of the bill, but we think that they are but the tip of the iceberg in terms of what needs to be done. We believe that substantial revision is required to the environment protection and biodiversity conservation legislation in order to truly protect the environment. As we indicated during the original environment protection and biodiversity conservation debate, we are committed to overhauling this legislation when elected to government to seek to restore Commonwealth responsibility and national leadership.

As a sign of this legislation’s incompetence, we have now before the Senate yet another attempt to fix some of the many shortcomings of the legislation. New amendments introduced by the government in this bill to the Environment Protection and Biodiversity Conservation Act include the ability to make regulations to identify actions that are taken to have a significant impact on matters of national environmental significance to provide greater certainty for stakeholders; the ability for the minister to issue an evidentiary certificate to prevent a person taking an action that would represent a breach of the act prior to a decision being made on whether an approval will be granted for the action; and, where a person fails to respond to a request to make a referral, the ability for the minister to make a decision as to whether approval is required under the act.

It is disappointing that the government, with the support of the Democrats, chose to gag the original debate on these issues. If they had listened then, some of these amendments would not be necessary now.

This is yet another case of the government stealing Labor policy. The first of these environment protection and biodiversity conservation amendments is designed to address the issue of uncertainty for industry about what actions will fall under the auspices of the act, the second provides a mechanism where an action is not referred and the third provides the minister with a call-in power. All of these are issues that have been raised consistently by the Labor Party.

In government, Labor would subject the legislation to full-scale review. A Labor government would seek to broaden the scope of the legislation in accordance with the Council of Australian Governments—COAG—agreement of 1992, and to limit exemptions in respect of matters of environmental significance in order to maintain a meaningful role for the Commonwealth. We would also introduce greenhouse and land clearing triggers. We would include a national interest fall-back provision to allow for Commonwealth involvement in matters of national environmental significance; we would strengthen the public accountability and transparency of decision making; we would ensure precision and fairness criteria for the exercise of ministerial discretion and limitation on the scope of delegation by the minister; we would maintain adequate levels of enforcement provisions including, in some circumstances, criminal penalties; and we would seek to ensure that state assessment procedures are at least the same standard as for the Commonwealth. The environment protection and biodiversity conservation legislation, as it now stands, is an ongoing monument to a quick and dirty deal conceived between the government and the Australian Democrats.

Mr Laurie Ferguson—Another one.

Mr KELVIN THOMSON—As the member for Reid says, it is another one. It is not good policy. It does not provide adequate environmental protection or biodiversity conservation. The Democrats have moved a significant number of amendments in the Senate that were provided to us with very little notice or opportunity for assessment.
We supported them in the Senate on the basis that we would get some more time to look at them in the intervening period. The government now intends to further amend some of these, and reject others. We will look closely at the government’s amendments and the reasons for them. There is certainly an opportunity to strengthen the bill before us this evening.

Although we recognise that some aspects of the bill represent a positive step towards the ongoing protection of biodiversity, we also recognise that, in itself, this bill does not guarantee the protection of our unique biological heritage. Not only does it fail to establish an effective national legislative regime but also there are a number of critical steps required to address loss of biodiversity and protection of endangered species. These include the need for an end to the ongoing decline in the quality and extent of native vegetation. We absolutely must take steps to bring land clearing under control. It is a matter of great concern. It is having the greatest impact on our wildlife and biodiversity of any of the matters of current concern. While there are many other threats to Australia’s biodiversity that need to be dealt with, broadscale vegetation clearance is currently of greatest concern and requires urgent attention. The government has failed to show national leadership on this issue and introduce national legislation or national standards. Despite the rhetoric of Senator Hill, the Minister for the Environment and Heritage, and an objective of the Natural Heritage Trust to halt the decline by 2001, the government has failed to deliver. Instead of putting in place the mechanisms to address the issue, the minister continues to blame the states for his own inaction.

There is also a need to complete the national reserve system and properly resource the management of existing reserves. The Howard government promised in 1996 that they would commit $80 million over four years towards the development of a comprehensive national reserve system to preserve Australia’s biodiversity under the Natural Heritage Trust. After the first four years of the Natural Heritage Trust, only $25.9 million had been expended. Even after five years, only $58.1 million had been spent.

In addition, the need to control weeds and feral animals is integral to protection of biodiversity. The Howard government promised in 1996 that they would commit $16 million over four years towards the implementation of a national strategy to control, and where practicable eliminate, feral animals under the Natural Heritage Trust. After the first four years of the Natural Heritage Trust, only $10.9 million had been expended. The government also promised in 1996 that they would commit $19 million over five years towards the finalisation and implementation of the national weeds strategy under the Natural Heritage Trust. Again, after the first five years of the trust, only $10.5 million had been expended. The government are big on rhetoric and hollow promises. They have promised much but, regrettably, failed to deliver.

Mr MURPHY (Lowe) (7.08 p.m.)—The Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 is noteworthy for its complexity, its alteration to the existing legislative scheme and its moral position. In the time allowed for me to speak on this bill, I wish to concentrate on the issue of the consolidation of Australia’s international obligations under those international instruments to which Australia is a signatory. The relevant international instrument for the purposes of the bill before the House tonight is the Convention on International Trade in Endangered Species of Wild Fauna and Flora, CITES.

When a country becomes a signatory to an international instrument, there is a legitimate expectation by the world at large that that country will honour its international obligations to make the domestic law consistent with its obligation. We saw recently what could happen when the United States simply could not avoid its obligations under the Kyoto protocol so it simply ignored these obligations. There is no honesty in such action. It is a morally bankrupt position.
In Australia we have the same problem with our human rights record against our indigenous population when read in light of our being a signatory under various international obligations. One example of direct relevance to my electorate of Lowe is Australia’s obligations as a signatory to the following two agreements: the Japan-Australia Migratory Bird Agreement, or JAMBA, which is Australian Treaties Series No. 6; and the China-Australia Migratory Bird Agreement, or CAMBA, which is Australian Treaties Series No. 22.

I note that migratory species of birds that fall under one or both of these treaties migrate along the Parramatta River, which divides my electorate and the Prime Minister’s electorate. Unfortunately, tonight time precludes me from explaining in detail the difficulty I have had in making representations to the relevant state and federal government agencies in attempting to make those treaties relevant for planning purposes for development along the Parramatta River foreshore.

I do not have the benefit of the proposed schedule of gazetted endangered species as prescribed under the proposed bill, and for this reason cannot juxtapose that scheduled list with the bird life the subject of the CAMBA and JAMBA treaties. However, it would be odd and inconsistent if any bird life the subject of CAMBA or JAMBA were not included in the schedule here today. That is to say, law must be consistent with itself. There is little point in protection of an endangered species from import or export on the one hand, whilst destroying its habitat on the other. That would be inconsistent policy and a futile exercise in passing well-meaning legislation that ultimately fails in its objective of protecting that wildlife.

However, this is the situation we have here. The Parramatta River foreshore development scenario is an all too familiar situation whereby we attempt to save with one hand, whilst destroying with the other. Those with any knowledge of environmental law will tell you that our various disparate legislation at state and Commonwealth levels is disjointed. By disjointed, I mean that the legislation can vary in respect of a particular species in terms of what protection, if any, is afforded to that species.

For example, this bill means that a species of animal may be ‘endangered’. For a species of flora, that species may be ‘endangered’ but not necessarily ‘protected’ under New South Wales legislation. There may also be consistent or inconsistent treatment of this species in heritage and other legislation. It is even more complicated when a species of flora may not be listed as endangered per se but, due to its relationship with an endangered species of fauna, its local extinction would be tantamount to local extinction of the fauna as well. It is necessary to review all environmental legislation, bringing these schedules under one consolidated banner.

It is insufficient that we can have many state and Commonwealth items of legislation treating the same species in different ways. I have raised the precautionary principle in this House on a number of occasions, either alone or in the broader context as part of the principle of ecologically sustainable development. This bill has delimited the precautionary principle to a list of actions that compel the principle to be considered, with the implicit rider that what is not included is therefore excluded. That is, any other power that may require application of the precautionary principle that is not listed in subsection 391(3) is implicitly excluded as a factor for consideration in the exercise of ministerial or other statutory power.

This is an insidious trend in legislative drafting. That trend is to enumerate a list of actions by application of a moral imperative, thereby actually excluding that moral imperative from other actions. Further, the act of enumerating the obligation on the minister to consider the precautionary principle only in certain circumstances gives the impression that the precautionary principle’s moral validity is a direct product of positive law, which it is not. The moral validity of the precautionary principle is reason itself. The precautionary principle, together with ESD and other principles such as intergenerational
equity, are intrinsic values which cannot be reduced to a list of descriptors of whether the principle’s application is ‘in’ or ‘out’.

Of course, section 391 is a mandatory provision: the minister ‘must’ consider the precautionary principle, and this, in turn, does not delimit the application of the precautionary principle in other parts of the act as appropriate. However, it is the observation of contemporary practice that this is, indeed, how the act will be read. The legal maxim ‘expressio unus est exclusio alterius’ may be stretching the effect of delimiting by lists, but it is not far from the truth. Include one, and you run the risk of excluding the others.

Time permits me to go no further, because I know we are on a short time frame. In essence, I support the bill. I commend the government for the bill and at some future date I will enumerate further detail.

Mr GIBBONS (Bendigo) (7.14 p.m.)—I rise to speak on the Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 knowing that the opposition has agreed to support it and deems the changes to be appropriate. In doing so, I would like to report to the House an organisation based in Victoria which is doing much to protect the native wildlife species all around regional Victoria. The idea of starting up an organisation to help wildlife, both in a shelter system and in the natural environment, as well as educate the public as to the needs of our unique species, began in 1996. In February 1997, the idea became a reality. The name ‘Wildlife Rescue and Information Network’, abbreviated to WRIN, was chosen as it stated exactly what it was all about. WRIN is endorsed by the Department of Natural Resources and the Environment.

The aims and objectives of the organisation are to provide a service to concerned members of the community that have found sick, injured, displaced or orphaned wildlife and to provide a rescue service where there is no alternative; to provide a structure for wildlife shelter operators, their foster carers and volunteers to meet and to learn from each other; and to provide information to the public on the habitat and other requirements of our wildlife as well as providing information on the environment. As funding is constantly being cut to government agencies that at present are still able to provide information to the public—and that was made quite apparent during the regime of the Kennett administration in Victoria; DNRE was cut quite substantially—WRIN’s role in this area will become even more vital.

WRIN’s membership consists of a dedicated band of licensed wildlife shelter operators, foster carers, volunteers and some members of the public who do not attend meetings or help in rescue work but support the organisation by paying an annual subscription to it. If membership does not increase, WRIN will be unable to continue. Telephone and insurance costs and rental of halls are major expenses. The insurance rises each year, much to the great disappointment of the organisation. The organisation relies very much on donations, including a substantial donation by a deceased member.

The shelter operators care for sick, injured, orphaned and displaced wildlife at no cost to the public. They do not receive government funding or funding from any source. Costs are rising constantly. Pre GST some foods and medications were exempt from tax, but now not only has every product increased in price but the addition of the GST has increased costs further. For example, the wholesale price of a 20-kilogram bag of one particular product rose from $124 to almost $164. The manufacturer decided to raise the cost just prior to the introduction of the GST, saying that the cost had been the same for a considerable time—and then the GST was added.

It is hoped that as WRIN grows it will be possible to assist shelter operators by purchasing foods in bulk then reselling at a lesser price than the individual operator can purchase them for. Fuel, telephone and electricity expenses are other major costs to busy operators, as are such items as washing powders, disinfectants, sterilising solutions, etc. WRIN runs a 24-hour mobile rescue phone service that enables callers from anywhere in the state to find help for sick, or-
phaned, displaced or injured wildlife from the licensed shelters in Victoria. The phone number is on the after-hours recorded message at the Department of Natural Resources and Environment and also at the RSPCA.

In conclusion, WRIN Inc. is now a large organisation endorsed by the Department of Natural Resources and Environment to assist injured, sick or orphaned native wildlife. There are 260 licensed carers throughout the state who raise young wildlife as orphans or who nurse injured animals back to health so they may be released back into the wild. Permit holders are dedicated people with a passion to see our wildlife returned to the bush. They give up their time and their own money for seemingly no return, although the greatest reward is in seeing an animal that was once on the brink of death run or fly free. With all the best intentions, permit holders, like everyone else, are limited in time and funds, and this is why WRIN Inc. was established—to assist operations in as many ways as possible. WRIN Inc. is a people organisation with a common and passionate interest in preserving our wildlife.

Ms HALL (Shortland) (7.18 p.m.)—As somebody who is passionate about the environment, I am very disappointed that this debate has been truncated in the way it has. The environment always seems to take second place in this parliament, and I believe it is one of the most important issues that faces us here in Australia and worldwide. The opposition is supporting the Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001, and somehow I must try to get a 20-minute speech into five minutes.

The legislation seeks to meet the guidelines of the Convention on International Trade in Endangered Species of Wild Fauna and Flora. In doing so, it is looking at the licensing, under various appendices, of wildlife to be exported and is looking at the trade in wildlife out of Australia. It also seeks to promote conservation and biodiversity both in Australia and in countries throughout the world. Accompanying these measures outlined in the legislation is an underlying assumption that there will be enforcement measures. The illegal trade in wildlife, it is important to note, is second only to the illegal trade in drugs. What is the government’s response? The enforcement of wildlife crime in Australia is at an all-time low. I feel—and what is happening tonight proves it—that the government does not care; it is a low priority.

Whilst this legislation is designed to overcome some of the inefficiencies and enforcement difficulties in the current legislation and address some of the issues raised in the Senate inquiry, I still have some concerns about public accountability, about the transparency of the decision making provisions and about the exercise of ministerial discretion and delegation by the minister. It is an area that is of vital importance to us here in Australia. It is vital as this is about the preservation of our native fauna and the conservation of Australian biodiversity. The decision making process should be accountable and transparent.

Australia is unique, and it possesses a diversity of ecosystems and species. Australians are proud of this diversity. But along with this pride is the obligation to protect this uniqueness and diversity. Unfortunately, in Australia we have been losing our biodiversity, and this has accelerated since European settlement. There has been enormous impact on the biodiversity and the protection of our native species. We have lost 75 per cent of our rainforests, 40 per cent of our total forests and 70 per cent of all native vegetation. The situation with our mammal species is the worst of any country in the world with 10 out of the original 144 marsupials remaining, and eight of the 54 native rodents. It is not good enough. Many of our other species are threatened with extinction: the bilby, the numbat, the green and gold bell frog and the hairy-nosed wombat. It is a really sad record. Why? It is because we have exploited our environment, not cared for it; we have destroyed it, not protected it.

Our role here in this parliament is to preserve our biodiversity and our unique Australian fauna and flora. The government has a leading role in this, but it has shown that it
has no commitment to the environment, which comes a poor second to everything else. The government needs to make a real commitment to the preservation of biodiversity. It needs to take steps like those that were taken in New South Wales, where the New South Wales government was prepared to forgo political expediency in favour of the preservation and protection of our native environment, our biodiversity and our native species.

In November 1997, the New South Wales Minister for Land and Water Conservation, the Hon. Kim Yeaden, introduced the native vegetation conservation legislation. In that parliament, the National Party and the opposition opposed it at every turn and that reflects their general attitude to this type of issue. That legislation encouraged ecological sustainable native vegetation management and partnerships between land-holders and government. It was all about preserving our national biodiversity and looking to the future. The Carr government since its election has also been responsible for the establishment of 280 new national parks and reserves. That is the kind of commitment that we need to preserve our native vegetation and biodiversity and to protect our species. I ask the government to put a higher priority on the environment and to care for our future.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (7.24 p.m.)—In summing up this stage of the debate, I want to thank the members for Wills, Lowe, Bendigo and Shortland. The Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 is indeed very significant because Australia is megadiverse. Not only do we have the most extraordinary wildlife but we want to make sure that we protect that megadiversity. As well, we want to protect the biodiversity of other countries where there is a trade in their wildlife, potentially coming into our country.

Because of the limited time tonight, I cannot go into too much detail of all the elements that were raised by the opposition, but let me just hit on one. The member for Shortland said that we had less enforcement of wildlife protection in the country compared with earlier times. I remind her that in fact we have just boosted the Australian Quarantine and Inspection Service with levels of funding that they have never had the benefit of before. This higher level of resourcing of AQIS will help to make sure that wildlife is not smuggled in or out of the country. We also have put into the Australian system the biggest natural resource fund that this country has ever seen in the form of the Natural Heritage Trust mark 1 and now mark 2, as well as the national action plan to protect our country from salinity.

We have addressed these issues, and as a government we are pre-eminent in understanding what we as a nation have to do. The 1982 act was inadequate. Until now, the problem of administering wildlife trade and permitting systems had not been adequately addressed. We intend to concentrate the resources into the conservation work, rather than the previous emphasis on endless permitting systems that did not necessarily contribute to better conservation and protection at the end of the day. I want to thank everyone for their contribution and for being prepared to cut their contributions short. I know members of the government who wished to speak on this bill are disappointed.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (7.26 p.m.)—by leave—I present a supplementary explanatory memorandum to the Environment Protection and Biodiversity Conservation Amendment (Wildlife Protection) Bill 2001 and move government amendments (1) to (84) on sheet EK247 and government amendments (1) to (6) on sheet XX229:

(1) Schedule 1, item 1A, page 3 (lines 6 to 20), omit the item.

(2) Schedule 1, item 1B, page 3 (lines 21 to 29), omit the item.
(3) Schedule 1, item 10A, page 6 (lines 1 to 6), omit the item.
(4) Schedule 1, item 10B, page 6 (lines 7 and 8), omit the item.
(5) Schedule 1, item 11, page 6 (lines 27 to 29), omit paragraph (g).
(6) Schedule 1, item 11, page 6 (line 31), omit "during", substitute "in making".
(7) Schedule 1, item 11, page 7 (lines 5 to 9), omit section 303BAA, substitute:

303BAA Certain indigenous rights not affected
To avoid doubt, nothing in this Part prevents an indigenous person from continuing in accordance with law the traditional use of an area for:
(a) hunting (except for the purposes of sale); or
(b) food gathering (except for the purposes of sale); or
(c) ceremonial or religious purposes.
(8) Schedule 1, item 11, page 8 (lines 7 and 8), omit the definition of bear product.
(9) Schedule 1, item 11, page 8 (lines 9 to 11), omit the definition of cat product.
(10) Schedule 1, item 11, page 9 (lines 11 and 12), omit the definition of listed migratory bird.
(11) Schedule 1, item 11, page 10 (line 6), omit the definition of trophy.
(12) Schedule 1, item 11, page 12 (after line 13), after subsection (2), insert:

(3) An instrument under subsection (1) is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.
(13) Schedule 1, item 11, page 14 (line 2), after "that is"; insert "not".
(14) Schedule 1, item 11, page 15 (lines 1 to 11), omit section 303CDA.
(15) Schedule 1, item 11, page 15 (lines 12 to 15), omit section 303CDB.
(16) Schedule 1, item 11, page 16 (line 4), omit "subsections (3), (4A) and (4B)"; substitute "subsection (3)".
(17) Schedule 1, item 11, page 17 (lines 26 to 29), omit subsection (4A).
(18) Schedule 1, item 11, page 17 (line 30), omit subsection (4B).
(19) Schedule 1, item 11, page 23 (line 6), omit "or a species of listed migratory bird".
(20) Schedule 1, item 11, page 24 (lines 20 to 22), omit paragraph (c), substitute:

(c) may consult such other persons and organisations as the Minister considers appropriate.
(21) Schedule 1, item 11, page 24 (line 23) to page 25 (line 13), omit subsections (3A), (3B), (3C), (3D) and (3E).
(22) Schedule 1, item 11, page 26 (lines 8 and 9), omit "or a live freshwater fish", substitute ", or a live freshwater fish;".
(23) Schedule 1, item 11, page 27 (line 7), omit "subsections (3) and (4)'"; substitute "subsections (3), (3A) and (4)'".
(24) Schedule 1, item 11, page 27 (line 16), omit "or a live freshwater fish”; substitute ", or a live freshwater fish,”.
(25) Schedule 1, item 11, page 27 (lines 17 to 20), omit all the words from and including "unless” to and including "303FA).”, substitute:

unless the Minister is satisfied that:
(a) the proposed export would be an eligible non-commercial purpose export (within the meaning of section 303FA); or
(b) the proposed export would be an export from an approved aquaculture program in accordance with section 303FM.
(26) Schedule 1, item 11, page 27 (line 25), omit "conservation status”, substitute "survival”.
(27) Schedule 1, item 11, page 28 (line 2), omit "or a species of listed migratory bird”.
(28) Schedule 1, item 11, page 28 (lines 4 and 5), omit “or any wildlife conservation plan”.
(29) Schedule 1, item 11, page 29 (lines 14 to 19), omit subsection (10).
(30) Schedule 1, item 11, page 30 (after line 28), after subsection (2), insert:

(3) The list may only contain specimens that are live animals or live plants.
(31) Schedule 1, item 11, page 37 (lines 17 to 19), omit subsection (5).
(32) Schedule 1, item 11, page 43 (line 4), omit “and”.
(33) Schedule 1, item 11, page 43 (after line 4), at the end of paragraph (1)(b), add:
(iii) the maintenance and/or improvement of human health; and

(34) Schedule 1, item 11, page 43 (lines 5 and 6), omit paragraph (c), substitute:
  (c) the export is not primarily for commercial purposes; and

(35) Schedule 1, item 11, page 43 (line 7), after “other conditions”, insert “(if any)”.

(36) Schedule 1, item 11, page 43 (line 18), omit “and”.

(37) Schedule 1, item 11, page 43 (after line 18), at the end of paragraph (2)(b), add:
  (iii) the maintenance and/or improvement of human health; and

(38) Schedule 1, item 11, page 43 (lines 19 and 20), omit paragraph (c), substitute:
  (c) the import is not primarily for commercial purposes; and

(39) Schedule 1, item 11, page 43 (line 21), after “other conditions”, insert “(if any)”.

(40) Schedule 1, item 11, page 43 (lines 28 and 29), omit paragraph (b), substitute:
  (b) the export is not primarily for commercial purposes; and

(41) Schedule 1, item 11, page 43 (line 30), after “other conditions”, insert “(if any)”.

(42) Schedule 1, item 11, page 44 (lines 1 and 2), omit paragraph (b), substitute:
  (b) the import is not primarily for commercial purposes; and

(43) Schedule 1, item 11, page 44 (line 3), after “other conditions”, insert “(if any)”.

(44) Schedule 1, item 11, page 44 (lines 10 and 11), omit paragraph (b), substitute:
  (b) the export is not primarily for commercial purposes; and

(45) Schedule 1, item 11, page 44 (line 12), after “other conditions”, insert “(if any)”.

(46) Schedule 1, item 11, page 44 (lines 18 and 19), omit paragraph (b), substitute:
  (b) the import is not primarily for commercial purposes; and

(47) Schedule 1, item 11, page 44 (line 20), after “other conditions”, insert “(if any)”.

(48) Schedule 1, item 11, page 44 (lines 22 to 29), omit subsection (3), substitute:

(3) In this section: exhibition includes a zoo or menagerie.

(49) Schedule 1, item 11, page 45 (lines 11 and 12), omit paragraph (d), substitute:
  (d) the export is not primarily for commercial purposes; and

(50) Schedule 1, item 11, page 45 (line 13), after “other conditions”, insert “(if any)”.

(51) Schedule 1, item 11, page 45 (lines 24 and 25), omit paragraph (d), substitute:
  (d) the import is not primarily for commercial purposes; and

(52) Schedule 1, item 11, page 45 (line 26), after “other conditions”, insert “(if any)”.

(53) Schedule 1, item 11, page 45 (lines 34 and 35), omit paragraph (b), substitute:
  (b) the export is not primarily for commercial purposes; and

(54) Schedule 1, item 11, page 46 (lines 9 and 10), omit paragraph (c), substitute:
  (c) the export is not primarily for commercial purposes; and

(55) Schedule 1, item 11, page 46 (lines 18 and 19), omit paragraph (b), substitute:
  (b) the import is not primarily for commercial purposes; and

(56) Schedule 1, item 11, page 47 (lines 4 to 27), omit subsections (8) to (12).

(57) Schedule 1, item 11, page 47 (lines 32 and 33), omit paragraph (b), substitute:
  (b) the export is not primarily for commercial purposes; and

(58) Schedule 1, item 11, page 48 (lines 6 and 7), omit paragraph (b), substitute:
  (b) the import is not primarily for commercial purposes; and

(59) Schedule 1, item 11, page 48 (after line 9), after section 303FH, insert:

303FI Export or import for the purposes of a travelling exhibition

(1) The export of a specimen is an export for the purposes of a travelling exhibition in accordance with this section if:
  (a) the export is not primarily for commercial purposes; and
  (b) the conditions specified in the regulations have been, or are likely to be, satisfied.

(2) The import of a specimen is an import for the purposes of a travelling exhibition in accordance with this section if:
(4) In deciding whether to declare an operation under subsection (2), the Minister must have regard to:
(a) the significance of the impact of the operation on an ecosystem (for example, an impact on habitat or biodiversity); and
(b) the effectiveness of the management arrangements for the operation (including monitoring procedures).

(5) In deciding whether to declare an operation under subsection (2), the Minister must have regard to:
(a) whether legislation relating to the protection, conservation or management of the specimens to which the operation relates is in force in the State or Territory concerned; and
(b) whether the legislation applies throughout the State or Territory concerned; and
(c) whether, in the opinion of the Minister, the legislation is effective.

(7) If a declaration ceases to be in force, this Act does not prevent the Minister from making a fresh declaration under subsection (2).

(8) A fresh declaration may be made during the 90-day period before the time when the current declaration ceases to be in force.

(9) A fresh declaration that is made during that 90-day period takes effect immediately after the end of that period.

(303FRA Assessments)

(1) The regulations may prescribe an assessment process that is to be used for the purposes of sections 303FN, 303FO and 303FP to assess the potential impacts on the environment of:
(a) a wildlife trade operation; or
(b) the activities covered by a plan;
where the operation is, or the activities are, likely to have a significant impact on the environment.

(2) If regulations made for the purposes of subsection (1) apply to a wildlife trade operation or to a plan, the Minister must not declare:
(a) the operation under subsection 303FN(2); or
(b) the plan under subsection 303FO(2) or 303FP(2);
unless the assessment process prescribed by those regulations has been followed in relation to the assessment of the operation or plan, as the case may be.

(3) Without limiting subsection (1), regulations made for the purposes of that subsection may make provision for:
(a) the application of Part 8 (except sections 82, 83 and 84) and the other provisions of this Act (so far as they relate to that Part) in relation to the assessment process, subject to such modifications as are specified in the regulations; and
(b) exemptions from the assessment process.

(4) In this section:
modifications includes additions, omissions and substitutions.

wildlife trade operation has the same meaning as in subsection 303FN(10), but does not include an operation mentioned in paragraph 303FN(10)(d).

(70) Schedule 1, item 11, page 61 (line 9), omit “be in accordance with”, substitute “not be contrary to”.

(71) Schedule 1, item 11, page 61 (lines 29 to 33), omit subsection (4A).

(72) Schedule 1, item 11, page 62 (after line 9), after subsection (6), insert:
Public consultation

(7) Before issuing a permit under this section, the Minister must cause to be published on the Internet a notice:
(a) setting out the proposal to issue the permit; and
(b) setting out sufficient information to enable persons and organisations to consider adequately the merits of the proposal; and
(c) inviting persons and organisations to give the Minister, within the period specified in the notice, written comments about the proposal.

(8) A period specified in a notice under subsection (7) must not be shorter than 5 business days after the date on which the notice was published on the Internet.

(9) In making a decision under subsection (1) about whether to issue a permit, the Minister must consider any comments about the proposal to issue the permit that were given in response to an invitation under subsection (7).

(73) Schedule 1, item 11, page 62 (lines 10 to 12), omit subsection (10).

(74) Schedule 1, item 11, page 66 (lines 5 to 30), omit section 303GEA.

(75) Schedule 1, item 11, page 84 (lines 13 to 26), omit section 303GZ.

(76) Schedule 1, item 36A, page 96 (lines 5 to 12), omit the item.

(77) Schedule 1, page 123 (after line 16), after item 84H, insert:

84HA At the end of section 197
Add:
; or (k) an action provided for by, and taken in accordance with, a plan or regime that is accredited under section 208A.

(78) Schedule 1, page 123, after item 84HA, insert:

84HB Before section 208
Insert:

208A Minister may accredit plans or regimes
The Minister may, by instrument in writing, accredit for the purposes of this Division:

(a) a plan of management within the meaning of section 17 of the Fisheries Management Act 1991; or
(b) a plan of management for a fishery made by a State or self-governing Territory and that is in force in the State or Territory; or
(c) a regime determined in writing by the Australian Fisheries Management Authority under the Fisheries Administration Act 1991 for managing a fishery for which a plan of management (within the meaning of section 17 of the Fisheries Management Act 1991) is not in force; if satisfied that:
(d) the plan or regime requires persons engaged in fishing under the plan or regime to take all reasonable steps to ensure that members of listed threatened species are not killed or injured as a result of the fishing; and

(e) the fishery to which the plan or regime relates does not, or is not likely to, adversely affect the survival or recovery in nature of the species.

(79) Schedule 1, page 123, after item 84HB, insert:

84HC At the end of section 212

Add:

; or (k) an action provided for by, and taken in accordance with, a plan or regime that is accredited under section 222A.

(80) Schedule 1, page 123, after item 84HC, insert:

84HD Before section 223

Insert:

222A Minister may accredit plans or regimes

The Minister may, by instrument in writing, accredit for the purposes of this Division:

(a) a plan of management within the meaning of section 17 of the Fisheries Management Act 1991; or

(b) a plan of management for a fishery made by a State or self-governing Territory and that is in force in the State or Territory; or

(c) a regime determined in writing by the Australian Fisheries Management Authority under the Fisheries Administration Act 1991 for managing a fishery for which a plan of management (within the meaning of section 17 of the Fisheries Management Act 1991) is not in force; if satisfied that:

(d) the plan or regime requires persons engaged in fishing under the plan or regime to take all reasonable steps to ensure that members of listed migratory species are not killed or injured as a result of the fishing; and

(e) the fishery to which the plan or regime relates does not, or is not

likely to, adversely affect the conservation status of a listed migratory species or a population of that species.

(81) Schedule 1, page 123, after item 84HD, insert:

84HE Paragraph 231(h)

Repeal the paragraph, substitute:

(h) an action provided for by, and taken in accordance with, a plan or regime that is accredited under section 245.

(82) Schedule 1, page 123, after item 84HE, insert:

84HF After paragraph 245(b)

Insert:

; or (ba) a regime determined in writing by the Australian Fisheries Management Authority under the Fisheries Administration Act 1991 for managing a fishery for which a plan of management (within the meaning of section 17 of the Fisheries Management Act 1991) is not in force;

Note: The heading to section 245 is altered by omitting “of management” and substituting “or regimes”.

(83) Schedule 1, page 123, after item 84HF, insert:

84HG Paragraph 255(k)

Omit “of management”, substitute “or regime”.

(84) Schedule 1, page 123, after item 84HG, insert:

84HH After paragraph 265(b)

Insert:

; or (ba) a regime determined in writing by the Australian Fisheries Management Authority under the Fisheries Administration Act 1991 for managing a fishery for which a plan of management (within the meaning of section 17 of the Fisheries Management Act 1991) is not in force;

Note: The heading to section 265 is altered by omitting “of management” and substituting “or regimes”.

(1) Schedule 1, item 11, page 26 (lines 8 to 10), omit paragraph (ba), substitute:

(ba) either:
(i) the specimen is not a live terrestrial invertebrate, or a live freshwater fish, prescribed by the regulations for the purposes of this subparagraph; or
(ii) the export is an export from an approved aquaculture program in accordance with section 303FM; and

(2) Schedule 1, item 11, page 36 (line 29), omit “detrimental to”, substitute “likely to threaten”.

(3) Schedule 1, item 11, page 50 (line 7), omit “or”, substitute “and”.

(4) Schedule 1, item 11, page 50 (lines 8 and 9), omit subparagraph (iii).

(5) Schedule 1, item 11, page 50 (after line 9), after paragraph (b), insert:
   (ba) the operation will not be likely to threaten any relevant ecosystem including (but not limited to) any habitat or biodiversity; and

(6) Schedule 1, item 11, page 69 (lines 9 to 13), omit all the words from and including “must consider” to and including “conditions of the permit.”, substitute “must consider whether the transferee is a suitable person to hold the permit, having regard to the matters set out in the regulations.”.

Amendments agreed to.
Bill, as amended, agreed to.

Third Reading
Bill (on motion by Dr Stone)—by leave—read a third time.

COMMITTEES
Privileges Committee
Report
Mr SOMLYAY (Fairfax)—I present the report of the Committee of Privileges concerning an application from Mr Wayne Sanderson for the publication of a response to a reference made in the House of Representatives.

ADJOURNMENT
Motion (by Dr Stone) proposed:
That the House do now adjourn.

Pensions: Payments
Ms GERICK (Canning) (7.28 p.m.)—People on benefits other than age and veteran pensions in my electorate of Canning are confused and angry with the Howard government’s budget decision to disallow them the $300 one-off bonus paid this month. Those who are confused ask whether they are going to get the bonus because of the failed promise of last year’s $1,000 saving bonus to older Australians. Those who are angry realise that they have been excluded yet again and recognise the mean-spirited approach this government has taken to those people who are the most vulnerable and the least able to cope with financial pressures. It may have escaped the notice of those opposite that people on disability pensions, mature age allowees, carers and even Newstart allowees often have expenses far greater than age pensioners. Not for a moment am I suggesting that the bonus is not needed for age pensioners—of course it is—but the point I want to make tonight is that there are many other people in my electorate who are in desperate need as well.

One of my constituents who is a diabetic was forced to retire on a mature age pension after two strokes. He has huge pharmaceutical bills and in addition has the cost of syringes, swabs and needles. As he said, ‘I would be working if I could, but my costs are far greater than those of a healthy 65-year-old on the age pension, so why is the government punishing me?’ I was also rung by a man on a disability pension who is only in his 40s. He has to pay extra electricity charges to charge the batteries of his wheelchair. He cannot use public transport, so he has the additional expense of taxis when he needs to go to the doctor or to go shopping. He pointed out to me that his psychological and emotional wellbeing depended on him being able to do some socialising, and this was another expense. These costs have to come out of the pension. We can all take a trip to the shops whenever we want to without thinking about it. For my constituent, it must be carefully planned, the time cannot be altered by circumstances because the right sort of taxi has to be booked and he has to be sure that he has enough money to do his fortnightly shop. If the electricity bill has to
be paid that fortnight, he may not be able to afford the food.

I ask members to put themselves in the place of someone on a disability pension. You do not have savings because you cannot really manage from fortnight to fortnight, much less put money to one side. Those people in my electorate with special needs often have higher than average medical expenses. If you have severe arthritis, not only are you in constant pain but you need special appliances to open cans, turn on taps and turn the pages of your book. If you are diabetic, you must have disposable needles, syringes and swabs so you do not risk additional life-threatening illness. If you have spinal injuries, bone, tendon or muscle damage, you need physiotherapy, gym or hydrotherapy to keep as mobile as possible to maintain as much quality of life as you can. Wheelchair bound people cannot just hail a bus or wait for a train in the same manner that most of us do.

Those with mental illness also have medical costs and financial pressures. These cause them additional stress, which makes their recovery far more problematic than it should be. Those people in my electorate with intellectual disabilities also have additional educational and training needs that must be met if they are to be able to lead independent and meaningful lives. If they and their carers cannot make ends meet, the additional strain this puts on the family makes it much harder for those needs to be met.

I find it difficult to understand the thought processes of those on the other side of the House. Perhaps they do not have people with severe injuries, physical or intellectual disabilities living in their electorates. Perhaps they do not have people living on benefits before they reach retirement age. They certainly seem to think that those who have the least should be the ones who do without most in our society.

But I have also been contacted by self-funded retirees in Canning. One of them wondered what he had done to Mr Howard and Mr Costello. He had retired on quite a small income before he turned 65, and he found that he was not going to benefit at all from the tax benefits announced by Mr Costello with such fanfare. It is those self-funded retirees on incomes double his who will most benefit from the changes. It is very difficult to draw any conclusion about this government other than that it is mean-spirited and toughest on those who are most in need.

**Aboriginals: Assisted Voting**

Mr WAKELIN (Grey) (7.33 p.m.)—On 18 June this year I gave my response to the budget in the debate in the Main Committee on Appropriation Bill (No. 1) 2001-2002. I chose as my theme transparency and independence versus hidden agendas and dependence. I spoke about the previous Labor government’s policy on fuel excise and matters like raising the wholesale sales tax without compensation after the 1993 election. To my surprise and dismay, the member for the Northern Territory and a senator from South Australia took umbrage at some of my comments. Therefore, I rise tonight to respond. I believe they are far too sensitive; they protest too much.

On the whole issue of the dependence of Aboriginal people, there are now many within the Aboriginal community questioning the welfare policies that helped create such dependence. The dependence that I was referring to on 18 June in the Main Committee was where the Australian Electoral Commission, the AEC, fill in the ballot papers of many within the Pitjantjatjara lands. In fact, up to 90 per cent of these ballot papers are what is known as assisted votes. There are many questions here, but one serious question is: how does the AEC determine an individual preference? How are the individual preferences marked on the ballot paper? These are serious questions in a democracy, and I will not be intimidated by the Labor Party on this issue.

How is a free, independent and secret vote presented to the ballot box? I am sure the AEC would want to respect this and I am sure that those 90 per cent of voters in much of the Pitjantjatjara lands who are assisted would, over time, want to operate without being assisted. That is my belief. These are
not just idle matters that I have plucked out of my mind; these are matters that were raised with the Joint Standing Committee on Electoral Matters some months ago. As I indicated earlier, I think the integrity of our democracy is important. The member for the Northern Territory has a great sensitivity to the subject, and the senator from South Australia was really quite over the top in some of his comments. I say to the Labor Party: please come forward with some better model. Do not just choose personal denigration as the way that you operate, cheaply and shabbily dismissing my genuine comments about a situation where 90 per cent of some communities are assisted in their voting. We have to look at a better way.

I will not be satisfied until there is an acknowledgment and acceptance that we cannot be satisfied until the overwhelming number of Aboriginal people walk into the polling booth and place an unassisted vote in the ballot box. That is what we should be aiming for. That is the important principle. The Labor Party will endeavour to represent that as denying people a vote. That is absolute nonsense because we know that there is an identification process that has been gone through for the receipt of welfare benefits, et cetera. It is not a matter of denying anyone a vote. It is a matter of ensuring that the sanctity of the ballot box is respected.

**Bullying**

**Bass Electorate: Satay House**

Ms O’BYRNE (Bass) (7.38 p.m.)—There has been a new idiom introduced into our language. It is a phrase that derides an individual and implies failure: ‘You are the weakest link’. Derived from an elimination style game show, it is the announcement that you have lost—not lost in the ‘great effort, you really gave it your best shot’ style, but lost in the ‘you have failed not only yourself but everyone else and you should go because you are obviously not worth anything’ style. It makes it clear that not winning is unacceptable and that individuals must bear the personal shame of failing. It does not reward effort; it simply sneers at failure.

Recently, in Tasmania, we held conferences on bullying. It must be recognised that bullying is a problem that exists in our community and that it is unacceptable. Our education institutions spend significant resources trying to stamp out bullying in schools and to teach our children that we are all equal and that we all have rights. One of those rights is to be safe and secure in our environment, free from the threat of verbal or physical harassment. Another is that we should always treat each other with respect. We teach them that this is the way a civilised society operates. Have no doubt, Mr Speaker, that this positive work conducted in our schools is at odds with the trend in some television programs.

These programs are not the same as traditional game shows. In an interview on the *Insight* program on SBS, John Schwartz, a senior lecturer in media and communications at Swinburne University of Technology, said: Whether it’s ironic and we can laugh at it, the thing is that it is meant to be a bit of a humiliating experience. We can go back to ‘Pick a Box’ days and even ‘Sale of the Century’ and the losers in those contests were applauded by the studio audience, the host and hostess thanked them and they were given consolation prizes. But there is no prize here—there is, in a sense a kind of shame involved. And while it’s a bit of a game and we can take this ironically, I think we’ve shifted the boundaries in the way we think of losers. And maybe that reflects something.

These shows encourage players to get rid of someone simply because they do not like them or they see them as a threat. My concern is that this type of glorification is much at odds with the message we try to instil in our children. On the one hand, we are busy telling them that bullying is bad and, on the other, we glorify it on television. I am not alone with my concern. Rex Jory, of the *Adelaide Advertiser*, states:

We celebrate personal humiliation. We have become a community of ghouls who find excitement in humiliating and shaming innocent people. We are losing the capacity for community team work.
I am not suggesting that we should ban these types of programs—the people who go in them know what they are doing and they put themselves up for it—but as a society we have an obligation to monitor where we head in the manner in which we treat other people. Many people use the media to establish a framework of what sort of behaviour is acceptable or even expected of them. Do we want the children of our society to grow up watching this kind of television and thinking that society not only allows but also applauds them if they put down and humiliate other people? There are real issues and serious implications arising from this sort of behaviour. Do we want them to think that greed, selfishness, backstabbing and being generally ruthless is the way to succeed in the world? My concern is that this is, possibly inadvertently, communicated through programs that celebrate humiliation.

As a society we need to be conscious of media and the impact it has on our lives. We need to continuously safeguard the integrity of our society or we will degenerate into a group of people who show no common concern for the wellbeing of other citizens. We must always remember that language tends to shape reality, so we must be ever mindful of the sort of language that we use.

In the time remaining, I would like to inform members of an event that is taking place in Launceston on 1 July. This will be the one-year anniversary of the GST. This very special but very sad event is a garage sale hosted by a local restaurant. The Satay House is a well-respected, family owned and operated business that has operated successfully for 17 years. In those 17 years, they have seen many good and bad times—they have been incredibly successful and marginal—but it is only now, since the introduction of the GST, that their business has become completely unviable. On the 30 June, this restaurant with a history of some 17 years will close for good. What a fitting time to remind members of the interview the Treasurer conducted on 18 May 2000. The Treasurer said on radio 6WF:

I don’t think anybody will go to the wall as a consequence of GST ... I don’t think that there will be businesses that will flounder because of the GST.

The only message that I have for the Treasurer on behalf of this small restaurant is: how wrong he was.

Herbert Electorate: McHappy Day

Mr LINDSAY (Herbert) (7.42 p.m.)—I rise tonight to pay tribute to the many businesses in Australia that not only work hard for their communities producing goods and services and creating employment but also give something back to their communities. So many businesses in my electorate in Townsville and Thuringowa are so tremendously generous to the Townsville and Thuringowa community. They get a lot of demands and a lot of requests and, where possible, certainly help the community both in cash and in kind. I think it is a wonderful thing that businesses do recognise that they are able to put resources back into the community that purchases their goods and services.

Last Saturday many members in the parliament will know that it was the 10th annual McHappy Day at McDonald’s restaurants. McDonald’s all across the country are all locally owned and all doing local things in their local community. I pay tribute to McDonald’s for the professionalism of their staff and for their putting of resources back into the local community, particularly through a very important charity called Ronald McDonald House. McHappy Day supports Ronald McDonald House with $1 from every Big Mac being donated to that particular charity on the day, and they also support Variety, which is the children’s charity. It is a wonderful thing. On McHappy Day, celebrities, local community groups, sporting teams, community leaders and members of parliament are all invited to visit the restaurants and help out behind the counter and support these particular charities. What a worthwhile thing it is to do.

Over the last nine years a total of $7.1 million has been raised for Ronald McDonald House, Variety and local children’s charities. The houses are attached to major
children’s or women’s hospitals and provide home away from home accommodation for families who face separation when their child requires long-term hospital treatment. Australia has more Ronald McDonald houses per capita than any other country in the world. What a wonderful achievement. A further two houses are planned for Australia, including one for Australia’s capital city, right here in Canberra. The other is in the northern city of Townsville, my city.

So it was that last Saturday I was asked to appear, and I went to the Aitkenvale McDonald’s restaurant. I was there for a two-hour stint, from 11.30 until 1.30, and it was terrific. It was really welcoming and a tonne of fun for everybody. Under Melinda Young, the store manager, and the ever-vibrant George and Lorraine Colbran, the owners, it was a terrific day. We were all asked when we came to the restaurant to wear these McHappy Day caps, and everybody wore them proudly. I think other members of parliament wore them. The customers certainly knew that it was McHappy Day last Saturday.

I was there with the Townsville Tropics and Bill Sperring, the principal of the Townsville State High School. I was there with the Townsville Crocodiles—I might just indicate that the Crocodiles will be the premiership winners in the next NBL round, which will start shortly—and I was particularly looked after by crew person young Michael Grasso. He taught me how to serve ice-cream, fries, coffee, drinks and so on. The customers joined in the fun of it, and it was terrific.

What I particularly noted was the customer service ethic and the work ethic. The young people there, the way they are trained, the way they are looked after and the employment opportunities are a great credit to the McDonald’s organisation and the local franchisees, particularly George and Lorraine Colbran, who make sure that every young person on their crew has the opportunity to learn as much as they can about good customer service and a good work ethic. It was terrific to be there. Thank you to McDonald’s.

Education: Schools Funding

Ms ROXON (Gellibrand) (7.47 p.m.)—I want to continue tonight some comments that I commenced last Tuesday on a number of education issues in my electorate, when I had the opportunity to start discussing the increased pressures being put on a number of particularly low income families in my electorate as they find education expenses increasing. Unfortunately, in areas like my electorate, the reality is that some students and some families do face very real pressures from the costs of education, things that are seen as incidental by many other people. More families are coming under this pressure than we care to admit. Many of the schools in my electorate, in turn, can see these pressures being reflected and are having additional demands put on them and their staff.

As I noted in the speech that I started last Tuesday, I undertook a direct democracy experiment, asking teachers and principals to write to me and tell me which education issues they would like me to discuss in the parliament. On this aspect, Joe Vella from Albion Primary School noted the ‘increasing role of schools dealing with welfare issues’. He commented that if ‘children are not receiving the necessary support, they will cause greater concerns in later years, thus becoming a greater burden on society and government resources’. This was all part of his claim for extra assistance, particularly welfare assistance, to be provided at primary school level. Similarly, Kevin Pope from the Sunshine North Primary School says his key issue is:

... reinvestment in primary school education: Early intervention programs work, but they require appropriate levels of resourcing. Why isn’t the government committing to Primary Education in a way that ensures all our children and young people have the necessary skills to be successful citizens?

At senior levels, some schools are noticing the results of similar pressures and comment about vandalism and drug dealing at school. We cannot escape the reality that financial pressures do have educational consequences.
In addition, Louise Cleary from Marian College noted that although ‘the VCE studies do not suit all students, the costs of VET units are prohibitive for low income families’. This is something that people probably do not appreciate easily, but vocational training is often prohibitive not because of the direct educational costs at schools but because if you are undertaking part-time work as an apprentice, as is often involved with these VET programs, the costs of having tools, knives, uniforms or appropriate clothing are all costs that need to be met by the students or their families, and in low income families these costs can be prohibitive.

Unfortunately, we see neither the federal government allocating any funding to disadvantaged schools or to these families directly nor any assessment being made of the schools that might need extra welfare support and assistance. Unfortunately, we see the funding going to elite schools instead. I share the frustration of Christopher Stock, from St Paul’s College in Altona, who is concerned about increased funding being allocated to what he calls ‘elite independent schools’. He points out:

The Catholic system should not be lumped in with these elite colleges, where legitimate criticism is made of the funds to very well researched elite colleges. We and other schools will also continue to be required to negotiate competing priorities and interests within the context of a society which is not ready to put its money where its mouth is when it comes to the education of its young people.

Many in the community do want education funding to be reprioritised. We must devise a formula that looks properly at need, that does not draw arbitrary distinctions and that takes account of the assets, wealth and capacity to fundraise that some schools have over others. Labor has committed to do that for the next quadrennium of funding to primary and secondary schools, which will not occur until 2005, with plenty of time for consultation before then on establishing a fair method.

I have organised a principals and school presidents forum on 30 July in my electorate where I want to get feedback and suggestions on the issues already identified and, more particularly, on ways that we can work together on regional education issues.

A region like the west of Melbourne needs to have its particular concerns addressed in a more focused way. This is part of our thinking behind Labor’s proposed education priority zones, a topic that I hope we will have a chance to discuss also at this forum. Our aim is for the education priority zones to break the cycle of poverty and poor education. Education is too important for us to get wrong. It is the key to the future of the young people learning and studying in my electorate as we speak. Their schools deserve more from a federal government than they are getting at the moment, and I see it as a vital part of my job, and Labor’s job, to get education funding in Australia back on track.

Parkes Electorate: Byrock Memorial

Mr LAWLER (Parkes) (7.52 p.m.)—The town of Byrock in western New South Wales is arguably home to more war heroes per capita than any other place in Australia. Under recently announced federal government funding, Byrock will use the proceeds of a grant to remember its distinguished service men and women with a memorial wall to include the names of men who won a Victoria Cross, a Military Cross and two Military Medals in World War I, and a Military Medal and a Distinguished Flying Medal in World War II. This feat is even more noteworthy when it is considered that only 20 men from the district went to World War I and about 23 served in World War II, with all the recipients of the bravery awards surviving to return home. To be entitled ‘Heroes of the Mulga’, the memorial is the brainchild of the members of the Byrock Advancement Association, who secured the funding under the federal Their Service—Our Heritage program.

The story of the Byrock war heroes came to national prominence when the story featured in the Sydney Morning Herald—exposure that could increase the tourism potential to the new memorial, especially for war buffs. This funding is significant for two reasons: firstly, because it recalls the huge sacrifice made by the people of the town, those
who fought and the families who spent anxious years at home awaiting the worst; and, secondly, because it is a great example of a small town, with a population of 30-odd, taking advantage of its attributes—in this case, an exceptional service record—to promote itself. This is exactly what smaller centres must do to get their slice of the tourism income pouring into our region, and the central and northern districts in particular.

With the sealing of the Kidman Way—to which the federal government contributed just over $20 million—drawing increased amounts of travellers to the area and the Back of Bourke attraction gathering momentum, it is great to see that Byrock will be able to add its local flavour to the tourism appeal of the area, especially as interest in the Great War and the Anzac tradition is also growing each year. Tourism will be most lucrative for our region if we can string together a circuit of attractions for visitors to peruse over a few days, thereby extending the dollars they spend and the number of places in which they are spent.

Question resolved in the affirmative.

House adjourned at 7.55 p.m.

NOTICES

The following notices were given:

Mr Price—to move:
That this House:
(1) supports the current campaign of the Department of Immigration and Multicultural Affairs to not give an illegal worker a job;
(2) notes that to date no employer has been charged for employing an illegal worker although such workers have been deported;
(3) expresses concern that there appears to be a double standard applying to the employment of illegal workers; and
(4) urges the Minister to introduce legislation to provide sanctions for employers who employ illegal workers.

Mr Price—to move:
That this House urges the Minister Assisting the Minister for Defence to make a comprehensive statement concerning:
(1) rough justice in the Australian Defence Force;
(2) the Government’s attitude to rough justice and bastardisation; and
(3) measures taken by the Government to restore confidence in the military justice system.

Mr Price—to move:
That this House takes notice of the report of the Judge Advocate-General on Defence Force Discipline Act 1982 for the period 1 January to 31 December 2000.

Mr Bruce Scott—to present a Bill for an Act to amend the Veterans’ Entitlements Act 1986, and for related purposes.

Mr Bruce Scott—to present a Bill for an Act to amend the Veterans’ Entitlements Act 1986, and for related purposes.

Mr Hockey—to present a Bill for an Act to amend the Insurance Act 1973, and for related 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 Hockey—to present a Bill for an Act to amend certain Acts relating to superannuation, and for related purposes.

Mr Anderson—to present a Bill for an Act to amend the Motor Vehicle Standards Act 1989, and for related purposes.

Mr Slipper—to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: Construction of new Law Courts Building, Adelaide.

Mr Slipper—to move:
That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the Committee has duly reported: Fitout of new Central Office building for the Department of Immigration and Multicultural Affairs at Belconnen, ACT.
MR DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Child Abuse

Ms JANN McFARLANE (Stirling) (9.40 a.m.)—I rise this morning to speak about the issue of child abuse in our communities, an issue that is of such interest to the parliament that we take a bipartisan approach to it. We want to work on this issue; we want changes. This debate has special significance for me as I have experienced family violence as a child. Child abuse, as you know, is not just limited to sexual abuse but also includes physical and emotional abuse and neglect. The victims and survivors of child abuse suffer a great deal over their lifetime and this suffering manifests in many ways. Disturbing research published in the journal *Psychiatric Services* report that 76 per cent of women and 72 per cent of men with severe mental illnesses have been abused as children. The member for Fowler on 4 September 2000 called on the government to:

... urgently focus more resources in implementing a national approach to the prevention, repair, intervention and research into child abuse.

It is pleasing to see that the Minister for Community Services has responded to this and other members’ calls with the announcement of several programs designed to achieve these aims. It is a shame that the minister has failed to continue the funding for the peak women’s domestic violence body in Australia—an issue we will be talking to her about.

As a founding member of the PerthWest Domestic Violence regional committee, I am aware of how limited the funding was to address the issues and community education campaigns. The funding was effective in raising community awareness in Western Australia, developing preventative programs including a men’s phone service to assist the perpetrators to stop their behaviour. Child abuse does not occur within a social vacuum. Child abuse is about family stress; it is about families in crisis; it is about families lacking communication, life skills, practical support and resources to deal with stress. A report from South Australia found that 82 per cent of referrals came from the bottom two socioeconomic categories. With 100,000 extra Australian children living in poverty, one has to ask questions. More parents are poor; poorer parents get less relief from constant child rearing. They tend to experience higher levels of conflict, family disruption, substandard and crowded housing. They simply do not get a break and their stress becomes a pressure cooker environment.

Jon O’Brien in the *Australian Journal of Social Issues* gives a strategy for a prevention program: planned respite for families both at risk and in crisis. Research examining links between social support and child maltreatment has consistently shown that social support lessens the impact of social and economic stress, reducing rates of child maltreatment. So getting a break from the kids to recoup and deal with their own issues stops parents reaching breaking point. Government can improve family life and improve child care with a range of increased funding. I support the call of the various major children’s groups for a children’s commissioner. I support the call for a coordinated and resourced national policy and strategy for the protection of our children. I call for sustained funding for the projects in our community that achieve this aim. I call on the government to redress the impact. (Time expired)

Child Abuse

Mrs VALE (Hughes) (9.43 a.m.)—In recent years parliamentarians on both sides of the House have worked together to stand against the abuse of children in our cities, our towns and our communities across Australia. I am proud to join with my colleagues this morning to tell the world that we totally reject the abuse of our children and that we will continue to work
together to eradicate it from the daily reality of lives of children in Australia. In June last year, I reported to the House that, in a certain region of Queensland, it was estimated that 50 per cent of children within the juvenile court system in one region were victims of incest. To the shame of us all, I reported that innocent Australian children were being bashed, raped, mutilated and neglected on a large scale and, in some communities, their plight was being ignored by those who have a moral duty to protect them.

In October last year, I reported to the House that, in 1998, 84 kindergarten and primary school children from a prosperous suburb of Melbourne had been assessed as having deviant sexual behaviour. These children had been referred to a children’s clinic for treatment. Most of the 84 children had used force to trap or to trick other children into having sex with them, and some of these children had been victimised themselves. Each of these reports referred to communities that were thousands of kilometres apart: one referred to a remote indigenous community and the other a salubrious urban area in one of our major cities. The two studies were unconnected.

What concerned me about these two reports was a common contributor to sexual assault, not reported anywhere else as far as I could identify: the impact of pornography, a cause or trigger of sexual assault that people prefer not to address, or prefer to deny. Although the Aboriginal Coordinating Council brought the link between pornographic videos and child sexual assault to the attention of the Royal Commission into Aboriginal Deaths in Custody in 1991, it has been ignored. Then in 1999, the Robertson report—the ATSIC Women’s Taskforce on Violence—revealed cash on delivery orders of $4,000 to $5,000 worth of pornographic videos being delivered to isolated communities. One community, with a history of pornographic video usage, had the highest rate of men in prison for sexual offences.

In the other case, it was found that while most of the children in Melbourne treated at the clinic came from homes where the parents were under stress from divorce or illness or other types of disruption, the trigger that damaged their sexual development, that sexualised these children at such a very young age and turned them into abusers, was their exposure to sexually explicit material in the form of sexually explicit videos. I raise the issue of pornographic videos and child abuse once again because I know of no domestic violence programs that are addressing this issue. If pornographic videos cannot be banned then, as a responsible government, let us put large health warnings on these videos and increase the penalties for those who allow our innocent children to view them. I continue to commit to work with my fellow parliamentarians to eradicate this national shame. I also support the call from Senator Heffernan for a commissioner for children.

Mr DEPUTY SPEAKER (Mr Nehl)—And now making her debut in the Main Committee is the honourable member for Ryan.

Child Abuse

Ms SHORT (Ryan) (9.46 a.m.)—Thank you, Mr Deputy Speaker. As a former dental therapist, I worked with children in the school dental service for 10 years. Through the close clinical contact that I have had with schoolchildren, I am aware that many health professionals and teachers possess special information about them. Mandating people in specific occupations to report suspected abuse will lead to increased help for children who may otherwise suffer serious harm.

However, mandatory reporting has been the subject of vigorous debate throughout the world. Each state and territory of Australia has interpreted the United Nations Convention on the Rights of the Child differently. For example, in Queensland, section 159 of the Children and Young People Act 1999, No. 63 of 1999, contains a comprehensive list of persons—including doctors, dentists, nurses, teachers, police officers, counsellors, child-care workers, family day carers, public servants, community advocates, official visitors and prescribed per-
sons—who must, as soon as practicable, report to the chief executive the name or a description of the child or young person and the grounds for the person’s suspicion.

In Western Australia, referrals about possible harm to children are facilitated by a series of reciprocal protocols that have been negotiated with key government and non-government agencies rather than mandatory reporting. But, in the ACT under section 103(1) of the ACT Children’s Services Act 1986, any person who suspects on reasonable grounds that a child has suffered physical, sexual, emotional abuse or neglect may notify ACT Family Services.

In my opinion, there needs to be a more coherent national approach to mandatory reporting. However, it is only one part of a greater strategy to prevent child abuse. Responsibility for keeping children safe from harm and providing for their long-term wellbeing falls on all adults, both as family members and as members of the community.

**Defence Force: Operational Headquarters**

Mr Nairn (Eden-Monaro) (9.49 a.m.)—On Monday of last week, I informed the residents of Queanbeyan that for quite some time now—in fact, over a five-year period—I have been lobbying for the operational headquarters for Australia’s defence forces to be located in Queanbeyan. From the operational headquarters, the Department of Defence will coordinate the combined forces, maritime, land and air force elements for operational deployments such as those that occurred in East Timor, Bougainville and the Solomons. It is a project that has been on the Department of Defence’s drawing board for a number of years. Rather than making my intentions and representations public, instead I chose to work quietly behind the scenes and wait until the project actually became a reality and could be confirmed. That certainly occurred in the most recent budget, and it was part of the white paper as well. I also waited until I knew that Queanbeyan had a good chance of being considered for this strategic project.

I now believe that Queanbeyan has a good chance with respect to this project. We have got the space; there are numerous sites around Queanbeyan which are large enough for this facility. The Lanyon Drive area, close to Jerrabomberra, is just one of those possible sites. Our local contractors are more than capable of being involved in the construction of such a project. Our residents and local traders are ready to put out the welcome mat for a workforce injection of many hundreds of staff.

While a number of locations in New South Wales are under consideration, I believe there is strong support within the federal government and the Department of Defence for this strategic facility to be based in the Canberra region. Many people believe that Queanbeyan is the perfect site. The support I have received from the Queanbeyan City Council has been integral to our strong position in vying for this project. I refer to Mayor Frank Pangallo and his public servant relocation taskforce, which includes businessmen Rod Studholme and Bernie Baz, together with the council’s general manager, Hugh Percy, and the council’s manager of economic development and tourism, Simon Mitchell-Taverner. I also thank Joe Murtagh and the Queanbeyan Age for their excellent reporting on the benefits that projects such as this would bring to the region.

A decision on the location is expected to be considered by cabinet in the not-too-distant future. Certainly, in the weeks leading up to that decision, I will continue to push to the utmost Queanbeyan’s strengths and qualities, and the reasons why the operational headquarters for Australia’s defence forces should be located there.

**Child Abuse**

Ms Corcoran (Isaacs) (9.51 a.m.)—Last night I, along with a number of my parliamentary colleagues who are here today, attended a dinner and meeting of an organisation that I had never heard of before—the Kids First Foundation. Kids First deals with an issue that we are all aware of, although perhaps not as much as we should be—child abuse. The Kids First
people did not launch into graphic or sensational descriptions of the children they come into contact with—much to my relief. I have to say—but they did talk about these children in a very calm, matter-of-fact manner which made the issue very real and urgent to me.

Last night we were given examples of some of the dimensions to the problem. We were told that in Australia 107,000 new cases of child abuse are reported each year, and that most of these cases are later substantiated. Most abuses are carried out by a person known, and usually known well, to the child concerned. Eighty per cent of women in prison today were the victims of child abuse, and one-third of youth suicides are related to child abuse.

There are so many dimensions to the problem that it is hard to know where to start talking about the issue. The number of reports per year is currently about 107,000, but this figure has doubled in the last five years, and the obvious question is: why is this so? Several theories were put forward last night, including that maybe there is actually an absolute increase in the number of abuses taking place, but maybe there is an increasing awareness in our community of the problem and, therefore, more preparedness to report abuses—or maybe the answer to the question is a combination of both of these factors. The next scary bit for me was the fact that child abuse is carried out by a person known to the child in most circumstances. This puts paid to that strangely comforting warning we used to give our children when they were kids, that they should ‘beware of strangers’.

In preparing for this speech today, I talked about the issue with a teacher that I know. He talked about the difficulty he faces in trying to tell his students that abuse is not okay. He tells his students that if they are uncomfortable about a situation or behaviour they are involved with, they should talk about it with someone they trust. The difficulty, of course, is that the person who the child would often turn to when they need support or advice is the person who is actually meting out the abuse. This teacher is encouraging his students to dob in, if you like, their father, mother or a relative, to somebody else. I was thinking about the breach of loyalty involved in doing this, and about the determination and courage that a child needs in order to take this enormous step into what must be unknown territory for them.

It was pointed out last night that if we were to ask anyone in our electorates about the issues that are important to them, we would hear about health, education, unemployment and the environment. We would not hear about child abuse. The beginning of the answer to this problem is increasing the awareness of the problem, acknowledging that the problem exists at every level in our society, and accepting that we are all responsible for doing something about it, and doing something now.

Adelaide Electorate: Islington Site

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (9.54 a.m.)—I am pleased to have the opportunity to provide an update on the progress of the once very badly contaminated land at the former Islington rail yards site in my electorate and to ensure that the good news is recorded on the parliamentary record, just as the extraordinary struggle to achieve the right outcome has been recorded. In 1994, Jack Watkins and Tony Ollivier came to my office with a seemingly insurmountable problem. On 9 December 1994, I raised the issue in the House of Representatives—and again on 20 and 26 June 1995—explaining that a 12-hectare area north of the workshops and close to housing had effectively been used as an uncontrolled landfill.

As I explained then, about 200,000 tonnes of waste—including asbestos, solid cyanide, acids, lead and arsenic—had been dumped. On 18 December 1996, after a change of government, I was able to announce that there had been very good news in the budget which would ensure that there would be funding for the clean-up. On 10 February 1997, I advised that a good, safe plan was being developed. In 1998, Transport South Australia requested that the Land Management Corporation manage the environmental remediation of the Islington site on
It was able to do that because of the $5.5 million funding from the federal government which I had squeezed out of the relevant ministers at the time.

The strategy resulted in the creation of a five-hectare area suitable for industrial use, which would provide an economic benefit to the state in the form of future lease revenue. In addition, the strategy provided a significant community benefit in a 250-metre wide landscape buffer zone between the industrial area and neighbouring houses. Work commenced on that site in July 1999. We are preparing for the opening later this year of what has become parkland and open space—something which will be of enormous benefit to the people who live in that area. I could not be more pleased. I pay tribute to former transport ministers Sharp and Vaile. It has been one of the longest struggles in my electorate, and I am pleased to be able to report a favourable outcome.

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

PASSENGER MOVEMENT CHARGE AMENDMENT BILL 2001

Second Reading

Debate resumed from 24 May, on motion by Mr Slipper:

That the bill be now read a second time.

Mr O’CONNOR (Corio) (9.57 a.m.)—The Passenger Movement Charge Amendment Bill 2001 that we are debating here today provides for an increase in the passenger movement charge from $30 to $38, with effect from 1 July 2001. This particular increase in the passenger movement charge is being used by the government to fund a $600 million addition to Australia’s quarantine and border patrol measures. This extra funding will be shared between the Australian Quarantine and Inspection Service, the Australian Customs Service and Australia Post. This new spending will raise in the order of $70 million a year and it will fund a series of new quarantine initiatives that the Minister for Justice and Customs recently announced.

The shadow minister for small business and tourism, Mr Fitzgibbon, will be following me in this debate and, in the course of the time allocated to him, he will be moving a second reading amendment related to areas of his portfolio responsibility. I mention that because he is in another place at the moment unveiling a plaque to the recently deceased Greg Wilton. We all know that the shadow minister was a good friend of Greg’s, and Mr Fitzgibbon would have led this debate in this chamber had he been able to be here at this time.

I mentioned the range of initiatives that this measure will finance in the quarantine area, and they are measures that we on this side of the House do support. We are fortunate here in Australia that we are free from many of the exotic pests and diseases that have devastated agriculture in other parts of the world. Of course, any funding that can be allocated to the quarantine task to strengthen arrangements to protect Australian agriculture from the ravages of exotic pests and diseases is welcome.

I will make some comments later on the manner in which the government has chosen to fund this particular initiative and why it has chosen this route, but if we go over the particular expenditures that are being undertaken over a period of some four to five years—this extra $600 million—$5.7 million is being provided for AQIS until 30 June 2001 to fund extra measures introduced in February due to the UK and European outbreaks of foot-and-mouth disease.

I am quoting here from the minister’s press release:

$281 million from 2001-02 to 2004-05 to AQIS border operations;
$238.8 million from 2001-02 to 2004-05 to ACS to support AQIS quarantine services;
$68.8 million for new infrastructure at international airports and international mail centres, and ongoing costs for Australia Post, to allow greater scrutiny of incoming mail, passengers and goods;
$1.2 million over four years to strengthen risk management and preparedness arrangements for FMD and Bovine Spongiform Encephalopathy (BSE), being coordinated by a high-level industry and government management group; and

$0.5 million for the purchase of reagents to allow the rapid testing of suspected FMD cases as part of Australia’s surveillance program.

That is a very comprehensive response by the government, and it is one that we wholeheartedly support. It is timely, because we have recently received an audit report—and I will refer to that report a little later—that really rang the bell on the gaps in our quarantine preparedness, our border control measures and other measures that we take to insulate ourselves against foot-and-mouth and other exotic pests and diseases. There are some fairly significant gaps in that and it has taken the foot-and-mouth outbreak to bring to our attention the necessity to strengthen the nation’s defences in this regard.

I suspect that these measures that the government brought down were not only in response to the foot-and-mouth outbreak in the United Kingdom and the spread of that disease through Europe, but partly as a response to the rather adverse Audit Office report that showed some very significant gaps in our preparedness to meet the ravages of this and other diseases.

Foot-and-mouth is a disease which has inflicted enormous costs on British agriculture and the British economy and other economies throughout Europe. It has had an absolutely devastating impact on the beef industry in the United Kingdom. There have been varying estimates of the cost of this particular outbreak, but in May of this year, the President of the UK National Farmers’ Union, Mr Ben Gill, gave all farm leaders an update on the devastating foot-and-mouth disease outbreak, in a release that was issued by the NFF. He said the disease could cost the UK as much as $A25 billion. Recent estimates are as high as $A30 billion. That is nearly equivalent to the amount that this government has shrunk the surplus, in a very short period of time. That gives you an idea of the dimensions of this.

Mr Baird—Not as much as we have shrunk the deficit.

Mr O’Connor—It is about as much in current dollars as the deficit that the Prime Minister left Labor back in 1983. That will give you an idea of the extent of the economic impact of this disease. He said it could cost the UK as much as $A25 billion, and was far from being under control. In May 2001 he indicated that there have been 1,593 cases confirmed, and an average of six new cases are still being confirmed each day, compared to 43 a day in March. More than 2.65 million animals have been slaughtered and a further 75,000 head of stock are tagged to be killed. This is the devastating impact of this disease on the UK beef industry.

It is not the only cost, though, that will have to be borne by the British public because of this outbreak. There are ancillary costs associated with the impact on the national export performance of the British economy. There have been devastating impacts on local communities and massive social dislocation. And there have been huge impacts on the tourism industry, which is also very important to the British economy. In addition you have the significant environmental costs that are associated with the clean-up.

If we did suffer a similar outbreak in Australia our livestock industries would face similar devastation. Dr John Weaver, a prominent South Australian, said in an ABC News Online bulletin on Tuesday, 5 June that an outbreak in this country would take some six to 12 months to control. In his view, with agriculture accounting for a much greater proportion of Australia’s GDP—20 per cent—the impact here could be much more dramatic. He had this to say:

I think the problem comes if the disease gets into a big sheep market and gets dispersed throughout the country, it’s the nightmare scenario …

It is really a nightmare scenario, one which any minister for agriculture anywhere has to contemplate. From my conversations with former Labor ministers for agriculture Kerin, Crean
and Collins—very prominent members of the Labor Party—I recall that one of their great fears was of being in the driver’s seat during one of these exotic disease outbreaks.

With the best intentions we do attempt to insulate ourselves from these sorts of incidents, but we live in a world where increased trade is taking place. We now have an export based economy, not only in manufactured and processed goods but also in livestock and certain raw materials or commodities from the agricultural sector. We import many foods and, with the movement of passengers to and from Australia there is great danger that exotic diseases may be brought unintentionally into this country. The nightmare for those agriculture ministers was—and, I guess, is now for the Minister for Agriculture, Fisheries and Forestry—that one of these exotic disease outbreaks might occur on the minister’s watch. I have never been one to play heavy politics over this issue. Despite the best intentions of any minister and despite whatever enormous resources the government might put into this task, there is always the possibility, the danger—the reality—of an outbreak that could have a devastating impact. Australia’s livestock industries are very sensitive on this matter, as they should be.

We on this side certainly support the measures that the government has put in place. They are sensible and timely, although some could say that they are long overdue and prompted not only by the particular outbreak but also by some aspects of an audit report that pointed to significant gaps in our preparedness. I will quote from page 16 of that report, Managing for quarantine effectiveness, in which the Australian National Audit Office rang the bell on the fact that this situation had been allowed to drift. The report had this to say:

The value of current border effectiveness measures is limited as they do not address the likelihood of seizable material approaching and breaching the border, or the potential consequence(s) of such an event. The ANAO has undertaken estimates of the former, using available AFFA data. Estimates of the latter, that is how ‘risky’ the material escaping detection is, could not be made because of the absence of relevant AFFA data. The ANAO estimates indicate that almost 90 per cent of seizable material arriving by mail, and more than half arriving carried by international airline passengers, enters Australia undetected. These rates, and differences in the rates between entry routes within these two programs, suggest aspects of border operations warrant priority management review and action, including assessing the consequences of barrier breaches, and appropriate cost-benefit options for dealing with them.

That report was undertaken long before the government announced these particular measures. I would imagine that the minister and the government had wind of the report. Some of the measures that have been announced by the minister are specifically designed to overcome some of the problems that have been identified in this report. So the minister’s response is timely—firstly, given the outbreak that has occurred and the dangers to Australia as a result of that and, secondly, in light of this Audit Office report.

Although we have strengthened the frontline—what we would call the first tier—of defence against this particular disease and others, I think it is very important to give some consideration to what the industry terms the second-tier defences. A letter was sent to me by a young student in a veterinary course in a New South Wales university recently. Unfortunately, I left it in my electorate office when I came here. I would have liked to have quoted from that letter in my speech. I am referring to the issue that was raised by that student, although I do not have his name with me at present. The student was bemoaning the fact that it was increasingly difficult to attract students into veterinary courses and that our universities were contracting resources to students in this area. This student recognised a very important gap that we are facing in what we call the second-tier defence. It relates to our preparedness to cope with a major exotic disease incursion once that outbreak has occurred. We have that frontline defence, but a second-line defence is required if an outbreak should occur in Australia, with effective infrastructure in place to contain that outbreak and to limit its damage.

Over the last decade we have seen a declining number of what we would call ‘large animal’ vets. These people are very important to Australia’s livestock industries. We have also seen
generally a declining number of vets in rural and regional Australia. We have also seen state
government veterinary and livestock offices in Australia’s rural regions being run down.
There has been a consequent decline in our ability to manage a large-scale exotic disease out-
break. These are very important issues that will need to be addressed by any future govern-
ment, because it is not just the frontline defence that is important; the second-line defence is
also very important.

In conclusion, I want to refer to the funding issue, because we ought to note in this debate
that the government is using a passenger movement charge to fund these expenditures. They
are, if you like, new taxes. No matter what way you dress them up, they are new taxes. It is a
bit like the milk tax which raised about $1.9 billion for a restructure package for the dairy
industry. It is a favourite technique used by the Howard government to raise money in the face
of the fact that it has blown the surplus.

I think we need to address the issue of funding of these sorts of expenditures head on. The
Prime Minister said that he would never, ever introduce a GST. After spectacularly breaking
that promise came his promise not to introduce any new taxes and not to increase existing
taxes. The Clerk of the Senate prepared a document recently that indicated that 113 new taxes
or tax increases had been instituted by this government. The increase in the passenger move-
ment charge that we are debating here today increases that figure to 114—114 broken prom-
ises on the taxation front.

That is a spectacular backdown on the government’s position that the Prime Minister put to
the Australian people—that he would not introduce any new taxes or increase existing ones.
These expenditures would have been, I would imagine, financed out of the budget surplus
which was trumpeted by the Treasurer in the 1998-99 budget, when he said that that surplus
would amount to $14.56 billion in 2001-02. Well, honey, he shrunk the surplus; it is now
down to $1.5 billion, and heading south.

Mr Lloyd—Compare it to your surplus.

Mr O’CONNOR—I mention this because you portray yourselves as great fiscal managers;
really, you could not run a country dance. Here it is: in 1998-99, $14.5 billion. ‘Honey, I
shrunk the surplus; it is down to $1.5 billion.’ You come into this House and introduce a new
tax, a new passenger movement charge. (Time expired)

Mr BAIRD (Cook) (10.17 a.m.)—I was particularly interested to hear the member for
Corio’s speech on the Passenger Movement Charge Amendment Bill 2001. It was quite
amazing to hear him attack the level of the surplus that this government has instituted, having
brought about an $80 billion total debt through the deficits that Labor produced in successive
budgets. Yet he criticises us for the size of our surplus. Hypocrisy, your name is Labor!

I also found it very interesting that he thundered on about using this mechanism of the pas-
senger movement charge to raise revenue, because I checked when the passenger movement
charge was introduced. In fact, it was introduced on 1 January 1995, levied at a rate of $27 per
departure. By whom was it instituted and introduced? None other than the government that
was in power at the time, represented by the member for Corio. It only takes them a couple of
years before they say, ‘How shocking, how dreadful to use the passenger movement charge to
raise revenue.’ And who instituted it? The Labor Party when they were in government. It is a
breathtaking level of hypocrisy.

He was going along all right. He said this was a good approach; that, in terms of bipartisan-
ship, we needed to take all these measures; and what a problem would be caused if these pests
and diseases entered this country. Of course, he went on to say, ‘You can’t use this measure.’
We remember the l-a-w claims—that they would never increase taxes during Mr Keating’s
time in office. What did they do? Of course, they increased the wholesale sales tax right
across the board on everything. So it is just stunning when we hear these claims being made. It is as if none of us can check what the details were.

It is also particularly interesting to listen to the member for Corio speak about the impact of foot-and-mouth disease on Europe. It has been devastating right across Europe. Hundreds of billions of dollars have been lost, and very large percentages of herds have been culled, with a devastating impact on the farming community not only in Britain but in many other countries in Europe. Not the least of the impacts has been the impact on tourism. I heard the member for Corio say that there has been a massive impact on the tourism industry. We recognise this, and this is one of the reasons why the action was taken and why you would use the passenger movement charge as a vehicle to recover the cost of instituting these changes. I notice that the member for Hunter, who is going to speak in this debate in a very short space of time—it is just a pity that we did not have the pleasure of listening to his hypocrisy as well—said in relation to the decision to increase the passenger movement charge by $8:

... so you can imagine their anger—

this was after the budget came down—

when they—

the Australian Tourist Commission—

learned that notwithstanding the fact they had been denied additional funding in the budget, the passenger movement charge had been increased, though not to assist tourism but to fund the government’s foot-and-mouth program.

This is the member for Hunter, the shadow minister for tourism, saying this. If he does not know what the impact would be if foot-and-mouth disease came into this country, he should be ashamed of himself. Here he is, the person who is supposed to be the shadow spokesperson on tourism in this place, decrying the facts of this. I know that there is a particular tourism group that has been expressing the view that, yes, what the government should do is put up the passenger movement charge and that that could simply be used to fund an increase for the ATC. The change was made and the increase was there, but it went to an absolutely vital part of the tourism industry. So I want to say to the member for Corio and the member for Hunter: let us get this argument on an appropriate basis; let us consider what the impact is across the board. It would be devastating for the agricultural sector if we did not see these changes and it would be devastating for the tourism industry. We would see that instead of the increases that we have been seeing. I note the press release that was issued this very week by the federal Minister for Tourism, Jackie Kelly, which said:

The Australian Bureau of Statistics’ Survey of Tourist Accommodation March Quarter 2001 revealed a 5.2 per cent increase in the supply of guest rooms in hotels and a 9.4 per cent increase in the supply of serviced apartments, compared with the same period last year.

What would be the situation if we saw an outbreak of foot-and-mouth disease in this country? We would not be seeing these figures; we would be seeing a massive drop, so if ever an industry sector should be pleased by the initiative the government is taking it is the tourism industry.

I actually hosted a function at which key representatives of the tourism industry from around Australia met with the Treasurer to discuss their concerns. I have to say to you, in all honesty, that not one of them raised this as an issue. Why didn’t they raise it? Because they are aware of the importance of this program for the industry. So much for the hypocrisy I hear from the member for Corio and the member for Hunter, who I understand is going to make a change to this. He is going to put an amendment so that we increase the passenger movement charge further—this is despite the member for Corio claiming this was inappropriate—to give a funding increase to the Australian Tourist Commission, which is funded to the order of $100 million a year and of course is part of a four-year program. This government increased fund-
ing to the Australian Tourist Commission by some $50 million over a four-year period and so it receives about $100 million a year. That is an overall record in terms of funding—and we have this political charade going on.

I am very pleased to see that the former minister for tourism has entered the chamber, because he was the minister who lobbied to get this $50 million increase over a four-year period for the ATC. We are coming to the end of the four-year period. The increase in funding over the four-year period was very significant and well received, and the then minister was applauded by the tourism industry. He is the one who organised the increase in funding and he did a great job for the tourism industry.

This is an important piece of legislation. I congratulate both ministers. I congratulate the Minister for Agriculture, Fisheries and Forestry on suspending imports of all products from FMD affected countries and on providing extra scrutiny of travellers who have recently visited a farm or abattoir and ongoing monitoring of AQIS and Customs border control procedures under the new conditions. It is a first-rate initiative to protect our borders, our livestock and of course the interests of the tourism industry. It is an initiative which I believe serves the country well. X-raying the baggage of all those who have been in affected areas overseas and more intensive checks are appropriate. I know that my colleague the member for Pearce will speak at some length in her usual incisive way on the same issue.

In summary, I believe this is a great initiative. It is about protecting Australia’s borders, it is about protecting our livestock and it is about protecting the tourism industry. The games being played by the members of the opposition when they know this is a great initiative, when they know the intent of the bill, are breathtaking in their hypocrisy. The people of Australia know what the situation is and they will remember. When I have my Sunday morning consultations, people say to me, ‘If the Labor Party gets into power, are we going to have another $85 billion racked up in debt?’ I say, ‘Well, this is their track record.’

Mr Martin Ferguson—What is your track record on infrastructure?

Mr BAIRD—One thing is for sure: my track record on transport is better than yours ever will be, even in your dreams. I shudder at the thought of you being in charge of anything to do with transport in this country. You read all your speeches when you come into the House. Not a single new initiative have I heard come out of your mouth. In the time you have been the shadow minister for transport I have not heard one new initiative come out of your mouth. In responding specifically to the member for Batman and his lack of any knowledge about transport, the rail link—

Mr Martin Ferguson—The financial world tells me about you, and you are a failure.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The member for Cook will ignore the member for Batman and address his remarks through the chair.

Mr BAIRD—I look forward to his further announcements about the airport rail link. I am very proud of that rail link and the people of Sydney are very proud of it. I am very pleased to listen to the member for Batman. He not only reads every single word when he comes into the House but also has not made one statement about transport that anybody can remember. I look forward to his pronouncements in the future. But what we have with this bill is a minister who knows what he is doing. The minister has brought forward real initiatives and is protecting not only the livestock and agricultural industries but also the tourism industry across this country.

Mr MARTIN FERGUSON (Batman) (10.29 a.m.)—I rise to address the Passenger Movement Charge Amendment Bill 2001. In doing so, I would clearly indicate that the opposition does regard this as an important bill. This is also a debate about the government suggesting that a tax is not a tax. The facts will show that, contrary to what the Prime Minister has said in the context of the recent budget, this actually represents a major and dishonest increase in taxation and an endeavour by the current government to create a smokescreen that
there have been no increases in taxation. I want to also make it clear that we just heard one of
the world’s greatest hypocrites when it comes to public accountability and a waste of taxpay-
ers money, a person who is committed to rorting the Australia parliamentary superannuation
system to gain two parliamentary pensions at the expense of ordinary Australian taxpayers.
When they talk about superannuation reform, he is awfully silent on these issues.

The passenger movement charge bill clearly is an important bill. We have had enough of
the hypocrisy of the previous speaker. We are talking about a very substantial increase in the
passenger movement charge from $30 to $38. Obviously, the charge is collected by airlines
and shipping companies and is supposed to recoup the cost of customs, immigration and
quarantine processing of passengers, as well as the cost of issue of short-term visas. The in-
crease in the charge, as we all understood it, was announced in the budget as ‘a quarantine
measure’ by the government. It was a quarantine measure to protect the country from foot-
and-mouth disease and other risks to our environment and agriculture.

The opposition will not be opposing the bill at this time. However, in commenting on the
bill, I am going to expose the hypocrisy and doubletalk coming from the government about
the rationale for this increase. I say hypocrisy and doubletalk because this government says
one thing and does another thing. If you listen to the minister for agriculture, the reason for
the quite substantial increase in the passenger movement charge of 21 per cent—even better
than the GST hit of 10 per cent—is to fund the fight against the threat of foot-and-mouth dis-
ease spreading into Australia. However, what the government has persistently and conven-
iently failed to mention is that it was already creaming off the top of revenue from the charge
of about $80 million per annum and then putting this into consolidated revenue prior to the
increase of 21 per cent from $30 to $38. In essence, the government, through the passenger
movement charge, was already creaming off Australian taxpayers’ funds to the tune of $80
million through the surplus collected as against the outlays for the original intent of the pas-
senger movement charge. So much for honesty and integrity from the Howard government in
terms of budget processes.

In the words of the department in Senate estimates, there was an over-recovery of the
charge of $80 million. They did not discount that $80 million in working out the increase of
21 per cent; they actually took that and desired and intended to take more—more creaming by
the current government. Moreover, not only was it revealed in estimates that there was an
over-recovery of some $80 million, but also it was revealed that the charge is not a charge at
all; it is actually a tax. Irrespective of what the government would like the Australian taxpay-
ers to believe, this is not a passenger movement charge. It is a tax, hence the creaming of $80
million per annum into consolidated revenue. The facts will show that it is a tax that the gov-
ernment has tried to deny. This denial is part of the government’s permanent state of denial
when it comes to telling the truth about taxation and most government initiatives.

Let us consider, for example, just the context of last month’s budget. When you go to those
facts, it was a pitiful and rather embarrassing spectacle of the Prime Minister getting out there
in his post-budget spin cycle and trying to claim, as he did on a number of occasions, that he
had not increased any taxes in the 2001 budget. I will just give you a couple of examples. On
27 May on Meet the Press the Prime Minister said:
We do not intend to increase tax. I mean, we are a tax cutting government. We are not, as Mr Beazley
falsely alleged ... the biggest taxing government. We are taking a lesser amount of tax than the previous
government. We do not intend to increase any taxes in our next term, full stop.

When he was asked later about the increase in the passenger movement charge—which is a
tax, as confirmed by the department in Senate estimates—what do we find? The Prime Min-
ister was suddenly at a loss for words, and this is what he had to say:
Yeah, well that is, I mean, something like that, I mean, I don’t know about things, and I’m talking about... a tax is something which is a regularly occurring impost on the Australian public. And when I say we’re not going to increase taxes, I mean income tax—not passenger charges—

I mean indirect tax, I mean petrol excise, I mean company tax, I mean Medicare levies.

Strangely, the department itself actually says that the passenger movement charge is a tax. The Prime Minister misled the Australian public, in the context of the recent budget, in statements about so-called ‘no increases in tax’. The debate today is about an increase in tax. It is about an increase in taxation of 21 per cent on one single item in the current budget processes. We have had the spin doctors, led by the Prime Minister and the Treasurer, and all the willy-nillies on the backbench on the government side trying to suggest to the Australian public that there will be no increases in taxation. Well, today we have a debate about ‘when is a tax not a tax?’ The passenger movement charge is a tax, and it has been increased by 21 per cent.

Even worse, the Prime Minister then had the gall to try to accuse the opposition leader of slithering around on the tax front. The Australian people know full well that there is only one person who has perfected the art of slithering when it comes to broken tax promises. It is like ‘never, ever’: ‘We will never, ever have a GST.’ We all remember that statement, don’t we? Now, in the most recent example, we have the ‘never, ever’ statement that ‘I’ll never, ever increase taxes in this term, in this budget’. We are debating such an increase in taxation today despite another statement by the Prime Minister that ‘we aren’t increasing taxation’. Never, ever—what a load of rubbish. It is more like ‘never, ever tell the truth’ on the other side of the parliament.

The point is—and this is important—that this charge was intended as a cost recovery device for the purpose of covering customs, immigration, quarantine and the issuing of short-term visas. That was the intent of the passenger movement charge. The problem is that this government has turned it into a tax and has used it to pad consolidated revenue to the tune of $80 million, and it has not been up-front and honest about that. It was only as a result of questioning by the opposition in Senate estimates that we established those facts. The bill, therefore, is increasing a tax on the whim of the government, with no proper accountability but with an endeavour to suggest that it is for other purposes.

The time has come for a bit of honesty and integrity in government. Australian taxpayers are prepared to pay their way. They are prepared to put their hands in their pockets and front up to the requirements of this country, such as those on the quarantine front, such as those trying to keep foot-and-mouth disease out of Australia. But they want politicians to tell the truth about the basis of charges going to our need to have programs in place to make sure we protect our country. Our capacity as politicians should be to bring the Australian public along on that front, be it expenditure on quarantine, health, education or the need for detention centres—whether or not it is now questioned by some on the other side of the parliament. Australians are prepared to pay their way, provided politicians are prepared to tell the truth and be up-front about the charges and the way they are allocated in the budget processes.

I also believe that the worst aspect of all the government’s hypocrisy and doubletalk is its failure to distribute any of the revenue gleaned from the charge to the industry that arguably is the most affected by the increase—and that is tourism. I also note the cheap shot made by the previous speaker about the fact that the member for Hunter is not here at the moment. I simply acknowledge that the reason the member for Hunter is not here today is that he is in attendance at a ceremony to honour the passing of the former member for Isaacs, Mr Wilton.

Mrs Moylan—Mr Deputy Speaker, I raise a point of order. My colleague did not criticise the member for Hunter for not being in this chamber; he simply said that it was a pity that the order of the debate was the way it was—and I want that on the record.
Mr DEPUTY SPEAKER (Mr Nehl)—Before I call the member for Batman, I must advise him that the member for Corio did make that explanation.

Mr MARTIN FERGUSON—That is what made it worse. The member for Corio did give an explanation, yet the previous speaker chose to take issue with it.

Mr DEPUTY SPEAKER—The member for Cook is not here. I am not prepared to allow this to continue. Please get back to the content of the bill.

Mr MARTIN FERGUSON—Mr Deputy Speaker, I will say what I want, when I want, with respect to the content of this bill, and there was no point of order with respect to the member for Pearce. But continuing: not only is this government out of touch and mean of spirit—and it is your government, Mr Deputy Speaker—but it is a short-sighted government.

Mr DEPUTY SPEAKER—I might remind the member for Batman that the chair has no government. He should be fully aware that occupants of the chair itself have no government and no party. Confine your remarks to the government itself, not to the chair.

Mr MARTIN FERGUSON—Mr Deputy Speaker, I note that the member for Hunter is now in attendance. The coalition government, which includes representatives for many northern river seats in New South Wales, is a mean-spirited and short-sighted government. It is not as though the passenger movement charge has not been linked to tourism before. In 1998 the charge was increased by $3 to raise the revenue for the added cost of moving people and equipment to the Olympics. At that time this increase was linked to Australian tourism—surprise, surprise—by the coalition government. I will tell you why it was linked: it was linked to help with the extra work in the lead-up to the games. However, the Tourism Commission no longer receives this money.

Tourism, one of the keys to regional economies, was duded in the budget, and the tourism sector has been practically ignored by the Howard government. The passenger movement charge was increased by 21 per cent, but the tourism industry was once again left out in the cold. So much for support for regional tourism by the Howard government. The Australian Tourism Commission was asking for an extra $10 million over the four years that would mainly go to advertising overseas to potential visitors our great tourism destinations, including regional Australia—because tourism is exceptionally important to regional economies and employment in regional Australia. I believe that this lack of funding poses a serious threat to the future viability of the tourism sector and has grave implications for tourism jobs, particularly in regional Australia and many regional economies.

The Australian Tourism Commission is struggling, as we all appreciate, to compensate for the decline in its purchasing power because of the declining dollar—another achievement of the Howard government. We all know that inbound tourism is a huge generator of jobs and opportunities. Inbound tourism generates about 40 per cent of jobs outside capital cities and 38 per cent of the jobs of young people. There are 100,000 small to medium businesses of 20 or fewer employees in tourism. Tourism is Australia’s fourth largest export industry. In 2001, $2.5 billion will be spent in regional Australia as a result of tourism. I would simply note that, with operators struggling to afford the costs of marketing their products internationally, the government’s lack of initiative places at risk the creation of an estimated 75,000 new jobs in this sector. All the ATC wanted was $10 million, and it needed that $10 million to bolster its international advertising efforts in the face of a sliding Australian dollar. I believe that, through its inaction, the government is jeopardising future tourism growth. But then, would you be surprised? It is only jobs and regional Australia—issues that are not very important to the Howard government.

I go again to the issue of honesty and integrity. When you talk about honesty and integrity in government, I believe there is a requirement for more transparency from this government with respect to these issues. It took rigorous Labor questioning through the estimates proc-
I call on the minister to reveal exactly how much of this additional $8 passenger charge, an increase of 21 per cent, will actually go to the fight against foot-and-mouth disease. There is no doubt that we support the fight against the potential dire and catastrophic consequences of the disease, but the Australian public does not support hidden tax hits. For that reason the minister must reveal to the parliament and in this debate precisely how much of the $8 will go to the campaign and exactly how much will go to consolidated revenue over and above the additional $80 million that was already being skimmed off as a result of previous government initiatives.

I understand the government has an amendment to ensure that the extra $8 is charged on tickets sold after 1 July this year. The opposition supports this amendment, as it corrects another very dishonest and tricky act of this government with respect to this bill. In the budget the government thought that it could get away with not making transitory arrangements for pre-sold tickets. In the absence of those arrangements, the airlines alone—and some of those airlines are doing it exceptionally tough at the moment—stood to lose millions of dollars because of the impracticality of recovering the extra $8 from pre-sold tickets. I am pleased that as a result of their lobbying efforts and the support of the opposition an arrangement has now been agreed with the board of airline representatives, but not without a concerted effort and a campaign from the airlines. In supporting the amendment to fix this issue, I assume the minister will also tell the parliament how much that attempt at trickiness and dishonesty meant in dollar terms until the government was exposed and forced to back-peddle.

The bill is important. The Labor Party supports the endeavours to make sure that our shores are protected. But I will tell you what is also important: people are looking for honesty from their governments. This government and this Prime Minister have not been honest in the way they have dealt with the increase in the passenger movement charge. However, despite that dishonesty by the Howard government, the opposition is supportive of the fight against the spread of foot-and-mouth. As I said at the outset, it is a worthy fight and for that reason we will not be opposing the bill. But we are moving a second reading amendment condemning the government for, firstly, ignoring the concerns of the tourism industry and its lack of consultation or viable funding options for the Australian Tourist Commission and, secondly, breaking its promise not to increase taxes. That is what it was—it was a promise to the Australian community not to increase taxes.

The department has said that the passenger movement charge is a tax. It has been increased by 21 per cent—far higher than the CPI or any other indexes that are sometimes used by all three levels of government in Australia to justify increases in taxation. Never let it be forgotten that the passenger movement charge—and I am waiting for the opposition’s explanation, including from the back bench, with respect to this issue—is not a charge. It is, in fact, a tax—a tax that the Howard government has increased. I look forward to some honesty and transparency from the minister to at least confirm that the extra $8 will be used for what he is says it will be used for. That is why we require a full explanation about how the $8, an increase of 21 per cent, will be spent, on what it will be spent and, importantly, whether or not there is any surplus like the current $80 million that is being skimmed off due to existing arrangements with the passenger movement charge. If it is not for that purpose, I look forward to the minister doing the right thing by the tourist industry and spending some of the extra money collected to help them out in their current time of need.

If we can find $5 million to restore old pubs in regional Australia, then I would have thought we could find $10 million to promote tourism in regional Australia and generate jobs and prosperity. One would venture to suggest that $10 million spent on the promotion of tourism in regional Australia is money better spent than $5 million spent on pork-barrelling and the renovation of old pubs in regional Australia. (Time expired)
Mrs MOYLAN (Pearce) (10.50 a.m.)—I listened intently to what the member for Corio had to say. He gave a very impressive speech up until the time he got political about it. I was surprised because I know the opposition are going to support this bill. I did not think the member for Corio did himself any justice in becoming political about it. I listened to the shadow minister for transport who said this debate is about tax. Well, it is not about tax. He wants to make it about tax, but it is not about tax. It is about protecting every Australian—their health, their financial wellbeing and the future of this country. That is what this bill is all about. Quite frankly, when I see the level of debate that is carried on in this chamber I understand why the public out there are cynical, because I am sick and tired of it. With the claims and the counterclaims, it is no wonder the public feel disenchanted with the way this place operates.

I am not going to have a lot to say. I do not want to add to this politicisation and the claims and counterclaims about promises that have been given or broken, because we can find such problems throughout history. What I want to make a note of is that the shadow minister for transport calls this a tax. It is a tax, but who introduced it? The Labor Party introduced this. He talks about a 21 per cent increase. This is an increase at a time when we have seen one of the worst episodes in the world of foot-and-mouth in the UK this year, and we have seen high levels of passenger movement due to the Olympic Games—more than Australia has ever seen—so a 21 per cent increase is not unreasonable.

The notes prepared by the information research services of the Parliamentary Library give a little history on the levying of what was called a departure tax. It used to be called a departure tax. No-one is hiding from that fact. But who changed the name in 1995 from ‘departure tax’ to ‘passenger movement charge’? It was the Labor Party when they were in government. It changed in 1995. They changed the name of it. They wanted to hide from the Australian public that this was a tax. There is no need to hide this, because the Australian public know the reason for this charge being levied, and in this case the reason for its increase, is for the good of every single Australian. There would not be a person out there in the street that you would canvass who would say that this was not a responsible thing for government to do. It was the Labor Party that introduced the tax and it was the Labor Party that changed the name of it from a departure tax to a passenger movement charge.

In 1988 the charge was $10. What did the Labor Party increase it to? In 1991 the rate was increased to $20. It was doubled, and there were not the sorts of circumstances that we have experienced in recent times that justify this small increase in the passenger movement charge. Talk about disgraceful hypocrisy! With this level of debate, I understand why the Australian public are cynical about what goes on in this place. We are here to debate the proper protection of the community’s interest, not to politicise it in this way. In 1994, the then Labor government further increased this charge to $25. From a $10 charge in 1991 they doubled the charge to $20. Then they changed it again to $25 and in 1995 they changed the name from ‘departure tax’ to ‘passenger movement charge’. I rest my case on that. I am having nothing more to say about attempted scoring of political points in this chamber this morning.

We all looked on in horror as the graphic reports of the outbreak of foot-and-mouth disease in the United Kingdom earlier this year highlighted the importance of Australia’s quarantine laws to this country and to every member of the Australian community. Not one person would be unaffected if the Australian government did not implement appropriate measures to ensure that that outbreak did not occur in Australia. The cost of the outbreak in the United Kingdom was immense, but more than a dollar value can be applied to the heartbreak and tragedy in the UK. There was the heartbreak and the distress of the people who had to destroy their livestock and breeding herds. While there was financial hardship for those who were both directly and indirectly employed in the livestock industry, I imagine that many Australians were, like me, touched by the heart-rending stories of farmers who said, ‘We knew every animal in our dairy
herd by name. They were part of the family. ’You could not but be touched by the human tragedy, distress, concern and hurt of the people who had to destroy their animals.

The financial cost to the United Kingdom was estimated at the time to be around $12 billion. The member for Corio pointed out that it has been estimated that that cost could escalate to $25 billion. That is an immense amount of money and it has caused huge financial hardship and lost production. In addition, the outbreak of foot-and-mouth disease in the UK cost the tourism industry something in the order of $7 billion. They are the figures that I have seen. Who can tell? It will probably go beyond that. I know that many important events, including sporting events, had to be cancelled throughout the UK because of the outbreak of this disease. It was certainly a tragic year for UK farmers, food producers and the tourism sector. At the end of the day, not one life is untouched in some way by such an event.

Australia has always had a rigorous quarantine service, and it is imperative that our reputation as a clean food provider be maintained. This government has taken a responsible decision to ensure that, in these unusual circumstances, funding is there to provide for continuing improvement of quarantine services in this country. The value of the livestock industry in exports alone is estimated to be about $15 billion, or about 19 per cent of our total exports. The threat of this disease makes everyone shudder in my electorate of Pearce in Western Australia, which has a large number of primary producers. We produce some of the best cheeses in the world. In Western Australia and, in particular, in my electorate, we produce some of the best fine wool in the world. This adds greatly to economic and social stability in the electorate of Pearce. It would cause devastating losses if foot-and-mouth disease were introduced into my electorate. We export a large amount of beef and lamb. This is very valuable to the community of Pearce and to Australia because it adds to our capacity to export.

The government has done a great deal to strengthen the protection barriers. Almost $600 million was allocated to safeguarding Australia’s borders in a package recently announced by the Minister for Agriculture, Fisheries and Forestry, in order to prevent the introduction of exotic pests and diseases. So it is not just foot-and-mouth disease that we have to be concerned about. We live in a highly mobile community and in a time of rapid transportation. It means that we have to become more and more vigilant about our quarantine measures and the protection of our borders.

The value of Australia’s agricultural and fisheries exports is about $24 billion, so there is a great deal at stake. These measures include things like strengthening border operations and quarantine services infrastructure at airports and international mail centres. The number of AQIS and Customs border staff will be increased by about 1,200. There is a lot of talk about where the money is going to go. An increase of almost 1,000 quarantine inspectors, people on the ground, has been announced as part of this measure.

There will be an additional 49 X-ray machines, on top of what is already there. I do not think I mentioned the dog detector teams. There will be quite a substantial increase in dog detector teams. They have been very effective in airports, international mail exchanges and seaports. They are going to triple in number. With the new X-ray machines in place, it is proposed that all cargo and mail entering Australia will be inspected or X-rayed. All arriving passengers will be screened and in most cases their luggage will be inspected or X-rayed by AQIS officers.

Improved risk management responses and rapid testing were addressed as part of the improvement to Australia’s surveillance program. This bill builds on these other measures taken by the government to provide improved quarantine services. As I said, we live in an era of rapid transport and of great mobility of people, which increases the risk of introduced pests and diseases. It is important that Australia remains vigilant at all times; that the public understand the risks—as they appear to do, from what I hear when I travel around my electorate—and that they cooperate with the government, particularly having regard to the problems in the
and that they cooperate with the government, particularly having regard to the problems in the UK over the past few months. There has been a lot of cooperation when extra measures cause some delays to passenger movement and also to the delivery of freight. I think that indicates that the public view this as a very serious issue, and they expect a responsible government to act, to be responsive, to be flexible and to be able to put in place the measures that are required at particular times when these problems emerge. No government can predict these kinds of events. They occur from time to time. We would hope that they do not, but they do. So we have to take every possible action to ensure that we protect the public against the spread of these diseases in Australia.

In order to deal with the cost of this extra activity, to ensure that we remain free of foot-and-mouth disease, the government has introduced this bill in order to increase the passenger movement charge—or the departure tax, as it used to be called. It proposes to implement an increase in the charge in relation to passenger movement to be levied under the Passenger Movement Charge Act 1978. This charge is to be levied on all passengers leaving Australia for an overseas destination, and it will be collected by airlines and shipping companies as part of the ticketing arrangements. It will be administered by the Australian Customs Service. The current charge, as we have heard, is $30 per passenger departing Australia, and the purpose of the bill is to increase that by $8 per person. As always, the usual exemptions will remain in place for crew members, diplomats and children under the age of 12 years.

The experience of the United Kingdom illustrates that the relatively modest increase in the passenger movement charge is money well spent. Not only does it offer some additional protection for the livestock industry and the many people employed in it but also it protects the interests of the tourism industry, which is vital. I met with a large group of tourist operators recently in this place and they have been doing well. I think they recognise that this is an important measure. I did hear some criticism from a small group, but I think that criticism is short-sighted in terms of the damage the introduction of the foot-and-mouth disease into Australia could do to the tourism industry, as we saw in Britain.

I have already mentioned that it was estimated that Britain lost about $7 billion. I am sure that it is probably going to blow out beyond that. So many major events had to be cancelled and that caused a loss of thousands of tourists into the UK during that period. Not all of the cost is financial—it is the distress of the loss of milking herd and the needless destruction of animals, which was very distressing to everyone who witnessed it. The $8 increase is a small price to pay for the insurance against such an event occurring in Australia. I am sure the measures taken by the government are welcomed by all Australians, whatever industry, occupation or position they hold in our community. An outbreak of foot-and-mouth disease would affect all meat, dairy and live animal industries as well as a large section of the food production industry. As we saw in Britain, we had to ban from our shelves certain UK products that contained animal product. So it would also have a big impact on our growing food production value-added industry, resulting in extensive business closures, loss of jobs and tremendous financial hardship.

The small amount of discomfort and delay that may be caused to passenger and freight movement and the small increase in the levy are a very small price to pay for a rigorous system to ensure that Australia remains free of foot-and-mouth disease. I think the Australian public do not want us in the House to be pointing the finger at each other, making claims and counterclaims on such an important issue. They want us to be responsible in government, to take the decisions that are necessary to protect every Australian.

Mr FITZGIBBON (Hunter) (11.08 a.m.)—I am pleased that the member for Wentworth is in the chamber during this debate because as a former tourism minister—a very good tourism minister—he will understand only too well the challenges facing the tourism sector, but I will return to that later.
The Passenger Movement Charge Amendment Bill 2001 gives effect to the Treasurer’s budget announcement: that quarantine protection to Australia’s arrival points will be strengthened to protect the country from foot-and-mouth disease and other risks to our environment and agricultural sectors. The opposition supports the principles of the new arrangements announced by the Minister for Agriculture, Fisheries and Forestry last month. As a result of these arrangements, all cargo and mail entering Australia will be inspected and passengers and luggage arriving by air will be screened and/or inspected by AQIS officers. Indeed, the spending measures associated with this initiative are vital to ensuring the integrity of Australia’s biodiversity and the viability of the country’s agriculture and tourism industries.

I want to move on to the issue raised by the member for Batman and others, and that is the issue of the revenue measure and associated taxation arrangements. Therefore, I move:

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

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

(1) ignoring the concerns of the tourism industry in this matter; and

(2) failing to consult on viable funding options for the Australian Tourist Commission, and breaking its promise not to increase taxes”.

I believe the amendment has been distributed. The opposition has reservations about the way in which the government will fund the measures identified in the bill—measures which I have pointed out that the opposition supports. In order to fund the measures, the government will be increasing the passenger movement charge—which in legal terms is a tax—levied on passengers departing Australia. The increase is of the order of 21 per cent, from $30 to $38. It will come into effect from 1 July this year. I appeal to the government to listen to the concerns of those who operate in the tourism industry, particularly the airline sector, which is concerned about the fact that it is going to have difficulty recovering the additional charge from those who have purchased tickets pre 1 July for use after that date.

The government have proved, and are still proving, how absurd their pre-election promises not to increase taxes were. Their sweeping statements about never, ever increasing taxes are starting to sound very hollow indeed. Since the 1996 election, if my count is correct, there have been over 120 instances where the coalition have increased taxes. I am sure the Australian public would not be surprised by this tally, especially those in the small business community, who have borne the brunt of the Howard government legacy of broken promises on the GST.

Of course, 85 per cent of the tourism sector is composed of small businesses. This segment was promised that, as a result of the GST, it would enjoy greater profitability and greater cash flow benefits. There is an almost universal consensus in the sector, amongst accountants and the peak small business and tourism bodies, that that has not been the case; that, indeed, the GST has had a detrimental impact on cash flows and a detrimental impact on the profitability of small firms, including those operating in the tourism sector.

We all remember only too well those taxpayer funded television advertisements which were run to the tune of Joe Cocker’s *Unchain my heart*. People were breaking free from all the constraints of life, including the constraints of government taxation. How ridiculous those ads now look in hindsight, after almost 12 months of operation of the GST.

It appears that the objective of this increase, under the guise of a foot-and-mouth protection raising activity, will follow the tradition of previous passenger movement charge increases—that is, to feather the government’s consolidated revenue nest. During the most recent round of Senate estimates it was revealed that, before the latest passenger movement charge increase, revenue collected from the passenger movement charge exceeded cost recovery by about $80 million a year. In other words, the government is raising $80 million more annually than it needs in order to undertake customs, immigration and quarantine processing of inward
needs in order to undertake customs, immigration and quarantine processing of inward and outward bound passengers and the cost of issuing short-term visas.

So the questions that arise—and I heard the member for Batman raise this point—are: where is the money going? How is the government using this additional revenue? Why isn’t the government accounting for this over-collection? Where is the fiscal responsibility and honesty that this government promised the Australian community prior to the 1996 election? I suggest that the government has made a new art form of deceiving the Australian community on these revenue and expenditure issues.

The associated issue is that, while the government is collecting this revenue, it is not distributing any of it to the industry which is arguably most affected by the tax levy—that is, the tourism industry. If the tourism industry is being milked to combat foot-and-mouth disease, why shouldn’t some of this money be redirected to promote Australia’s clean, green image? Why shouldn’t some of the revenue raised by this increased tax be distributed to the industry which is arguably most affected by the tax being levied—the tourism industry? Certainly, it is an industry that has been adversely affected by the introduction of the GST, particularly given that outbound tourism is now more cost-effective than domestic tourism. By international agreement, we do not pay GST on international airline tickets. Therefore, it is now cheaper to go to Fiji, Bali or New Zealand, in relative terms, than it is to travel to the country’s centre, Cairns or similar places. So, in relative terms, outbound tourism has become more attractive for Australian tourists than visiting the very good tourism attractions on this continent.

Tourism in Australia really is at a crossroads. The sector has many opportunities before it but it also faces very many great challenges. Like agriculture and manufacturing, tourism has faced and will continue to face significant economic adjustment over the next 10 years, and a falling Australian dollar is but one component. The relevance of this is our ability to purchase overseas advertising in those countries from which our tourists traditionally come and in those emerging markets from which our tourism will come in future. Some people will say that, if the dollar is low, tourism is happy and it should be booming. That is not true for probably three or four reasons. The first is that you will find that most people residing overseas do not have a clue about the value of the Australian dollar and do not really factor that into their travelling decisions. Indeed, you will find that most people contemplating an international trip do so at least 12 months in advance of that trip. Therefore, the value of a fluctuating dollar is not a large component in terms of their decision making process.

Further, the overwhelming majority cost of an international trip is the cost of the airline ticket and, as you know, the value of the Australian dollar is irrelevant to the cost of that airline ticket. So if you are coming from the States, the airline ticket is going to cost you the same, whether the Australian dollar is at 50c or 70c US. That is a matter of fact. Sure, when they arrive here they might have some additional money because of the lower value of the dollar, so they can spend some more money, which is a good thing. Overwhelmingly, a lower Australian dollar does not cause people from other markets to come running to Australia, but it does impact upon our purchasing power overseas—our ability to market our nation overseas on the television screens of Americans, those living in Asia, those in Spain and those on the European continent generally.

The second challenge is the GST. I will not dwell on it because I have already mentioned it, but certainly there is no doubt that the GST has had an adverse impact on this tourism sector. While I am not advocating it—I have to be careful here; it is a very expensive thing to ensure that all tourism exports are zero rated for GST—it remains true, notwithstanding that, that tourism remains the only export in this country that attracts a GST, and that is an inherently unfair thing.
The third challenge is with new competitors emerging, particularly in the Asian region. New five-star hotels and resorts in the Asian regions not known a decade ago are posing a real new level of competition for the Australian tourism sector. The fourth is increasing environmental pressure. Certainly, our tourism product is not a finite resource, and we all have to work to ensure that tourism in Australia is sustainable. But, notwithstanding that, it is true that these rising environmental pressures have placed pressure on the tourism sector. So all of these things are combining to pose new challenges for the tourism sector.

But while we are very quick to hand over government money to assist our more traditional sectors such as manufacturing, agriculture and mining—not that I begrudge them that assistance; it is eminently supportable—we seem reluctant to acknowledge the challenges faced by one of Australia’s largest export industries, an industry currently earning Australia some $16 billion a year in foreign exchange. Too often people counter this view of mine by saying, ‘But we have growth in tourism. Tourism is growing; it is going okay. It doesn’t need this additional assistance.’ But we would expect that tourism would be growing; we would be very concerned if that were not the case. It is a question of whether it is growing enough. Is it growing enough to meet our expectations? Is it growing enough as an important segment of the services sector to deliver the jobs we will require over the next decade and beyond to replace those jobs that are being lost in more traditional industries where we do not have a comparative advantage and, no matter what government does in terms of economic and industry policy, those jobs are unsustainable?

The tourism sector is asking for some help. The tourism sector has acknowledged that growth is going to slow and we are not going to meet forecast expectations. It was hit by a double whammy: it was hit by the fall in the Australian dollar, which I have talked about already, and at the same time it was hit by the cessation in the supplementary funding it secured in recognition of the opportunities presented by the Olympic Games in Sydney during the year 2000. That supplementary funding, by the way, was raised through a $3 increase in the passenger movement charge, a $3 increase which is still in place despite the fact that that supplementary funding has come to a halt.

Fully conscious of this crisis facing the sector, the tourism sector went to the government and asked for help. What did it ask for? It asked for a mere $10 million over four years. It is well documented now that this government, the Howard government, is spending around $20 million every month on television, radio and print media advertising promoting its so-called initiatives to the Australian people in a desperate bid to pull itself out of the very deep political hole in which it finds itself. Yet when the tourism industry asks for $10 million over four years to provide Australians with jobs, particularly Australians living in rural and regional Australia—overwhelmingly younger Australians looking for employment opportunities in the services sector and looking for good, highly skilled jobs—the government says no, it cannot afford it.

Let us have a look at the impact of this. I point out that the amendment says ‘Australian Tourism Commission’ when it should read ‘Australian Tourist Commission’—our mistake. I note that for the Hansard record before someone accuses me of not even knowing the name of one of the important tourism bodies in this country. Australian Tourist Commission television advertisements will be withdrawn in France, Germany, Hong Kong, Indonesia, Japan, Korea, Malaysia, Taiwan, Thailand and the UK, leaving only China, India, New Zealand and Singapore. ATC activity in emerging markets will be cut from five countries back to one country. This is a critical point for Australia’s economy generally and a critical point for Australian tourism. In 1998-99, as I said, the coalition increased the PMC by $3 from $27 to $30 to raise revenue for the Olympics. In Labor’s 1995-96 budget, the Australian Tourist Commission received $80 million. Based on this year’s forward estimates and the 2000-01 budget appropriation, the Australian Tourist Commission’s budget will be only $84 million in the year...
This represents a mere one-half of one per cent growth over eight years—not even anywhere near keeping pace with inflation in this country or in any of the markets in which tourism is critical.

Unlike the Howard government, the Australian tourism industry is pulling its weight. Between 1992 and 2000, contributions from the private sector—their attempt to grow tourism in Australia—have increased from 23 per cent of total ATC revenues to 32 per cent. Over the same period, the government’s contribution fell from 72 per cent to 67 per cent. So the private sector is showing its recognition of the need to put more money into tourism promotion in Australia. But rather than have the Howard government say, ‘We welcome your contribution as an enhancement of our contribution,’ what does the Howard government do? It winds down its contribution. So there is no net benefit. There has been only half of one per cent growth over eight years. The government should be welcoming it and saying, ‘Thank you. This is going to enhance our efforts,’ and, if anything, increasing its own efforts as a means of encouraging greater effort again by the private sector. Alas, that has not been the case.

But then I suppose there is not much spare money after the Howard government has funded its GST related roll-backs. We are now counting $20 billion of budget surplus gone in 12 months. There have been roll-backs on petrol indexation, and changes to the business activity statement and beer excise. The list goes on and on. We support roll-back, but we support roll-back that reflects the cost of the GST—roll-back that would not have been necessary if the GST had not forced petrol excise and beer excise up and imposed such a burden on the small business community.

What does the tourism industry have to do to prove its case to the government? Tourism export earnings, as I indicated, are around $16 billion in foreign exchange, but tourism export earnings are forecast to grow from $15.4 billion to $20 billion in 2004-05. In this financial year alone, an estimated 175,114 jobs were created by inbound tourism. For every $1 billion in tourism export earnings, 11,367 jobs are created. Those are not bad statistics for an industry that is practically ignored by the Howard government. I had Minister Kelly challenge us in the House in question time last week, I think, about not having much to say about tourism. She does not say much, so she does not leave us much to criticise. I do try very hard to take a bipartisan approach to tourism, because it is one of those sectors where political point scoring can only have a detrimental effect on its growth. I try very hard, but if Minister Kelly wants a debate on tourism, we are inviting her to participate in this one today by moving this amendment.

Where are we going with ATC funding? The government made it quite clear that it would not be providing additional money in its 2001-02 budget. So the tourism sector was looking towards the passenger movement charge. It had identified it as a possibility. It said to the government, ‘If you will not give us the mere $10 million we are asking for over four years, will you look at an increase in the passenger movement charge, so that we can live up to expectations and provide the sort of growth we are looking to provide to create those all-important jobs?’

You can understand why, on budget night, the tourism sector was angry to learn that the government had increased the passenger movement charge by 21 per cent, without any consultation whatsoever with the sector. In doing so it denied the tourism sector that opportunity—

A division having been called in the House of Representatives—

Sitting suspended from 11.29 a.m. to 11.42 a.m.

Mr FITZGIBBON—Before being most rudely interrupted by a division in the House, I was talking about lost opportunities in terms of Australian Tourist Commission funding and, in particular, zeroing in on the total lack of consultation by the government with the tourism
sector before imposing the additional charge. But to rub salt into the wound, I have it on very
good advice that those in the sector went to the government, having heard rumours that there
may be an increase in the charge, and said, ‘Look, if you are going to increase it by $8, in-
crease it by $10. If you need the full $8 to prevent foot-and-mouth disease from entering
Australia, give us the additional $2, because we desperately need this.’ I understand that cabi-
net had, in effect, agreed to that measure, but somehow in the process that decision did not
translate into the appropriate amendments to the draft bill. I invite the minister, when he
summarises this debate, to explain to the chamber and the Australian community whether or
not it is true that cabinet had agreed in principle to give the tourism sector an extra $2 out of
the additional charge but failed to do so due to a breakdown in the process.

Funding for the Australian Tourist Commission has to be addressed. I pointed out that we
have had growth of only half of one per cent over eight years. What is an appropriate level of
funding for the Australian Tourist Commission? The fact is that we do not know; we have no
international benchmarking. We do know that the city of Las Vegas spends more on promot-
ing itself overseas than the whole Australian nation does. A cursory look at the figures would
indicate that we actually fund the Australian Tourist Commission very well, but are we fac-
toring into that assessment the tyranny of distance and our relatively weak branding as com-
pared to a Paris or a Tuscany or some other similar European centred destination?

Of course we need to be spending more on an international basis, but where is the compari-
son, the benchmarking? This government needs to hold a review into funding for the Austra-
lian Tourist Commission. It needs to give away these arbitrary exercises of meeting a demand
for an extra $20 million, $10 million or $5 million and for the first time get a real handle on
what is an appropriate level of funding for the Australian Tourist Commission. At the same
time, we need to get better at assessing the value of the Australian tourism sector to the Aus-
tralian economy. We need to get better at measuring the on-benefits—the benefits that flow,
for example, when a London based tourist goes back to the UK and continues to buy Austra-
lian wine for the rest of his or her life because they enjoyed that wine experience while in
Australia. That is a very difficult thing to measure. But we can get much better at measuring
the value of our tourism sector and, when we get better at it, we will also be better placed to
determine what is an appropriate level of funding.

I want to say something about the Australian Tourist Commission because, in my almost
three years as the shadow minister for tourism, I have grown very fond of it and developed a
high regard for those who work within it; they do a fantastic job with very limited resources.
Driving the commission while I have been in the job—and for a long time before that—has
been Mr John Morse. Now, sadly, he has decided that it is time to move on and he has left the
commission. But as he has taken up the very important position of Chairman of Tourism Vic-
toria he will not be leaving the sector, and I know that he will continue to play a significant
role in the industry, as he has done for more than 20 years. So my thanks to John Morse for all
the work he has done. Recently I was fortunate in being able to attend the Australian Tourism
Exchange in Brisbane, a magnificent event. Much of the credit for it goes of course to John
Morse and his team. John will be sadly missed at the ATC but, given his new role, I expect
him to be involved in the industry for a long time.

Due to John Morse’s departure, we welcome Mr Ken Boundy as the new CEO of the Aus-
tralian Tourist Commission. Mr Boundy joins the ATC with 25 years experience in interna-
tional marketing, export industries, global operations and government. So he brings a vast
amount of expertise to the sector and, if you like, a different perspective. Mr Boundy does not
bring to the ATC the same expertise in tourism that John Morse had; he brings a different sort
of talent, something that I think will be good for the commission. So I welcome Mr Boundy. I
thank the Australian Tourist Commission for the wonderful work it continues to do, and I
congratulate it again on a magnificently successful Australian Tourism Exchange in Brisbane.
I appeal to the government to open their eyes to what is happening out there. I ask those opposite not to stand in the chamber and say, ‘Well, tourism is experiencing X growth and therefore everything is fine.’ The fact is, as I said earlier, that the sector recognises that that growth is about to slow. That means that, over the next 10 years, we will grow at a level lower than expectations, and that can only be bad news for the Australian economy. So I appeal to the government to accept the need to boost the ATC’s funding—but again I invite them not to just do so on an arbitrary basis. Obviously the $10 million opportunity has now passed, given the way that the government have wound down the budget surplus. But I appeal to the government to start thinking seriously about doing some proper international benchmarking, a proper assessment of what the ATC requires, in order to live up to our expectation of that very significant jobs growth over the next 10 years and beyond.

I ask the government also to recognise the growing contribution that the private sector is making to the ATC’s funding and, rather than wind back its own contribution as a result of that, say thank you for that—thank you for enhancing our contribution. As part of the review process, maybe the government could even consider a rewards based system in which government contributions grow in response to increased private sector contributions. Let us have some sort of ratio so that, every time the sector itself makes an additional effort, that is recognised by an enhanced effort on the part of the government. That would need to be capped, of course. We cannot throw money at the commission forever, regardless of the circumstances of the day. But the government could give the sector an incentive to make an investment in the sector itself, rather than discourage it by reducing government funding every time the sector itself makes an additional contribution.

Ms Hall—(Shortland) (11.50 a.m.)—I second the amendment to the Passenger Movement Charge Amendment Bill 2001. I rise to support the amendment. Whilst we are not declining to give the bill a second reading, we are very concerned about the two issues that the shadow minister has raised and the two points that are in our amendment. One is that we are concerned at the government ignoring the concerns of the tourism industry in this matter and that it has failed to consult on viable funding options for the Australian Tourist Commission. The other is the breaking of its promises on tax.

The legislation, as such, increases the passenger movement charge from $30 to $38. That will take effect as of 1 July this year. It has been put to us that this legislation is to combat foot-and-mouth disease and protect the Australian agricultural industry which is a very important thing to do. In noting actions to protect Australia from foot-and-mouth disease, I must mention the activities of the Maritime Union in the Hunter where they refused to take some contaminated farm machinery from one of the ships that came into the port. Their action did a lot to help protect Australia and keep foot-and-mouth disease out of this country.

In moving on, I would like to mention that this passenger movement charge will be collected by the airlines and the shipping companies. That will happen at the time or point of sale of the tickets. There is an agreement with the Commonwealth that the airlines and shipping companies will then pass that money on to Customs. I do not see this as a charge: rather I see it as a tax. As the amendment that I just read points out, this government has promised not to increase tax, but in fact it is one of the highest taxing governments that Australia has ever seen. It is the government that introduced the GST that is a tax on all Australians every day of their lives. It taxes Australian people in every way on every day. This is a government that has delivered high taxes to the Australian people and now it is hitting—

Mr Slipper—You are misleading the chamber. Be honest.

Ms Hall—Now it is hitting the Australian people and visitors to Australia with a 21 per cent—
Mr DEPUTY SPEAKER (Mr Andrews)—Order! The honourable member for Shortland will resume her seat. The honourable parliamentary secretary will withdraw that comment.

Mr Slipper—She is being deliberately economical with the truth. I withdraw the statement I made and replace it with an allegation that she is being deliberately economical with the truth.

Mr DEPUTY SPEAKER—The parliamentary secretary well knows that, when a member is asked to withdraw, the withdrawal be should be done without qualification. I ask the parliamentary secretary to do so.

Mr Slipper—I so do, Mr Deputy Speaker Andrews.

Mr DEPUTY SPEAKER—Thank you.

Ms HALL—Thank you very much, Mr Deputy Speaker Andrews, for your support on that matter. The passenger movement charge—or tax as I like to call it—is a 21 per cent taxation hike. This is what this government is delivering with this legislation. The really unfortunate part of it is that the tax will be collected by the tourism industry and none of that tax is going to that industry. I have already acknowledged the importance of protecting Australia from foot-and-mouth disease, but I think it is very important that we look after what is one of the growth industries within Australia. It is the industry that is the tax collector for the government in this instance. It is an industry which will be affected by collecting the tax and an industry that stands to benefit in no way whatsoever.

In 1998-99 the government increased the passenger movement charge by $3 to meet Olympic related costs of people and equipment movement. That money went directly to the industry: the industry collected the money and the industry benefited from the money. The Olympic Games are over and that $3 tax is still in place. It was supposed to be a temporary measure, but it has become permanent. The money is now being directed not to the industry but to consolidated revenue. The tourism industry has missed out there.

The tourism industry is such a vital industry in Australia. I find it very sad that we have a government that does not have a commitment to the tourism industry. It is only giving $10 million over four years. It is so disappointing—really disappointing—that the government did not consult with the Australian Tourist Commission or the tourism industry at all before implementing this legislation. I understand that, initially, the airlines and the shipping companies were very concerned that they would have to wear the cost of the increase on tickets that had already been sold. This has been sorted out, but other issues have not. The tourism industry see the government as being arrogant in the extreme—arrogant in the way that it does not consult and it does not listen. It is a very self-righteous government, a government that is imposing things upon the Australian community and Australian industries with no consultation. We all know that the best results are achieved through consultation. The best results are always achieved if you talk to people and to industries and you bring them with you. Unfortunately, yet again—and, since I have been here, there have been many incidents like this which we have seen in this parliament—we have this government, the Howard government, pushing something through without adequate consultation.

Prior to the budget, there was talk that the tax would be $10 and that $2 of that would go to the tourism industry. It was only talk. The government obviously did not get back to the industry. When the tourism industry saw the budget papers, they were outraged. I do not think they would have been as upset if there had been some consultation, if they knew about the money that they thought they were going to get for their part in collecting the tax for the government. But to find out in this sneaky way, they felt that they had been tricked by the government.

The industry feels that its viability is being threatened. It is an industry where we should be promoting growth and export earning. It is an area that I know most of us have targeted within
our electorates, particularly an electorate like mine, which has a changing industry base and which is looking at making tourism one of the major industries in the area. Australia has some very unique features which make it an excellent tourist destination.

What we should be doing is getting behind the tourism industry and supporting them in every way we possibly can. We should be looking at the tourism industry replacing some of the industries that have declined over time. The way I see it is that it is of considerable concern when we have a government that is undermining an industry at every opportunity it can, and we only have to look at the financial commitment that the government has given to the tourism industry, through the Australian Tourist Commission, to see that the advertisements that are being conducted overseas have had to be cut. I was absolutely astonished when I heard the shadow minister for tourism speaking of the impact that the slide of the Australian dollar has had on promoting Australia overseas. It really brought home to me that, whilst Australia may be a cheaper destination now, we still have to advertise our country overseas and we still have to let people that live in other countries know about what we have to offer. This has all been jeopardised by this government’s action.

As I have said, this is one of the industries that are most important to the Australian economy, and I am very upset about the government’s lack of commitment to it. We have a minister who has really not been in touch with the important players within the industry, and this is having a major effect on the future of this industry, which is vital to the Australian economy. When the shadow minister was speaking about advertising, he was saying that $84 million has been put aside for the year 2003-2004 and that $10 million has been given over four years. I then thought about advertising and what this government are spending now on advertising their own policies, advertising that is designed to get them re-elected. Then I thought: $20 million a month on self-promotion yet they can only allocate $84 million for the year 2003-2004; $84 million to create jobs, develop an industry, stimulate our economy and support the Australian people; $20 million a month for their own re-election campaign. So $20 million to see that they are re-elected and $84 million to promote tourism—it is a very sad state of affairs.

Whilst I have concentrated to a large extent upon the impact that this legislation will have on the tourism industry, upon the government’s failure to actually support that industry and upon the fact that this is another tax, an example of this government’s broken promise, and a return to an effective 21 per cent increase, it is also important to acknowledge that Australia should be protected from foot-and-mouth disease. We in the Labor Party are very supportive of that. We do not want to see here scenes of what happened in Britain; we do not want to see here examples of what happened in Britain, so that part of the legislation we support. But we are terribly, terribly, terribly disturbed about the fact that the government has not consulted and that this legislation could have an impact on the tourism industry that the government has not accounted for.

Why do we have to look at this measure? It is because the government has whittled away the surplus by trying to buy votes. This came about when they got a bit of a scare in Western Australia, when they became hysterical in Queensland after the results there which just about annihilated the Liberal Party, and when they were defeated in the Ryan by-election. Over 12 months the government has decimated the surplus by pulling $20 billion out of it. They have done this with their roll-back or roll-over whereby they have removed the excise on petrol, done an enormous backflip on the beer excise and moved to some extent to deal with the complaints of small business.

The GST has had an enormous impact on small businesses because they are the tax collectors for the government, and now the government is making the tourism industry the tax collectors for the passenger movement charge. This is a government that just reacts and, as you can see from what I have just said, it reacted to the voter backlash in those areas. It does not
plan. As the shadow minister for small business and tourism was saying, we need to have a review of the tourism industry, evaluate it and put in place proper plans. We should not just react to whatever is the flavour of the month, but that is what this government is best at—it is best at reacting and trying to trick the Australian people.

When this government is faced with a problem, it looks at a way to impose a new tax on the Australian people. This is a high taxing government and one that outsources tax collection—and in this case it has outsourced it to the tourism industry. This is a high taxing government which presents itself to the Australian people as one that is cutting taxes, when in fact it is increasing taxes or slipping in new ones at every possible opportunity. The Howard government tries to trick the Australian people whenever it can. It is a mean and tricky government. This legislation on passenger movement charges will be sold as a government initiative to combat foot-and-mouth disease when in fact it is an increase in the tax on tourism. It is a tax which the tourism industry collects, one which it gets nothing for, and one which the Australian people pay for.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.08 p.m.)—in reply—What an amazing contribution from the honourable member for Shortland!

Ms Hall interjecting—

Mr SLIPPER—It was entirely out of touch with community sentiment, and I suspect that very few members of parliament could support the line of argument that she adopted. It is interesting to look at the remarks made by the honourable member for Shortland. She talked about this government reacting to what people are saying. Unlike the Keating government, which was grossly arrogant, this government is responsive to community needs. We did not create the economic black hole that we inherited with the $10.3 billion budget deficit which was there in 1996, but we did accept responsibility for fixing it. When this government was elected to office, we were confronted with a situation in which the former government had told the Australian people during the election campaign that the budget was in surplus.

Ms Hall—Go to the shopping centres and talk to the people.

Mr SLIPPER—You should listen, my friend. What happened? On the Monday after the election, the mandarins from the Australian Public Service gave the bad news to the incoming government that, far from there being a surplus, there was a $10.3 billion deficit. It is one of the reasons why this government put through the parliament the charter of budget honesty legislation. That was done so no government could ever again deceive the Australian people in the manner that the Keating government successfully did prior to the 1996 poll.

We find the member for Shortland coming in on this debate and accusing the government of making changes in response to a voter backlash. She criticises us for listening to the Australian people. She criticises us for reducing the excise on beer and for cutting the excise on petrol. Obviously she is not happy with the benefits for retirees and the way in which we have assisted small business. I challenge the member for Shortland: is she in favour of a higher beer excise? Is she in favour of a higher petrol excise? Does she want to return to the days of Labor’s indexation of petrol prices? Does she want to rip away the benefits that we have given to retirees and pensioners? Does she want to get her political knife into small business in the same way that the Labor government did? The member for Shortland is entirely out of order and she is entirely out of touch. I believe that her own constituency would be as appalled as those members in the chamber are today by her contribution to this particular debate. She says we whittled away the surplus. Through sound economic management during the period this government has been in office we have turned the economy around. We have firewall the economy from the Asian economic crisis. In the budget we have returned to the people of Australia the fruits of sound economic management. We may be criticised by the
member for Shortland and her colleagues, but we will be very proud at the end of the year to stand up before the Australian people and be held accountable for the very effective economic management we have brought to this country, along with very responsible social policies.

Government members—Hear, hear!

Mr SLIPPER—I thank my honourable colleagues the members for Forde and Petrie and the Minister for Community Services, Mr Anthony, for their very strong support of the diligent and effective representation by the government of the Australian people over the five years since we were elected to office.

This legislation implements the decision announced by the government in the 2001-02 budget to increase the existing passenger movement charge from $30 to $38, with a date of effect of 1 July this year. This increase announced by the Treasurer will help meet the additional passenger processing costs associated with the increased screening of passengers as part of Australia’s response to the threat of the introduction of foot-and-mouth disease and other exotic pests and diseases. We are not going to apologise to the chamber for maintaining the highest level of vigilance against foot-and-mouth disease. We are concerned about the tourism industry and we have a very proud history of support of tourism. An outbreak of foot-and-mouth disease in Australia would be an unprecedented calamity for the tourism industry. Let us look at Britain. The tourism authorities have estimated that foreign tourism revenue losses resulting from the discovery of foot-and-mouth disease in that country amount to as much as £3,000 million. It is only fair that the tourism industry, along with other sectors, contribute to funding the foot-and-mouth disease measures. Indeed, the total cost of these measures to protect Australia from foot-and-mouth disease will exceed what the industry will contribute through the passenger movement charge increase.

The government is very conscious of maintaining Australia’s image and reputation as a welcoming and healthy destination for tourists. The government has just delivered the fourth installment of $91.9 million of the record Australian Tourist Commission allocation of $361 million over four years to bolster Australia’s position in the international marketplace. These record levels of government funding and ATC marketing performance have delivered unprecedented inbound tourism growth: a record 4.9 million overseas visitors arrived in Australia in the year 2000—and many of them came to the Sunshine Coast. This is an increase of more than 11 per cent over 1999. The ATC’s global 2001 strategy includes the launch of over 90 tactical advertising campaigns worth more than $45 million involving 200 industry partners promoting holiday packages to potential visitors and an aggressive $6 million direct marketing campaign. Honourable members would want to know that, with the appointment of Mr Ken Boundy as the Managing Director of ATC, the organisation is very well placed to convert the unprecedented interest in Australia after the Olympics into further visitor arrivals and expenditure.

The honourable member for Batman, who spoke in this debate, queried how much of the $8 increase in the passenger movement charge will go to increased inspections for foot-and-mouth disease and how much will go to consolidated revenue. I am pleased to assure the honourable member that all of the expected increase in revenue from the additional $8 will be used to offset the cost of increased quarantine inspections of passengers by the Australian Quarantine and Inspection Service and the Australian Customs Service. The original estimate was that the additional $8 would raise $288 million over four years. With tickets sold before 1 July to be exempt from the increase, the estimate is $279 million. The cost over the same period for Customs and the Australian Quarantine and Inspection Service will be $283 million. So the honourable member for Batman can rest assured that all of the money raised, and more, will be used to protect this nation from the scourge of foot-and-mouth disease.
The honourable member for Hunter, before doing a bolt and running from the chamber, claimed that the government did not consult with the tourism industry before increasing the charge. I think the honourable member for Shortland made a similar allegation. Mr Deputy Speaker Andrews, you have been around for a while; you would be aware that this government consults widely as part of the budget process.

Mr Albanese interjecting—

Mr SLIPPER—The Deputy Speaker is a very experienced member of parliament. He is an outstanding member for Menzies and he will be returned with an increased majority at the next election. It is not appropriate to ask permission of the Tourist Commission to increase the passenger movement charge; nor is it proper to reveal this before the budget is handed down. Honourable members opposite would be aware that cabinet discussions are private. This government has consulted widely in the Australian community and we do report after consultation. The bill that is before the chamber is certainly a responsible response to what is a very major threat to our tourism industry, as well as to agriculture in Australia.

The honourable member for Hunter moved a second reading amendment which sought to criticise the government for ignoring the concerns of the tourism industry on this matter, suggested that we had failed to consult on viable funding options for the Australian Tourist Commission and that we had broken promises not to increase taxes. During the initial stage of my summing up, I pointed out our care and concern for the important tourism industry in Australia, stressing that we have consulted widely. Also, it ought to be recognised that the increase in the passenger movement charge is a response to a specific threat to Australia and that, if foot-and-mouth disease were to arrive, it would greatly endanger the tourism industry in this country. Foot-and-mouth disease has had an enormous impact on the tourism industry in the United Kingdom. We are not going to resile from our very strong determination to make sure that Australia is protected from foot-and-mouth disease.

The transitional arrangements to exempt from the increase those passengers holding pre-sold tickets are beneficial both to passengers and to the airlines which collect the charge under formal arrangements with the Commonwealth. I thank the House in anticipation of the smooth passage of this bill and commend the bill to the chamber.

Amendment negatived.
Original question resolved in the affirmative.
Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (12.20 p.m.)—I present a supplementary explanatory memorandum to the bill and move government amendment No. 1:

(1) Schedule 1, item 2, page 3 (line 10), omit “1 July 2001.”, substitute:

1 July 2001, unless:
(a) the person departs using a ticket or equivalent authority; and
(b) the ticket or authority was sold or issued before 1 July 2001.

This amendment to the bill addresses concerns raised by airlines in respect of the passenger movement charge on tickets already sold or issued for travel on or after 1 July this year. Airlines have indicated to the government that they have already sold several hundred thousand tickets for departures on or after 1 July and have only collected the current amount of the passenger movement charge—that is, $30.
The government recognises that it would not be cost-effective or practical for the airlines to collect the additional $8. There is one amendment: an amendment to exempt certain departures from Australia on or after 1 July from the increase in the passenger movement charge to $38. These are departures that are made by a person using a ticket or equivalent authority where the ticket authority was sold or issued before 1 July 2001. I am pleased to commend the government amendment to the main committee.

Amendment agreed to.

Bill, as amended, agreed to.

Ordered that the bill be reported to the House with an amendment.

SOCIAL SECURITY LEGISLATION AMENDMENT (CONCESSION CARDS) BILL 2001

Consideration resumed from 23 May.

Second Reading

Mr ANTHONY (Richmond—Minister for Community Services) (12.22 p.m.)—I move:

That the bill be now read a second time.

Since its election in 1996, this government has sought to implement its commitment to a simpler and more coherent social security system that more effectively meets its objectives of adequacy, equity, incentives for self-provision, customer service, and administrative and financial sustainability. That commitment can be met in part by seeking to ensure that social security legislation is routinely reviewed both to improve its readability and to ensure that it facilitates the implementation of current and new policies.

Last year this parliament passed the Social Security (Administration) Act 1999, which was a major step forward in achieving these objectives. The act substantially simplified the technical rules and provisions of the social security law. The Social Security Legislation Amendment (Concession Cards) Bill 2001 is a further step towards meeting the government’s objectives to achieve a simpler and more coherent social security system because it represents a major simplification of the law relating to concession cards.

As a result of this bill, all law relating to concession cards issued by the family and community services portfolio will be consolidated in the social security law. As part of this process, existing administrative rules and practices will be codified to ensure that those who currently have a concession card continue to qualify for that card on the same basis as they currently qualify. This has been done to avoid having winners or losers from the process of making transparent the law relating to the issue of concession cards.

Access to a concession card is a fundamental component of the government’s welfare safety net. Access to a concession card is a significant benefit to those who qualify. At the Commonwealth level, the concession card provides access to concessional pharmaceutical benefits under the National Health Act 1953. It can also be used to access a range of other benefits provided by state, territory, local government and many businesses.

The law currently governing concession cards issued by Centrelink on behalf of the Department of Family and Community Services is highly fragmented.

This causes confusion for social security customers and Centrelink staff who issue the cards.

Some provisions are contained in the Health Insurance Act 1973, others in the National Health Act 1953 and yet others are under the social security law. For example, the Health Insurance Act and the National Health Act contain provisions that specify who is entitled to concessional pharmaceutical benefits. However, appeal rights in relation to concessional...
pharmaceutical benefits for pensioner concession card and health care card holders are covered by the social security law.

The House of Representatives Standing Committee on Family and Community Affairs recognised the problem in its 1997 report entitled Concessions—who benefits? Report on concession card availability and eligibility for concessions. The committee recommended that the legislative framework be rationalised to include the bulk of concession entitlement provisions in the social security law rather than in legislation administered by the then Health and Family Services portfolio.

The only significant policy change made by the bill relates to foster care children. In future, a child will be entitled to a health care card if the child is in foster care and the child is living in Australia with an Australian resident.

The more significant of the minor policy initiatives implemented by the bill relate to:

• making a person’s entitlement to concessional pharmaceutical benefits dependent on the person’s status as a holder of a concession card issued under the social security law;
• using the social security and family assistance law definitions of ‘dependant’ and removing the need to rely on definitions of ‘dependant’ in the Health Insurance Act and the National Health Act;
• using the social security law definition of ‘resident’ rather than the National Health Act and Health Insurance Act definition. This makes the question of determining who is qualified for a card much simpler to administer and ensures that there is consistency between qualification for a social security pension or benefit and qualification for a card;
• conferring administrative review rights in relation to decisions on health care cards for persons receiving carer allowance. Such decisions are not reviewable at the moment under section 4CA of the Health Insurance Act;
• providing a power for the minister to declare a person eligible to receive a health care card in limited circumstances; and
• utilising the machinery provisions of the social security law in relation to pensioner concession cards and health care cards in a manner consistent with current administrative practices.

This bill demonstrates the government’s commitment to the ongoing review of the legislative basis underlying the social security system so as to achieve a simpler and more coherent system. I present the explanatory memorandum to this bill.

Mr ALBANESE (Grayndler) (12.27 p.m.)—The Social Security Legislation Amendment (Concession Cards) Bill 2001 is aimed at consolidating the legislative provisions and administrative guidelines regarding concession cards into a single part of the Social Security Act 1991 because currently there are five concession cards which are issued by the Commonwealth government. Centrelink issues three separate cards: the pensioner concession card, the Commonwealth seniors health card and the health care card. In addition to this, the Department of Veterans’ Affairs issues the gold repatriation health card and the white repatriation health card. All these cards share a concession under the PBS.

The changes in this bill, as the Minister for Community Services has pointed out, arise from the House of Representatives Standing Committee on Family and Community Affairs 1997 report. That is significant in itself in that it has taken this government four years and two terms since the report of their own committee which they control to actually turn its recommendations into legislation. That is of some considerable concern. One of the concerns that we on this side of the House have when it comes to the area of family and community services is that, while the legislation is often inequitable, it is the administrative incompetence of this government whether by actions which are mean-spirited in their nature or inaction such as
represented in this bill. This is a government that does not deserve to be re-elected by the Australian people later on this year.

As a background to what is essentially a housekeeping bill, I think it is worth while to examine the government’s record on concession cards. Since being elected, this government have systematically dismantled, eroded and undermined the services and entitlements available to Australia’s pensioners, retirees and other low income Australians through their concession cards. They were elected on the basis of saying, prior to March 1996, that no-one would be worse off. We all know that is not the case. If you examine their record on concession cards, then the administrative tidying up which this bill represents does not cover the inequity of five years of government meanness and neglect because in their actions with regard to concession cards the government have diminished the real value of any income support payments that these concession card holders may also receive.

I want to give some examples to the House during this debate. Firstly, of course, they have removed free hearing aids and hearing services for Commonwealth senior health card holders—an inequitable, mean-spirited decision, which has had a devastating impact on a section of our society which already feels discriminated against, let alone not deserving the actions of a government in taking away their eligibility in this important area.

They have also, of course, increased the concession card co-payment for prescription medicines by 50c per script. Fifty cents might not be much to members of the House of Representatives, but it is certainly a lot to pensioners out there, many of whom struggle to get by from fortnight to fortnight and who have multiple scripts. The adding up of 50c upon 50c can add up to an extra $10 or $15 a fortnight for these vulnerable Australians who already incur additional costs due to their disabilities and the need for them to service their health needs.

The government have also removed scores of medicines from the PBS free list, making people pay full price. That is of great concern. Speaking on a personal basis, I have a mother who is now an age pensioner, but was an invalid pensioner—rheumatoid arthritis crippled her at a very young age. She requires a whole lot of medicines which are off the PBS list. She is in a position whereby I can support her, but many vulnerable older and unhealthy Australians are not in that position and they need the medicines which have been taken off the PBS concession free list. Many of these people will make a choice based on their financial position rather than upon their health needs. They will take a drug which might not be as good for them in terms of pain relief or side effects, which has other negative impacts, rather than take the appropriate drug.

What we should have with regard to health care in this nation and with regard to the application of concession cards is that everyone gets equal treatment, regardless of their economic position. But this government do not believe in economic equality of opportunity. They have also increased the intervals for the fitting of new hearing aids for pensioner concession card holders, once again meaning that many Australians have to wait for their new hearing aids, changing the way in which they are able to participate in our society. At the same time, they have increased the hearing aid maintenance charges.

Way back in 1996, concession card holders first missed out on access to free dental treatment with the abolition of the Commonwealth dental program. This $399.4 million cut can only be seen as having a very devastating impact on those people. That is what defines this government: mean-spiritedness. The issues I have gone through in terms of the loss of services that were provided to concession card holders were all about saving money for the government at the expense of those people who were and are most vulnerable. That is, the government saved $399.4 million with the abolition of the Commonwealth dental program, $308 million with the 50c prescription increase, and $11.7 million with the hearing services changes. These cuts have been on top of cuts to public hospitals of around $800 million and
the closure of some 84 Medicare offices around Australia, including three in my electorate. These were, again, introduced as savings measures.

We should not be surprised at that. I emphasise to retirees that when the government increased the income test limits for Labor’s seniors health card, it dumped free hearing aids as a standard feature. Of particular interest to pensioners would be the government’s decision to increase the pharmaceutical copayment by 50c per prescription. This is not just a financial matter. It broke the nexus that previously existed in which the pharmaceutical allowance fully covered the cost of the copayment. Now, pensioners must pay the difference out of their basic pension payment—something that they did not have to do before.

There has been a lot of debate in recent weeks about the adequacy of the pension in light of the GST, and about what the real value of the pension was under Labor and is under the coalition. Putting aside other issues—like the failure of the government to ensure that the pension would remain at least 25 per cent of average weekly earnings—the example of the hike in the copayment for concession card holders highlights how the Howard government has eaten into the real value of the pension by making pensioners pay for things previously covered by concessions. It is part and parcel of the way that the Howard government has dealt with pensioners, retirees and other low income Australians. It has duded them. It has made a habit of implementing sneaky savings measures.

I remind the government that this is in clear breach of its 1996 election promise not to reduce the real value of social security concessions and entitlements. The Prime Minister, the ministers and the other members of the coalition should be ashamed because their government has taken every opportunity to claw back anything which it has given to social security recipients. You can be sure that if there is a handout from the government then there will be a hand in the pocket stealing any gains that have been promised. A great example of that is clawback—the infamous clawback. To quote the Council on the Ageing:

The Government was loose with the truth by telling older people they were getting a 4 per cent pension increase—with a view to maximising the acceptability of the GST to this crucial part of the electorate. Of course, on 20 March, two per cent of that four per cent pension increase was clawed back by the government. That is the government’s mean and tricky approach. The government’s excuse was, ‘Well, it was in the fine print.’ It was somewhere on page 425 of one of the documents that it sent out with Age Pension News.

Notifying older Australians of changes in their pension eligibility and in regard to concessions is something that the government is not particularly good at—as always when it comes to detailed changes to legislation that affect those people’s lives. There were no ads on TV saying, ‘You’re going to have to pay extra for your pharmaceuticals.’ or, ‘We’re going to claw back two per cent of your pension increase.’ There were no ads on TV with regard to the cuts to the Commonwealth dental program, or speaking about the $800 million cut to public hospitals. And that is the concern that the opposition has. The implementation of these savings measures has been rubbed in by the fact that this government is spending $20 million per month, between now and the election, advertising—in a blatant, partisan manner—its campaigns.

Every Sunday night, when they turn on the television, older Australians will know that half a million dollars of their money is being spent on advertising. Government ads include: $5 million on the abolition of the FID, $1 million on volunteerism, $10 million on gap health insurance—of which $1½ million is going straight into the pockets of the advertisers for placement—$4.7 million on a citizenship campaign and $2 million on an aged care campaign, as well as an uncosted welfare compliance campaign in the second half of the year and an uncosted BAS4 instalment payment campaign. But that is just on top of what has already been spent: $12½ million on the BAS2 and BAS3 changes to the GST, $3.4 million on the New
Apprenticeships scheme and $27 million on an illicit drugs campaign, of which $7.6 million went straight into the pockets of advertising firms as ad placement—$7.6 million on that infamous ad where the nuclear family all talk together, where everyone talks honestly and the parents and the kids all suggest that they should talk about drugs. An admirable thing, I must say. Unfortunately, many of the children in my electorate—as, I am sure, in all the electorates that we represent here—are simply not in that position of having a solid family base where they can talk to each other about the difficulties of drugs at school. It missed the mark. It might not have missed the intended mark, parents who are voters, but certainly it missed the mark with regard to kids and the message that we need to get to them with regard to the danger of drugs.

Then we had Don Burke on TV—$3.9 million on greenhouse advertisements as a little bonus on top of increasing his profile and increasing the ratings on his show—and $4 million spent on a Job Network campaign. Before the recent budget we could not actually afford to spend anything on intensive assistance in terms of labour market placement, yet we could spend $4 million advertising on the Job Network campaign. No wonder people are angry. Way back, on 5 September 1995, John Howard as Leader of the Opposition spoke in a press release about a ‘massive $14 million of taxpayers’ money’ being spent prior to the election—$14 million. We are getting $20 million spent per month every month between now and the election.

As the parliamentary secretary to the shadow minister for family and community services, I believe very firmly that that is money which could have been used to increase benefits for family and community services. That money could have increased the real value of what social security recipients could get from the concession cards. It could reverse the funding cut to the Commonwealth dental program, it could reverse the pharmaceutical increases, it could ensure that there were early intervention programs with regard to family responsibilities—it could do all that. But the government has made a choice, and that choice is to be mean-spirited and tricky.

With regard to its advertising, these changes should be advertised—and the opposition does not begrudge this—in a rational and informative way, and we do not have a problem with that. The government sends out Age Pension News, and all senior Australians get it in their mailbox. It provides an opportunity to provide real detail on things such as the changes to the concessions cards. In the March-April 2001 issue of Age Pension News, the advertisement for insurance on the back page was paid for by the HIH group. Who else? While the government was getting these ads from the HIH group, it did not bother to ask whether the insurance would actually do anything for pensioners and whether coverage would be there for them. The government was asleep at the wheel. That is exactly the case with this bill—the government has again been asleep at the wheel. A 1997 report by its committee recommended changes to and consolidation of these cards and yet, some four years after that report, we are finally seeing the legislation. It is not good enough. And it will not be good enough for the people of Australia come the end of the year.

The Labor Party will be supporting the amendment that the Democrats will be moving to this bill. I understand that the minister is also likely to support it. We will give him a bit of guidance and a bit of help—and the member for Richmond sometimes needs a bit of assistance; and I travel to his electorate at every opportunity to make sure that he gets it. We will give him a bit of advice: accept the amendment from the Democrats as it will improve this particular piece of legislation.

This piece of legislation will have the support of the Australian Labor Party because of its nature, which is largely administrative. The bill provides us with an opportunity to once again point out to the government the cuts that have been made in real terms to concession cards and to the real value of concession cards. It gives us an opportunity to once again point out how much money is being wasted by this government on blatant political advertising, and
also to point out the hypocrisy of that. Apart from anything else, the ads are boring. If they were more interesting, perhaps they would be more acceptable. However, a number of Australians will not forgive this government for what they have done to Joe Cocker, as no-one will ever be able to listen to Joe Cocker and feel the same way again.

I can foresee a time when people will not use umbrellas because of the Medicare ad. It will turn them off umbrellas so much that, every time they get one out, they will be reminded that this government has ripped the heart out of Medicare. This government has Medicare in shreds which are disconnected by the cutbacks that have occurred—including cutbacks to concession card holders with regard to the Commonwealth dental program. We remind the government of the hypocrisy of being a government which focuses on being mean-spirited and tricky. It will probably say that this is a reform, but there are no savings, no expenditures and no economic implications in this bill.

The government had a choice in its budget, and the government does have a choice—spend money on older Australians or spend money on advertising. The government would rather line the pockets of its mates in the advertising industry than assist Australians who rely upon concession cards and social security and who have made an outstanding contribution to this nation throughout their working life. They deserve our respect but, more importantly, they deserve financial support. I commend the bill to the House and I look forward to making further contributions during the consideration in detail stage when the bill comes back to the House.

Ms GAMBARO (Petrie) (12.50 p.m.)—I rise today to speak to the Social Security Legislation Amendment (Concession Cards) Bill 2001, referring to, amongst other things, the Social Security Act 1991, the Social Security (Administration) Act 1999, the Health Insurance Act 1973 and the National Health Act 1953. Before I go on to the technicalities of the bill, I would like to correct a couple of hypocritical statements made by the previous speaker, the member for Grayndler. The member for Grayndler spoke about the dental health care program, a four-year program that was put in place by Labor. We continued to commit funding to that program, which was basically a catch-up program. The honourable member knows that the states were unable to cope with the demand on dental health care, and it was put in on a short-term basis. If Labor were very serious about this program, they would have put it in their forward estimates before we came to office. There was no such mention of it in their forward estimates.

He also spoke about a number of other topics, including health. I would like to correct him on a number of the statements that he has made here in the chamber today. Firstly, Australia has one of the most generous pharmaceutical benefits schemes in the whole of the Western world. The pharmacy items on the PBS list are some 30 to 40 per cent cheaper than anywhere else in the world. As a result of that, the PBS was costing $3.6 billion a year but has now risen to about $4.4 billion. The Pharmaceutical Benefits Advisory Committee is an independent body that advises the government on how pharmaceutical products should be listed and on what basis. It makes a number of decisions. Last time I checked, I believe there were about 18,000 drugs listed on that program, but every year new drugs are introduced, including new life-saving drugs and, particularly, drugs that help older Australians such as the new drug Celebrex. I know for a fact that Celebrex is 50 per cent cheaper in Australia than in any other country in the world.

The need for newer drugs for cancer and for conditions like arthritis is always there, and Australians should have access to them. In terms of the drugs that the member spoke about earlier and the increase of 50c in the prescription price, generic drugs are available that are of no cost to pensioners if they are able to receive them on the PBS free list. In cases where, for example, pensioners or older members of the community cannot use the generic drug, all that their general practitioner has to do is ring up and get an authorisation and then the patient can
go on the other drug. The misconceptions that were being peddled around do not exist. We have a very generous Pharmaceutical Benefits Scheme, which is available to older Australians.

I would like to speak on a number of the areas that were mentioned, including some health areas. Pensioners have one of the highest uptakes of private health insurance. Of all governments, we are the first government to give 30 per cent health insurance rebates to pensioners. Many of them do a considerable amount to ensure that they stay in their health fund, and it is important for them to have it and to have that choice.

Some of the fallacies that were being peddled here by the member for Grayndler were absolutely preposterous, particularly the fallacies about advertising. I want to comment on advertising. I have a marginal electorate, and we have given up counting the number of phone calls we get from people seeking information from us, because the phone runs off the hook continuously all day long. Despite literature being sent to people, there is still a large number of members of the community who need information, and sometimes the best form of getting that information to them is through the electronic media. I am pleased to say that some of those campaigns have ensured that they have got benefits and information that they have been entitled to. Not everyone will sit down and read the social security booklet that is being sent out, but they will listen to the radio and they will flick through a magazine and see that they are entitled to certain benefits and bonuses.

I was at the opening of a Carelink office on Saturday. It was kindly opened by the Minister for Aged Care, Bronwyn Bishop. This will add to the list of things that we have provided for older Australians, in that they now can ring a 1800 number and have access to home and community care packages. Relatives and older members of the community wanting to go into aged care or retirement villages, or wanting information about personal care, shopping or home care can now go to that 1800 number. Why I mention that is that I met one of the staff at the Carelink office, who told me that they had been inundated by inquiries from pensioners—and this is outside their scope—wanting to know about the $300 one-off payment that we have given and when they would be receiving that. The comments made by the member for Grayndler illustrate that people are hungry for information. You can never give people enough information, and from what the Carelink office staff member told me, it seems there is a huge need for people to have information. They were able say, ‘You can ring the Centrelink office for further information about the program and your payments will be coming in by the end of the month.’

So I do not begrudge advertising. I have come from a business background where it is an essential part of doing business and it is an essential part of keeping consumers informed. This is no different. People deserve to know what is out there and what they are eligible for. I think that, particularly in the business sector, there have been some changes. People need to know what they are. We have been responsive to the business community and I certainly do not begrudge this government spending money to tell people what they are entitled to. They have that absolute opportunity.

The bill consolidates a number of pensioner concession cards, senior health care cards and health care cards that exist in separate pieces of legislation. The legislation has the support of both the opposition and the Democrats in the Senate, essentially because it seeks to clarify and simplify a very complex area of social security law, specifically when it comes to health care cards and concession cards. Each of the acts that I mentioned earlier contains different provisions and entitlements, and produces myriad requirements to ensure compliance of health care cards and concession cards. The objective of the bill was therefore to bring all of those provisions together to enable a much clearer and more concise process. It must be noted that the bill will not reverse the eligibility status of anyone who is currently entitled to a concession card. The bill is welcomed for its desire to provide clarity in providing health care
cards and concession cards while highlighting the important role that these cards are playing in assistance and service to people in the area of need.

One of the chief advantages of this legislation is that it provides an opportunity to improve the health outcomes for foster children and their carers. The Commonwealth recognises that financial assistance for foster children is the domain of the state government; however, in honouring a commitment to supporting and encouraging foster carers, the Commonwealth has introduced greater flexibility in the health care card rules for foster children, and simplification of the eligibility rules for foster carers claiming parenting payment.

Considerable prior interest in this legislation has prompted the Commonwealth to ask the states for information on foster carers and foster children and the available assistance. Foster carers and foster parents have an important role to play in the foster process. It must be acknowledged that not all foster children come from families of low socioeconomic status and, under the current requirements, there are two requirements for a foster child to be eligible for a health care card. They include that the foster family of the child must qualify for family tax payment benefit, and that the child’s family of origin must also qualify for a health care card.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Main Committee adjourned at 12.59 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Immigration and Multicultural Affairs Department: Overseas Staffing Levels
(Question No. 2588)

Mr Laurie Ferguson asked the Minister for Immigration and Multicultural Affairs, upon notice, on 24 May 2001:

(1) On 1 January 2000 how many (a) refugee and humanitarian and (b) other permanent residence applications were there at (i) Ankara, (ii) Nairobi, (iii) Islamabad, (iv) Beirut, (v) New Delhi, (vi) Wellington, (vii) Manila, (viii) Moscow, (ix) Athens, (x) Bangkok and (xi) Tehran.

(2) What is the current allocated staffing level for his Department at each of those posts.

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

(1) The information is set out in the table below.

Unfinalised Permanent Residence Applications as at 01/01/2000

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<th>Post</th>
<th>Ref &amp; Hum</th>
<th>Other Perm Res</th>
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<tr>
<td>Nairobi</td>
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<td>Islamabad</td>
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<tr>
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<tr>
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<td>2582</td>
</tr>
<tr>
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<td>1980</td>
<td>3290</td>
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<tr>
<td>Tehran</td>
<td>468</td>
<td>136</td>
</tr>
</tbody>
</table>

The Australian High Commission, Wellington, did not and does not accept or process visa applications.

(2) The information is set out in the table below.

Overseas staffing level as at June 2001

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<td>Tehran</td>
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<td>5</td>
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</table>

* LEE - Locally Engaged Employees
Australian Consulate-General: Chicago
(Question No. 2605)

Mr Tim Fischer asked the Minister for Foreign Affairs, upon notice, on 4 June 2001:

(1) Was the Chicago consulate closed in the early 1990s; if so, what one-off costs were involved with the closure.

(2) What one-off costs are anticipated with the decision to re-open the Chicago consulate.

Mr Downer—The following is the answer to the honourable member’s question:

(1) As part of a restructure of the Department of Foreign Affairs and Trade’s (DFAT) representation in the United States, management of the Consulate General in Chicago, and the Consulates in Los Angeles, San Francisco and Houston transferred to Austrade in mid 1993. Subsequent to the transfers, it was determined that Austrade’s corporate goals would be more effectively advanced through representation in Atlanta rather than Chicago. The Chicago office closed on 6 August 1993. One-off costs for the closure amounted to $66,545.

(2) Estimated one-off costs associated with the opening of Chicago are $851,000.

UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects
(Question No. 2641)

Mr Latham asked the Minister for Foreign Affairs, upon notice, on 5 June 2001:

(1) Is he able to say what steps the British Government has taken to become a party to the 1995 UNIDROIT Convention on Stolen or Illegally Exported Cultural Objects.

(2) What steps has Australia taken to become a party to the Convention.

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

(1) The UK Government has decided not to sign the Convention on Stolen or Illegally Exported Cultural Objects (under the auspices of UNIDROIT), done at Rome on 24 June 1995. Instead, I am advised that the UK Government has decided to sign the Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property, done at Paris on 17 November 1970.

(2) Australia participated in the negotiation of the UNIDROIT Convention, and is currently considering accession to the Convention. The matters covered by the Convention come within the portfolio responsibility of the Minister for Communications, Information Technology and the Arts, Senator the Hon Richard Alston, and his Department is responsible for progressing domestic consideration of the Convention. In line with Australia’s treaty making process and practice, the matter of accession by Australia to the Convention will require consultation with State and Territory Governments as well as with relevant Commonwealth agencies, and consultation with key stakeholders including industry and public collecting institutions. My Department has been advised by the Department of Communications, Information Technology and the Arts that accession to the Convention would also require changes to the Protection of Movable Cultural Heritage Act 1986. It is proposed that a process of consultation regarding accession to the Convention will commence in financial year 2001-2002.