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Thursday, 6 April 2000

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 9.30 a.m., and read prayers.

ABSENCE OF PRESIDENT

The PRESIDENT—I inform the Senate that I will be absent from the Senate from 10 April 2000 to 13 April 2000, attending a Commonwealth Parliamentary Association executive meeting in Gibraltar.

Motion (by Senator Troeth)—by leave—agreed to:

(1) That, during the absence of the President, the Deputy President shall, on each sitting day, take the chair of the Senate and may, during such absence, perform the duties and exercise the authority of the President in relation to all proceedings of the Senate and proceedings of committees to which the President is appointed.

(2) That the President be granted leave of absence from 10 April 2000 to 13 April 2000.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:

Enrolment Benchmark Adjustment

To the Honourable the President and the Members of the Senate Assembled in the Parliament.

The petition of the undersigned draws attention to the Senate the regressive nature of the enrolment Benchmark Adjustment (EBA) which increases funding for private school places by taking money out of the public education.

Your petitioners call on the Australian Government to:

(1) Immediately abolish the EBA
(2) Introduce a fair funding system for public education
Increase funding for public education to reduce class sizes and avoid a national teacher shortage.

by Senator Allison (from 22 citizens).

World Heritage

To the Honourable the President and the Members of the Senate Assembled in the Parliament.

The Petition of the undersigned shows strong disappointment in the Australian Government’s inadequate protection of the Great Barrier Reef World Heritage Area from the destructive practices of prawn trawling. Prawn trawling destroys up to 10 tonnes of other reef life for every one tonne of prawns while clearfelling the sea floor.

There are 11 million square kilometres of Australia’s ocean territory of which the reef represents just 350,000 square kilometres.

Your Petitioners ask that the Senate support the phasing out of all prawn trawling in the Great Barrier Reef World Heritage Area by the year 2005.

by Senator Bartlett (from 20 citizens).

Petitions received.

NOTICES

Presentation

Senator Faulkner to move, on the next day of sitting:

That a message be sent to the House of Representatives requesting that the House immediately consider the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill 1999.

Senator Hogg to move, on the next day of sitting:

That the Senate notes that:

(a) it is 60 days since former Senator Parer resigned as a senator for the State of Queensland;

(b) the Queensland Liberal Party has said that it will not select a replacement for Senator Parer until 30 April 2000, another 21 days (a total of 81 days since Senator Parer’s resignation);

(c) at the Queensland Liberal Party’s request, the Queensland State Parliament will not be asked to appoint a replacement for Senator Parer until 16 May 2000 (a total of 97 days since Senator Parer’s resignation);

(d) the day of swearing-in of the successor to Senator Parer would be 5 June 2000 at the earliest (a total of 117 days since Senator Parer’s resignation); and

(e) the people of the State of Queensland have been denied their full Senate representation by the lethargy of the Queensland Liberal Party in appointing a successor to Senator Parer.

Withdrawal

Senator COONAN (New South Wales) (9.33 a.m.)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that, at the giving of notices on the next day of sitting, I shall withdraw: business of the Senate notice of Motion No. 1 standing in my name for four sitting days after today for the disallowance of Great Barrier Reef Marine Park Amendment Regu-
lations 1999 (No. 1), as contained in Statutory Rules 1999 No. 252; and business of the Senate notice of motion No. 1 standing in my name for seven sitting days after today for the Export Control (Fees) Amendment Orders 1999 (No.4), made under regulation 3 of the Export Control (Orders) Regulations 1982. In relation to this notice of intention, I seek leave to table the regulatory impact statement for the Great Barrier Reef Marine Park Authority Amendment Regulations and to incorporate in Hansard the committee’s correspondence concerning the two instruments.

Leave granted.

The correspondence read as follows—

Great Barrier Reef Marine Park Amendment Regulations 1999 (No.1)
Statutory Rules 1999 No.252
25 November 1999
Senator the Hon Robert Hill
Minister for Environment and Heritage
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to the Great Barrier Reef Marine Park Amendment Regulations 1999 (No.1), Statutory Rules 1999 No.252 which give effect to the enforcement provisions in the Cairns Area Plan of Management and the Whitsundays Plan of Management.

The Plans were both gazetted on 22 June 1998, 16 months before these Statutory Rules were made. The Explanatory Statement, however, provides no explanation for the delay in providing for the enforcement of these Plans of Management.

Although the Explanatory Statement asserts that an Explanatory Memorandum is ‘included at Attachment 1’, and that a Regulation Impact Statement ‘is included at Attachment 2’, neither of these documents were included with these Statutory Rules. The Committee would appreciate receiving copies of these documents.

New paragraph 13AK(c) of the Principal Regulations, inserted by item 5 of Schedule 1 to these Regulations, requires the Great Barrier Reef Marine Park Authority to take into account, when considering an application for an authorisation ‘any charge payable by the applicant … that is overdue for payment’. It might be thought that, were this provision not in the legislation, for a decision maker to take such a matter into account when deciding whether or not to grant a licence etc would be to consider an irrelevant matter. It appears doubtful that an applicant’s speed (or tardiness) in paying overdue charges is relevant to its ability to carry out such activities as those related to tourism. Without a detailed Explanatory Statement relating to this regulation, the Committee is not able to ascertain the reasons for including this provision.

New subparagraph 13AL(3)(a) of the Principal Regulations provides that, subject to an exception for special circumstances, the Authority must not, in the case of activities in the Cairns Planning Area, ‘grant an authorisation applied for on or after … 1 July 1999’. This provision therefore appears to be retrospective in application if not in terms of its date of commencement.

New subregulations 59(2) and 63(2), to be inserted by item 19 of Schedule 1, impose strict criminal liability for contravention of the two Plans of Management referred to in the Regulations. In the absence of a detailed Explanatory Statement, the Committee is not able to ascertain the reasons for imposing this type of liability.

The Committee would appreciate your advice on these matters.

Yours sincerely

Helen Coonan
Chair
Senator Helen Coonan Chair
Standing Committee on Regulations and Ordinances
Parliament House CANBERRA ACT 2600
Dear Senator Coonan
Thank you for your letter of 25 November 1999 regarding the Great Barrier Reef Marine Park Amendment Regulations 1999 (No. 1), which give effect to the enforcement provisions of the Cairns Area Plan of Management and the Whitsundays Plan of Management (the Plans).

As you are already aware, the Plans were both gazetted on 22 June 1998. At the time of gazetAL, it was recommended that Regulations be drafted in order to give effect to the enforcement provisions of the Plans. Initial drafting instructions were forwarded to the Office of Legislative Drafting (OLD) on 7 July 1998. After receiving those instructions, OLD raised some concerns with the Plans which needed to be addressed before Regulations could be finalised.

Following the gazetAL of the Plans, on-going consultation occurred with key stakeholders on a range of issues. As a result of that consultation process, in December 1998 the Great Barrier Reef
Marine Park Authority (the Authority) decided to prepare an amendment to each of the Plans. The purpose of these amendments was to modify the existing enforcement provisions, and incorporate changes resulting from site planning, a review of settings, and allow for fine tuning and some technical corrections.

After a period of extensive consultation with stakeholders, the Authority adopted the proposed amendments to the Plans in March 1999. It was anticipated that the Regulations enabling the enforcement provisions of the Plans would be gazetted as soon as possible after gazettal of the Plan amendments.

After due consideration of the submissions received from stakeholders, the Authority instructed OLD to prepare further amendments to the Plans. This process (including further consultation) occurred between May and September of 1999.

Final copies of the amended Plans of Management were sent to the Marine Park Authority on 24 September 1999 for its consideration and for a decision on whether or not the amended Plans should be adopted. Responses were received back from all members of the Marine Park Authority by 4 October 1999 whereby the decision was made to adopt the amended Plans of Management. The amended Plans of Management were then gazetted on 12 October 1999 in Special Gazette No. S 481.

Although the Authority was in regular contact with OLD during that time, final drafting instructions for the preparation of the Regulations giving effect to the Plans could not be provided to OLD until the Marine Park Authority had decided to adopt the amended Plans. Once the decision was received on 4 October 1999, final drafting instructions were initiated. A final draft of the Great Barrier Reef Marine Park Amended Regulations (No. 1) 1999 was then received from OLD on 7 October 1999.

The Regulations, and the supporting documentation, were then forwarded to the Executive Council to be presented at the meeting on 20 October 1999. The Regulation package was passed by the Executive Council on that date and the Regulations were gazetted on 27 October 1999.

Regulation 13AK(c) (now Regulation 27 of the Great Barrier Reef Marine Park Regulations 1983) was inserted by the Authority for reasons of consistency. Regulations 10(4), 18(4), 34 and 52(3) also refer “to any charge payable by the applicant in relation to a chargeable permission (whether or not in force) that is overdue for payment”, this being but one of the matters which the Authority is to have regard to when assessing an application for a permission. Outstanding charges are included in the criteria for assessing permissions and authorisations as section 39B of the Great Barrier Reef Marine Park Act 1975 provides that “if a chargeable permission is granted or transferred to a person, the person is liable to pay a charge on the grant or transfer”. A chargeable permission is defined in Regulation 75 as a permission for any of the following kinds of activity:

(a) the operation of a tourist program;
(b) a commercial operation that primarily involves:
   (i) the sale of goods or services from a vessel; or
   (ii) vessel chartering for a purpose other than tourism; or
   (iii) the construction or maintenance of a facility;
(c) the operation of a land-based sewage outfall;
(d) the establishment or operation of farming facilities for the culture of pearls or clams.

Further, Regulation 57 allows the Authority to suspend a permission that is a chargeable permission if at the end of the calendar month in which the charge was payable, it has not been wholly paid. This allows the Authority to suspend permissions until the outstanding charge has been paid. Whether or not a permission is currently suspended for late payment of a charge will have a bearing on whether or not an authorisation or permission is granted or granted subject to conditions.

Regulation 13AL(3)(a) (now Regulation 28(3)) provides that except in special circumstances, the Authority must not grant an authorisation applied for on or after (in the case of something to be done in the Cairns Planning Area) 1 July 1999. This provision was inserted to reflect the decision of the Authority to allocate a period of one year from the date of gazettal (namely 22 June 1998) for the implementation of the Plans of Management. However, if an applicant is able to show special circumstances as to why the Authority should consider an application for authorisation received after 1 July 1999, this provision provides the delegate with the discretion to still be able to consider such an application.

Subregulations 59(2) and 63(3) (now Regulations 113 and 117 respectively) both provide that a contravention of a provision of Part 2 of the Plans (the enforcement provisions) (other than a contravention of subclause 2.14(1) of the Plan) is an offence of strict liability. By making the contravention of Part 2 of the Plans an offence of strict
liability, the person is liable despite an absence of negligence or willfulness on his or her part. As stated in the Regulatory Impact Statement (RIS) there is a need for government control of activities which pose a threat to the natural, cultural and scientific values of the Cairns and Whitsundays Planning Areas. The creation of such offences was necessary to ensure the further protection of the natural resources of the Planning Areas whilst at the same time allowing reasonable use and enjoyment of the amenities of those areas.

Attached for your information is a copy of the Explanatory Memorandum and the RIS. Inquiries have been made both with the Executive Council and OLD as to why these documents were not included with the Statutory Rules (these documents having been delivered by the Authority to the Executive Council Secretariat). Unfortunately, no explanation has been forthcoming.

Yours sincerely
Robert Hill

Export Control (Fees) Amendment Orders 1999
(No.4), made under regulation 3 of the Export Control (Orders) Regulations 1982
9 December 1999

The Hon Warren Truss MP
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Minister
I refer to the Export Control (Fees) Amendment Orders 1999 (No.4) made under regulation 3 of the Export Control (Orders) Regulations 1982, which increases the charges for export documentation from $12 to $25.

The effect of this Order is to more than double the fees charged for what is described in the Explanatory Statement as ‘export documentation’. There is, unfortunately, no indication in that Statement of the reason for this increase, nor of the length of time since the last increase of these fees. The Committee would be grateful for your advice on this matter.

Yours sincerely
Helen Coonan
Chair
Senator Helen Coonan
Australian Senate
Chair
Standing Committee on Regulations and Ordinances

Parliament House CANBERRA ACT 2600

Dear Senator
Thank you for your letter of 9 December 1999 concerning the Export Control (Fees) Amendment Orders 1999 (No. 4) made under regulation 3 of the Export Control (Orders) Regulations 1982 which increases the charges for export documentation in the Export Fish Program of the Australian Quarantine and Inspection Service (AQIS).

Like many similar Federal and state organisations, AQIS is required to operate on a commercial basis and fully recover costs from its operational programs. I am advised by AQIS that the Export Fish Program provides a range of operational, advisory and administrative services to the industry to enable it to meet the mandatory requirements of importing countries.

AQIS advises that the current program charges for export documentation, export premises registration and the fee for service for inspection at export seafood premises have been set in consultation with the peak industry bodies through the AQIS Seafood Export Consultative Committee (SECC). SECC includes representatives chosen by the Australian Seafood Industry Council (ASIC) who represent the seafood industry. The role of SECC is to consult with AQIS on technical and operational issues relating to the export seafood industry. Charges are reviewed regularly by AQIS and SECC in order to determine their effectiveness, fairness and appropriateness.

The latest review into the provision of export seafood inspection service by AQIS in July 1999 resulted in a more accurate apportionment of various financial overheads across several AQIS programs including the Export Fish Program. The review also included industry agreement to increase resourcing for service delivery and the implementation of the Government’s Internet 2001 strategy. This has led to an increase in program expenditure costs for the 1999/2000 financial year which have to be recovered from the export seafood industry. In light of the above, AQIS reviewed its charges to ensure sufficient revenue was recovered to meet the anticipated increase in expenditure of 12%.

It was agreed with the seafood industry that the current fee for service and export registration charges should remain unchanged but that the export documentation charges, which have not increased since 1995/96, would be increased as of December 1999. These increases are outlined in the Export Control (Fees) Amendment Orders 1999 (No. 4).
As part of its international obligations Australia is currently required to provide export seafood documentation in the form of export permits and health certificates. I am pleased to advise that these documents will be replaced by an electronic export certification process called EXDOC by early 2001. The price of this electronic certification is anticipated to result in a significant saving per transaction which will be passed onto the industry.

I trust this clarifies the matter. Should you require any further assistance please do not hesitate to contact Mr Gary Luckman, AQIS Export Fish Program Manager on telephone 02 6272 5789.

Yours sincerely

WARREN TRUSS
14 MAR. 2000

Presentation

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (9.34 a.m.)—

I give notice that on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the following bills, allowing them to be considered during this period of sittings:

A New Tax System (Trade Practices Amendment) Bill 2000
Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000
Jurisdiction of Courts Legislation Amendment Bill 2000
Aviation Legislation Amendment Bill (No. 1) 2000
A New Tax System (Fringe Benefits) Bill 2000

I also table statements of reasons justifying the need for these bills to be considered during these sittings, and seek leave to have the statements incorporated in Hansard.

Leave granted.

The statements read as follows—

A NEW TAX SYSTEM (TRADE PRACTICES AMENDMENT) BILL

Purpose of the BILL

This Bill is to amend the Trade Practices Act 1974 to confer on the ACCC powers to take enforcement action over GST-related conduct that breaches State fair trading legislation.

Reasons for Urgency

This Bill needs to be introduced and passed in the Autumn sitting of Parliament to ensure the ACCC has adequate powers to prevent businesses from using the GST to exploit customers. While most complaints about the GST are expected to relate to alleged contraventions of the Price Exploitation Code, there may also be complaints about other conduct which breaches only State fair trading legislation - for example, misleading conduct by unincorporated businesses operating only within the confines of a single State. The ACCC does not have the power to investigate such conduct, which could very well occur prior to the introduction of the GST.

(Circulated by authority of the Minister for Financial Services and Regulation)

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (MISCELLANEOUS MATTERS) BILL 2000

The Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000 provides for the implementation of 1999 Budget measures relating to the simplification of international payments (from 20 September 2000) and the use of tax file numbers as the primary matching key for matching Centrelink data with particular Australian Taxation Office data (from 1 July 2000).

It is essential that the Bill receive passage in the 2000 Autumn sittings so as to allow sufficient lead time for finalisation of supporting administration and systems (including the need to give early advice about the international measures to customers intending to travel overseas) before the proposed commencement dates.

(Circulated by authority of the Minister for Family and Community Services)

JURISDICTION OF COURTS LEGISLATION AMENDMENT BILL 2000

The Bill relates to the High Court’s decision on 17 June 1999 invalidating the conferment of State jurisdiction on the Federal and Family Courts under the general and corporations law cross-vesting schemes.

The general cross-vesting scheme was established in 1987 by the Jurisdiction of Courts (Cross-vesting) Act 1987 and by reciprocal legislation in the States and Territories. The purpose of the legislation was to establish a system of cross-vesting of jurisdiction between federal, State and Terri-
tory superior courts to overcome uncertainties as to the jurisdictional limits of those courts. As a result, a litigant could, broadly speaking, institute a civil action in any superior court anywhere in Australia, subject to the possibility that the proceedings would be transferred to a more appropriate court.

A separate cross-vesting scheme operates for matters arising under the Corporations Laws of the States and Territories.

State remedial legislation has been enacted in all States which in effect validates orders of federal courts.

The decision also affects the validity of Commonwealth/State schemes (including the Corporations Law scheme) which purport to confer State jurisdiction on federal courts in relation to the conduct of Commonwealth officers and bodies acting under State laws.

Under those schemes the States adopted Commonwealth administrative laws, including the Administrative Decisions (Judicial Review) Act 1977 and the Administrative Appeals Tribunal Act 1975, and conferred power on the Federal Court to hear matters arising under State laws.

That conferral of jurisdiction on the Federal Court is now invalid. However, the Commonwealth has power to confer jurisdiction on any court to review decisions made by Commonwealth officers, whether in the exercise of powers conferred by State or Commonwealth laws. Therefore it is proposed that the Commonwealth legislate to confer federal jurisdiction on the Federal Court to ensure that the Court can continue to review the lawfulness of decisions made by Commonwealth bodies and officers under State and Territory laws.

It is also proposed that State and Territory Supreme Courts be given federal jurisdiction to deal with such matters in limited circumstances, to avoid splitting judicial review proceedings and substantive proceedings between federal and State/Territory courts.

The Bill will substantially restore the administrative law regime that existed prior to the decision of the High Court, while ensuring that the Federal Court remains the principal court with jurisdiction over Commonwealth officers.

Failure to pass such legislation would create uncertainty about people’s rights and obligations.

Drafting and introduction of the Bill have been delayed by the need to consult with relevant Commonwealth Departments, and States and Territories and, where necessary under intergovernmental agreements, to seek formal State approval of the proposed amendments.

The Bill will also include provision to reduce the use of administrative law proceedings to make ‘collateral challenges’ to decisions to prosecute or other decisions taken in the criminal justice process once charges have been laid. The right to review under the ADJR Act will be removed. Constitutionally entrenched remedies (ie applications for prohibition, mandamus, or injunctions against officers of the Commonwealth) will be handled by the Supreme Court of the State or Territory in which the prosecution is brought or, where the prosecution will be dealt with in the Federal Court, by that court.

This will avoid splitting judicial review and substantive proceedings in federal criminal matters between federal and State or Territory courts.

The proposed amendments will place the Commonwealth Director of Public Prosecution in the same position in regard to federal prosecutions as the State and Territory DPPs are in relation to State and Territory prosecutions, by ensuring that collateral challenges are dealt with in the same court system where the charge is laid and, where appropriate, in the course of the trial.

(Circulated by authority of the Attorney-General)

Purpose of the Bill

The Bill will amend the Air Navigation Act 1920 to:

change the foreign ownership limits on Australian international airlines

replace the $5000 limit on fines in regulations with 50 penalty unit limit; and

correct a typographical error in the definition of “state aircraft”

It will also amend the Sydney Airport Curfew Act 1995 to increase the fine for breach of the curfew from 200 penalty units to 1000 penalty units.

Reasons for Urgency

The Government is publicly committed to have the Australian international airlines ownership provisions of the Air Navigation Act 1920 amended as part of its policy of liberalising the international aviation environment. Current ownership provisions (for airlines other than Qantas) require that no more than 35 per cent in aggregate of equity be held by foreign airlines, with a limit of 25 per cent of equity to be held by an individual foreign airline. The Bill, if passed, will allow up to 49 per cent foreign ownership of Australian international airlines (other than Qantas).

Broadly, the Government’s strategy is to move ownership and control of international airlines
from the current bilateral treaty system to the multilateral environment of the General Agreement on Trade in Services (GATS). It is therefore important to amend the Air Navigation Act 1920 as a clear signal of its intentions in the mandated review of the air transport annex of the GATS which will start later this year.

The amendment will also provide Australian airlines other than Qantas with greater access to international equity. Qantas ownership provisions are the subject of separate legislation.

For example: Air New Zealand has announced its intention to purchase News Corporation Ltd’s 50 per cent share of Ansett Holdings, which would raise the Air New Zealand share to 100 per cent. If the Treasurer approves the transaction it would leave Air New Zealand in control of 49 per cent of Ansett International Ltd, an outcome that would conform to the Government’s June 1999 policy, but would not conform with the existing legislation.

Early passage of this Bill is important to ensure that the transaction can be completed expeditiously, if it is separately approved by the Treasurer.

(Circulated by authority of the Minister for Transport and Regional Services)

NEW TAX SYSTEM (FRINGE BENEFITS) BILL 2000

NEW TAX SYSTEM (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) AMENDMENT BILL 2000

Purpose of the proposed measures:
The policy objective of the measures is to enhance the fairness of the taxation system.

Reason for urgency:
The measures commence on 1 April 2000. Passage of the legislation will provide employers with certainty about the detail of the new measures.

(Circulated by authority of the Treasurer)

Senator Chris Evans to move, on the next day of sitting:

That the Senate—

(a) notes the failure of the Minister representing the Minister for Health and Aged Care (Senator Herron) to comply in full with the order of the Senate of 21 October 1999 for the production of documents relating to magnetic resonance imaging;

(b) orders the Minister to comply in full with the order by 6.30 pm on Monday, 10 April 2000;

(c) in the event that the Minister fails to comply in full with the order by the time specified, instructs the Community Affairs Legislation Committee to reconvene for the consideration of additional estimates on 11 April 2000, from 8 pm until no later than midnight, to hear further evidence from the Minister representing the Minister for Health and Aged Care and relevant officers concerning the investigations into magnetic resonance imaging scanner installations and to report to the Senate on the results of that hearing; and

(d) directs the Minister to ensure that the relevant officers appear before the committee at that hearing for that purpose.

Senator O’Brien, at the request of Senator Crowley, to move, on the next day of sitting:

That the Community Affairs References Committee be authorised to hold a public meeting during the sitting of the Senate on 11 April 2000, from 4 pm, to take evidence for the committee’s inquiry into how, within the legislated principles of Medicare, hospital services may be improved.

COMMITTEES

Selection of Bills Committee

Report

Senator CALVERT (Tasmania) (9.36 a.m.)—I present the fifth report of 2000 of the Selection of Bills Committee.

Ordered that the report be adopted.

Senator CALVERT—I also seek leave to have the report incorporated in Hansard.

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE

REPORT NO. 5 OF 2000

1. The committee met on 5 April 2000.
2. The committee resolved to recommend—

That the provisions of the following bill be referred to a committee:
Bill title | Stage at which | Legislation | Reporting date
---|---|---|---
Health Legislation Amendment (Gap Cover Schemes) Bill 2000 (see Appendix 1 for a statement of reasons for referral) | Immediately | Community Affairs | 9 May 2000

(b) That the following bills **not** be referred to committees:
- Health Legislation Amendment Bill (No. 4) 1999
- Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999
- Fisheries Legislation Amendment Bill (No. 2) 1999
- Medicare Levy Amendment (CPI Indexation) Bill 1999
- Transport and Territories Legislation Amendment Bill 1999
- Medicare Levy Amendment (Defence—East Timor Levy) Bill 2000
- Jurisdiction of Courts Legislation Amendment Bill 2000

3. The Committee **deferred** consideration of the following bills to the next meeting:
- Taxation Laws Amendment Bill (No. 10) 1999 (deferred from meeting of 19 October 1999)
- Customs Amendment (Anti-Radioactive Waste Storage Dump) Bill 1999 (deferred from meeting of 30 November 1999)
- Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Bill 1999 (deferred from meeting of 15 February 2000)
- Taxation Laws Amendment Bill (No. 11) 1999 (deferred from meeting of 14 March 2000)
- A New Tax System (Fringe Benefits) Bill 2000
- A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Amendment Bill 2000
- A New Tax System (Family Assistance and Related Measures) Bill 2000
- Aviation Legislation Amendment Bill (No. 1) 2000
- Child Support Legislation Amendment Bill 2000
- Family and Community Services Legislation Amendment Bill 2000 (deferred from meeting of 4 April 2000)
- A New Tax System (Trade Practices Amendment) Bill 2000

**Appendix 1**

**Proposal to refer a bill to a committee**

**Name of bill:**
Health Legislation Amendment (Gap Cover Schemes) Bill 2000

**Reasons for referral/principle issues for consideration**
To examine the Health Legislation (Gap Cover Schemes) Amendment Bill 2000 and the policy implications of the National Health Amendment Regulations 2000 and report on:
- the practicality of the proposed “gap cover schemes” and the likely acceptance of these schemes by medical service providers
- the effectiveness of measures proposed to cover gaps without inflation of health insurance premiums or total costs to patients
- the best method to measure inflation and the process for revocation of schemes which fail to meet this criteria
- the definition of “informed financial consent” and “known gaps”
- the form of disclosure of costs to patients and the enforceability of bills when there has been no disclosure
- the impact of the schemes on existing medical purchaser-provider agreements
- the effectiveness of the reporting and review provisions
- the need for any additional consumer safeguards

**Possible submissions or evidence from:**
AMA, health insurance funds, Private Health Insurance Ombudsman, consumer groups, private hospitals, actuaries
Committee to which the legislation is to be referred:
Community Affairs Legislation Committee
Possible hearing dates: 8 May 2000
Possible reporting date: 5 June 2000
Signed Kerry O’Brien
Whip/Selection of Bills Committee Report

BUSINESS

Government Business
Motion (by Senator Troeth) agreed to:
That the following government business orders be considered from 12.45 p.m. till not later than 2 p.m. this day:
No. 5—Fisheries Legislation Amendment Bill (No. 2) 1999
No. 6—Telecommunications Numbering Charges Amendment Bill 1999
No. 8—Road Transport Charges (Australian Capital Territory) Amendment Bill 2000 and two related bills
No. 9—Albury-Wodonga Development Amendment Bill 1999

General Business
Motion (by Senator Troeth) agreed to:
That the order of general business for consideration today be as follows:
(a) General business notice of motion No. 504 standing in the name of Senator Carr relating to Australia’s international education industry; and
(b) Consideration of government documents.

NOTICES

Postponement
Items of business were postponed as follows:
General business notice of motion no. 474 standing in the name of Senator Stott Despoja for today, relating to the Advertising Standards Board, postponed till 11 April 2000.

COMMITTEES

Employment, Workplace Relations, Small Business and Education References Committee
Extension of Time
Motion (by Senator O’Brien, at the request of Senator Jacinta Collins) agreed to:
That the time for the presentation of the report of the Employment, Workplace Relations, Small Business and Education References Committee on vocational education and training be extended to 12 October 2000.

Foreign Affairs, Defence and Trade References Committee
Extension of Time
Motion (by Senator Hogg) agreed to:
That the time for the presentation of the report of the Foreign Affairs, Defence and Trade References Committee on Australia in relation to Asia Pacific Economic Cooperation (APEC) be extended to 8 June 2000.

Economics References Committee
Meeting
Motion (by Senator O’Brien, at the request of Senator Murphy) agreed to:
That the Economics References Committee be authorised to hold a public meeting during the sitting of the Senate on 12 April 2000, from 7.30 pm, to take evidence for the committee’s inquiry into the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies.

Rural and Regional Affairs and Transport Legislation Committee
Extension of Time
Motion (by Senator Calvert, at the request of Senator Crane) agreed to:
That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the provisions of the Australian Wool Research and Promotion Organisation Amendment (Funding and Wool Tax) Bill 2000 be extended to 11 April 2000.

Rural and Regional Affairs and Transport References Committee
Extension of Time
Motion (by Senator Woodley) agreed to:
That the time for the presentation of the report of the Rural and Regional Affairs and Transport References Committee on air safety be extended to 8 June 2000.

Environment, Communications, Information Technology and the Arts References Committee
Extension of Time
Motion (by Senator Allison) agreed to:
That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Com-
mittee on the state of the environment of Gulf St Vincent be extended to 9 May 2000.

Motion (by Senator Allison) agreed to:

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on the matters specified in paragraphs (a) and (b) of the terms of reference for the inquiry into online delivery of Australian Broadcasting Corporation material be extended to 11 April 2000.

NATIONAL YOUTH WEEK

Motion (by Senator Stott Despoja, at the request of Senator Bourne) agreed to:

That the Senate—

(a) notes:

(i) that the week beginning 2 April 2000 is the first National Youth Week, and
(ii) that $400 000 is being spent by the Federal Government on this week, with the aim of promoting young people’s contributions and concerns;

(b) condemns the defunding of the former Australian youth peak body, the Australian Youth Policy and Action Coalition, which provided on-going representation of young people’s interest and concerns, with an annual budget of only $225 000; and

(c) expresses its deep concern that Australia is one of the only developed nations to not have a youth peak body.

SCHOOLS: FUNDING

Motion (by Senator Allison) agreed to:

That the Senate—

(a) notes:

(i) the imminent expiry of the current funding quadrennium for schools,
(ii) that the Federal Government’s legislation for the new socio-economic status funding model for non-government schools has still not been introduced or circulated as a draft, and
(iii) that this funding model represents a comprehensive overhaul of the present arrangements and does not have stakeholder consensus;

(b) condemns the Federal Government:

(i) for its refusal to make the legislation publicly available in a timely fashion so that there can be a comprehensive debate about its impact on the future of Australian schooling, both government and non-government, and
(ii) for exacerbating the uncertainty faced by non-government schools by delaying the introduction of the legislation; and

(c) urges the Federal Government to:

(i) introduce the legislation as soon as possible in order to allow thorough debate, while minimising the disruption to non-government school funding, and
(ii) observe the ideals of National Youth Week by ensuring that there is sufficient time for thorough public consultation and debate on schools legislation.

NATIONAL YOUTH WEEK

Motion (by Senator Stott Despoja) agreed to:

That the Senate notes that:

(a) the week beginning 2 April 2000 is the inaugural National Youth Week, a Federal Government initiative designed to focus on the concerns of young people and showcase their skills and talents;

(b) the sum of $400 000 has been allocated to achieve these aims, through individual and state grants; and

(c) these aims could be achieved at no cost if the Federal Government ceased its campaign of scapegoating and stereotyping young people as ‘dole bludgers’ and ‘job snobs’.

MANDATORY SENTENCING LEGISLATION

Motion (by Senator O’Brien, at the request of Senator Faulkner) agreed to:

That a message be sent to the House of Representatives requesting that the House immediately consider the Human Rights (Mandatory Sentencing of Juvenile Offenders) Bill 1999.

ALTERNATIVE FUEL VEHICLE EXPORTS

Motion (by Senator Allison) agreed to:

That the Senate—

(a) notes:

(i) the delivery of 20 Falcon alternative fuel taxis to Hong Kong by Ford Australia,

(ii) that this is the first consignment in a project to convert Hong Kong’s entire taxi fleet, presently powered by diesel, to liquid petroleum gas (LPG) within the next 5 years, and

(iii) that this initiative is the outcome of cooperation between the Australian Trade Commission, the Hong Kong Government, Ford, and Hong Kong car dealership Wallace Harper;
(b) congratulates the Hong Kong Government for its proactive approach to reducing harmful pollution caused by diesel use, and Ford Australia for its involvement; and

(c) urges the Federal Government to convert its vehicle fleets to LPG or compressed natural gas, which would:

(i) develop local demand for Australian gas,
(ii) decrease Australia’s reliance on ‘dirty’ and increasingly expensive fuel imports,
(iii) reduce airborne particulate pollution, and
(iv) place Australia in a better position to develop alternatives to continued use of dwindling international petroleum supplies.

NOTICES

Postponement

Motion (by Senator Stott Despoja, at the request of Senator Murray)—by leave—agreed to:

That general business notice of motion No. 514, standing in the name of Senator Murray and relating to National Youth Week, be postponed till the next day of sitting.

NATIONAL YOUTH WEEK

Motion (by Senator Woodley) agreed to:

That the Senate—

(a) notes:

(i) that the week beginning 2 April 2000 is the first National Youth Week, highlighting issues of concern to young people and their contributions to society,

(ii) the lack of access to educational opportunities for young people in rural and regional areas, and

(iii) that Government proposals to introduce a voucher system for higher education funding further threatens the opportunities for young country people to access education;

(b) recognises the vital role rural and regional university campuses and their student organisations play in providing education opportunities and services to country communities; and

(c) urges the Government to guarantee the continued funding of all regional and rural university campuses and immediately cease its efforts to shut down student representative organisations.

NATIONAL YOUTH WEEK

Motion (by Senator Greig) agreed to:

That the Senate—

(a) notes that the Federal Government has designated the week beginning 2 April 2000 as the inaugural National Youth Week;

(b) expresses its deep disappointment that, despite rhetoric about taking the concerns and interests of young people into consideration this week, the Government has not acted to improve the circumstances of young indigenous people in the Northern Territory and Western Australia, who are still subject to discriminatory mandatory sentencing laws; and

(c) condemns the Federal Government for once again failing to act in the interests of young Australians.

NATIONAL YOUTH WEEK

Motion (by Senator Bartlett, at the request of Senator Ridgeway) agreed to:

That the Senate—

(a) notes that, in the week beginning 2 April 2000, Australia is celebrating National Youth Week, highlighting the talents and achievements of young Australians, recognising their diversity and taking the time to bring national attention to their concerns;

(b) condemns the Government for its ongoing marginalisation of indigenous youth as a result of:

(i) the limited access to quality schooling for indigenous children in remote communities, and the consequent poor state of literacy and numeracy skills in indigenous communities,
(ii) the fact that it will take another 40 years before indigenous participation in secondary education is equal to that of non-indigenous students,

(iii) the Government’s silence on the Northern Territory Government’s decision to progressively phase out bilingual education programs for indigenous students, thereby harming the transmission of indigenous languages and the cultures associated with them, and

(iv) the Government’s failure to take action to break the cycle between poor access to education, poor literacy and numeracy skills, poor employment opportunities and disproportionate rates of juvenile crime and incarceration in indigenous communities; and

(c) calls on the Government to improve the funding and resources made available for indigenous youth education to ensure that there is genuine equality of opportunity between young indigenous and non-indigenous Australians.

NATIONAL YOUTH ROUNDTABLE

Motion (by Senator Stott Despoja) agreed to:
That the Senate—
(a) notes that:
(i) the second National Youth Roundtable will meet in Canberra in the week beginning 9 April 2000 to discuss issues relating to Australia’s young people and to develop policy, and
(ii) this is the first meeting of the 50 young delegates to the latest roundtable, a group responsible for representing Australian young people and providing policy advice to the Minister for Education, Training and Youth Affairs (Dr Kemp);
(b) expresses its concern that:
(i) none of the recommendations, policy papers, statements, media releases or communiques of the 1999 National Youth Roundtable are displayed on the government youth website ‘The Source’, or on any other government website, and
(ii) there is no evidence that any of the recommendations of the 1999 National Youth Roundtable have been considered or implemented by the Federal Government; and
(c) requests that the Federal Government undertake to publish all material from the latest roundtable and demonstrate that it takes those recommendations seriously, and that the roundtable is not regarded as a photo opportunity for ministers in need of credibility in youth affairs.

NATIONAL YOUTH WEEK
Motion (by Senator Bartlett) agreed to:
That the Senate notes that:
(a) the week beginning 2 April 2000 is National Youth Week;
(b) the Australian Institute of Health and Welfare has just released a report estimating that more than 116,000 homeless people were turned away from crisis shelters each year due to lack of emergency accommodation, with around one-third of those seeking housing assistance aged between 15 and 25; and
(c) there is a clear and undeniable need for further government funding to be provided to the Supported Accommodation Assistance Program to address the continuing problem of homelessness in Australia.

NOTICES
Postponement
Motion (by Senator Greig)—by leave—agreed to:
That general business notice of motion No. 521 standing in the name of Senator Greig for today, relating to mandatory sentencing laws, be postponed till the next day of sitting.

HEAVY TRUCKS: SPECIFICATIONS
Senator HARRIS (Queensland) (9.47 a.m.)—I seek leave to amend general business notice of motion No. 506 standing in my name for today.
Leave granted.
Senator HARRIS—I ask that the motion be taken as formal.
The PRESIDENT—Is there any objection to the motion, as amended, being taken as formal?
Senator O’BRIEN (Tasmania) (9.48 a.m.)—by leave—We will grant formality on this matter, and we would normally support motions which gather more information for the parliament. In this case, we are not certain that this motion is necessary because of an undertaking by the minister to provide the required document by 19 April. We would be happier if this matter were deferred and dealt with if that does not occur.
Senator HARRIS (Queensland) (9.49 a.m.)—by leave—The purpose of seeking that the report be presented on those days is for it to be publicly available by that time. If I agree to Senator O’Brien’s request, the report will not be tabled until the Senate sits again after a two-week break. So I will be seeking formality.
The PRESIDENT—There is no objection to formality. Senator Harris may move the motion as amended.
Senator HARRIS—I move:
That there be laid on the table or, if the Senate is not sitting, presented under standing order 166, by the Minister representing the Minister for Transport and Regional Services (Senator Macdonald), on or before 18 April 2000, a report of an investigation into specifications of heavy trucks and consequential effects on truck dynamics and drivers.

Question resolved in the affirmative.

COMMITTEES
Appropriations and Staffing Committee Report
The PRESIDENT—I present the 33rd report of the Standing Committee on Appropriations and Staffing.
Ordered that the report be printed.
Public Works Committee
Report

Senator CALVERT (Tasmania) (9.51 a.m.)—On behalf of the Parliamentary Standing Committee on Public Works, I present a report entitled Proposed ABC Sydney Accommodation Project, Ultimo, NSW. I seek leave to incorporate my tabling statement in Hansard.

Leave granted.

The statement read as follows—

Madam President, the report I have just tabled concerns the proposed construction of an office and studio tower on the vacant southern portion of the ABC’s Ultimo site, together with adaptation of the existing radio stations building.

These works will enable the majority of the ABC’s Sydney operation to be collocated at the Ultimo site. The functions remaining at the Gore Hill site are those that are essentially stand-alone—drama production, outside broadcasts, and construction and prop storage.

The accommodation project is estimated to cost $109.5 million.

The Committee has recommended that the project should proceed.

The Committee inspected some parts of the Gore Hill complex prior to the public hearing and arrived at two firm conclusions.

The first conclusion was that parts of the complex were cramped, cluttered and unsafe, making conditions for people working at the site very unsatisfactory.

The second conclusion was that the Gore Hill complex would require major work over a number of years to ensure compliance with current building standards. A similar major overhaul would be needed to enable the efficient utilisation of modern technology.

There is no doubt that improved accommodation is needed for many of the people and functions located at Gore Hill, and there are obviously a number of options on how this accommodation is provided.

The ABC advised the Committee that new digital technology would enable the same source material to be delivered to audiences in a number of ways. This means, for example, that someone who works in News could provide news for radio, television, online and emerging delivery platforms.

The Committee accepts the ABC’s proposition that there are efficiencies and benefits derived from collocating people working on the same product.

The ABC proposes to finance the project by a combination of funds from its forward property capital budget, property related efficiency savings and borrowings.

At the public hearing, a number of witnesses raised concerns relating to this method of financing the proposal.

The Committee questioned the ABC at length on this issue and is satisfied that the project is achievable with no call on existing program budgets or planned capital works funding.

Another issue raised by witnesses at the hearing was the interaction between the proposed building and a pedestrian corridor that may be developed along the eastern boundary of the site.

The railway corridor that may become the pedestrian corridor was shown to the Committee on inspection of the Ultimo site before the hearing. I returned after the hearing for a through examination of current pedestrian routes and the railway corridor.

The inspections did not convince the Committee that the ABC need change the proposed design as advocated by some witnesses.

It will be some time before the pedestrian network is completed and the design of the current entrance to the railway corridor is sufficient for the purposes of the ABC.

It will be some time before the pedestrian corridor may generate the demand needed for the ABC to consider relocating the ABC Shop and cafe from inside the building to alongside the proposed pedestrian corridor.

Two groups of witnesses also raised issues to do with the local environment during construction.

The Committee has recommended that the ABC continue to have discussions with those affected by the construction and consider all options to ensure minimal disruption to the local environment.

The Committee also recommended that the ABC should further develop the possibility of site visits by students of local educational institutions to encourage good relations with neighbours.

Madam President, I commend the report to the Senate.

Senator CALVERT—I would just like to make the point that, in the 11 years that I have been a member of the Public Works Committee, I do not think I have ever seen such office facilities and such a dangerous operation as the office that the ABC currently
resides in at Gore Hill. How anybody could allow the circumstances there to be such a firetrap and such a hazardous place for people to work in is beyond me. So I would just like to make that comment, and I am very pleased to see that the Public Works Committee is recommending that as soon as possible the ABC move its accommodation to Ultimo.

Economics Legislation Committee

Report

Senator CALVERT (Tasmania) (9.52 a.m.)—On behalf of Senator Gibson, I present the report of the Economics Legislation Committee on its examination of annual reports tabled by 31 October 1999.

Ordered that the report be printed.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL (No. 2) 1999

Report of Legal and Constitutional Legislation Committee

Senator CALVERT (Tasmania) (9.53 a.m.)—On behalf of Senator Payne, I present the report of the Legal and Constitutional Legislation Committee on the provisions of the Classification (Publications, Films and Computer Games) Amendment Bill (No. 2) 1999, together with the Hansard record of the committee’s proceedings, submissions and tabled documents.

Ordered that the report be printed.

COMMITTEES

Scrutiny of Bills Committee

Report

Senator COONEY (Victoria) (9.53 a.m.)—I present the report of the Standing Committee on the Scrutiny of Bills on search and entry provisions in Commonwealth legislation, together with the Hansard record of the committee’s proceedings, minutes of proceedings, submissions and documents presented to the committee.

Ordered that the report be printed.

Senator COONEY—by leave—I move:

That the Senate take note of the report.

This is a report whose preparation I enjoyed being part of, and I was very much a part of it. I hope that if the people who were on the committee do not speak this morning they will speak later, because—and I see Senator Mason here—it was very much an amalgam of great minds, at least in so far as the others are concerned. I wish to go through the committee members and thank them. I pay tribute to Senator Winston Crane, who is the Deputy Chairman, and to his advice and wisdom and to his staff. In fact, on this report I have to pay tribute not only to the people who were on the committee but also to their staff and, of course, to the secretariat, which I will come to in a minute. To Senator Crane, Senator Crossin, Senator Ferris, Senator Mason, Senator Murray and all their staff I give thanks, as well as to those in the secretariat: Mr James Warmenhoven, Ms Margaret Lindeman, Mrs Sue Blunden and Mrs Bev Orr. Perhaps I can indicate the work they did by pointing out that, in fact, there has been a number of rewrites of the report and this is the tenth. That indicates the strength of the committee and the diligence and energy with which they went about preparing the report.

What is this report to do with? Perhaps that is best explained by this: there are people in this society who can enter our offices here in Parliament House, can break down the doors of our houses, can take our documents away and keep them, and can go into our business premises, our homes and whatever else. There are people that we, as it were, allow to do that. Clearly, the ones that first come to the mind are the police, but there is also the National Crime Authority. Also there are such people as those from the tax office, who can just walk into premises and ask for documents. Other bodies able to do that include the Australian Quarantine Inspection Service; the Health Insurance Commission, in certain circumstances; the Royal Society for the Prevention of Cruelty to Animals; and auditors, who have rights that are not ones that include breaking down doors but can include coming to inspect your books. So, as you think about it, there is this whole array of people and organisations who can, to varying degrees depending on who they are, break down your doors—although the tax office cannot do that—enter your premises and take your documents away, all without your consent. Of course, if you consent, there is no
problem about it. This is a dimension of modern life.

The bodies that I have mentioned and others as well need to detect crime when it is committed, to gather intelligence for the interdiction of crime and to get evidence to present before a court if they want to pursue a trial. So there are reasons at that level why people might want to come upon your premises. There is also the need to find out whether people have complied with acts that impose a levy or that give people a right to obtain money subject to them being checked upon. In other words, there is a whole variety of reasons why people might want to come upon your premises to monitor whether you have done the right thing and whether you are complying with the law. The tax office can come upon your premises simply to see whether or not you have put in your tax return correctly.

There is a whole array of people who can invade your premises and who can take away your goods—I keep coming back to that. They can take away your papers and, in certain circumstances, they might take papers that you need and keep them for a considerable period of time. I am sure we all remember the adage we grew up with that an Englishman's house is his castle. Whether or not you are an Englishman, as an Australian from any background you should be able to say the same thing. Your home should be your castle. At the same time, we understand that you have to have a society that is properly administered. You have to suppress crime. You have to have the ability to monitor acts and regulations. You have to have the ability to get information. How do you balance that? You balance that by having a set of principles so that, if you licence people or you give people permission to come onto your premises, they have to do it in a proper way. This report sets out, amongst other things, a set of principles that should be addressed by an authority before it invades your space. Particularly in the situation where he, she or it is going to break down your door, there should be a warrant. An obligation should be placed upon the people who are going to carry out the entry to be held responsible if they do it in a way that is not in accordance with the law. This is such a dramatic power to give to authorities that it should be exercised only in strict accordance with the law.

The interesting thing—and this was pointed out by James Warmenhoven—is that these powers are very much the creation of legislators and parliaments. Judges in the history of the law that we follow have emphasised the concept that every person's house is his castle. It is mainly the legislator who has come in and said, 'We've got to administer. We've got to make sure things run right, so we're going to give permission to the police and a whole array of authorities to enable them to get this information and evidence. We're going to give them permission to do that and we're going to put that in a statute.' It is very much a parliamentary matter. But if parliament is going to do that, then there is an obligation on parliament to set out the rules by which that is done. I will quote from the report to give you an idea of what it says in this context. Under the heading 'Principles governing the grant of powers of entry and search by Parliament', it says:

... people have a fundamental right to their dignity, to their privacy, to the integrity of their person, to their reputation, to the security of their residence and any other premises, and to respect as a member of a civil society; no person, group or body should intrude on these rights without good cause ...

The next main heading is ‘Principles governing the choice of people on whom the powers are to be conferred’. You would not want an inexperienced person, a person without maturity, a person of tender years, to be wandering around doing these things.

The orange light has come on and my time has expired. This is a matter that I would like to dilate on further. I am not going to ask for leave to continue my remarks because Senator Mason is going to have something to say, and he might seek leave at the end of his no doubt outstanding speech. (Time expired)

Senator MASON (Queensland) (10.05 a.m.)—I rise to join Senator Cooney in his remarks on the tabling of the report from the Senate Standing Committee on the Scrutiny of Bills on search and entry provisions in Commonwealth legislation. When dealing with the area of search and entry provisions,
the Senate Standing Committee on the Scrutiny of Bills was faced with a dilemma. There are important issues here: the need for effective law enforcement, the need for the effective administration of the law and the need to ensure that citizens are protected from arbitrary and unwarranted interference by the state and its agencies. This report commences by saying, and perhaps this says it all:

At common law, every unauthorised entry onto private property is a trespass.

As Senator Cooney said, every man’s home is his castle.

The modern authority to enter and search premises is essentially a creation of statute. As such, it should always be regarded as an exceptional power, not a power granted as a matter of course, and any statutory provisions which authorise search and entry should conform with a set of principles.

The committee proceeded to develop a series of principles governing: the grant of powers of search and entry by parliament, the authorisation of entry and search, the choice of people on whom that power is to be conferred, the extent of the power granted, the kinds of matters which might attract the grant of that power, the manner in which the power to enter and to search is exercised, the provision of information to occupiers, and principles relating to the behaviour and protection of people carrying out entry and search.

In these principles the committee attempted to encompass what it considered to be the best of the past practice in this area. As Senator Cooney pointed out, considering the very intrusive nature of search and entry, the committee was of the opinion that those principles that I mentioned should apply to both existing search and entry provisions and to any proposed new provisions, should be administered by the Attorney-General’s department and should have statutory force. While there might be exceptional circumstances, in general the committee felt that, for the sake of transparency, any departure from the model and the reasons for departure from the model provisions should be made explicit in the bill and the explanatory memorandum accompanying any bill.

The committee has recommended that the principles governing search and entry in this nation should be enshrined in stand-alone legislation, and that legislation should take as its starting point the search warrant provisions of the Commonwealth Crimes Act 1914. The committee also recommended that the powers available under the Crimes Act to the Australian Federal Police should constitute a high-water mark for such powers generally, and hence powers available to any other agency or person should exceed the powers available to the Australian Federal Police only in very exceptional circumstances. There should be a model provision and that should be detracted from only in exceptional circumstances. The committee recommended that all existing search and entry provisions in legislation and regulations should be reviewed and amended by 1 July 2001 to ensure that they conform with the principles set out by the committee. This point particularly relates to the inconsistencies mentioned in the report in relation to the Australian Taxation Office and ASIO. The committee also recommended that the Commonwealth Ombudsman undertake a regular random sample audit of the exercise by the ATO of its entry and search provisions to ensure that those provisions have been exercised fairly and appropriately. The committee also dealt with matters relating to fairness and the effectiveness of search and entry provisions, including training and review of people exercising those powers.

I would like to join our chairman, Senator Cooney, in thanking the secretariat, whose patience at times I think was tried, and also all the other members of the committee.

Senator MURRAY (Western Australia) (10.10 a.m.)—There are three committees which guard the legislative portals of the Senate: the Regulations and Ordinances Committee, the Selection of Bills Committee and the Scrutiny of Bills Committee. The Selection of Bills Committee and the Scrutiny of Bills Committee are the only committees in the Senate which look at every single bill which comes before the Senate. Whilst the selection of bills by and large can be described as a redistributive mechanism to send bills either straight to the Senate or off to committees, the Scrutiny of Bills Committee is the nearest we have to a committee
which looks at all bills on a non-partisan basis and on the basis of essential principles which should protect both the way in which the Senate looks at bills and the general rights and liberties in the community at large. I do not want to overstate its role, because it certainly does not have the wide brief of attending to legislation on the basis of a charter of rights or a bill of rights, but at least it is a move in that direction and is supported now by a growing band of such committees nationwide.

It is my favourite committee. As senators here probably realise, I am a senator who now has great experience of Senate committees and in fact of joint house committees. It is a committee which attends to matters which are dear to my heart personally. But it also is a committee populated by senators who in the exercise of their duties exhibit what is best about the Senate, and that is the ability of senators to rise above their particular ideology or party position and examine matters pragmatically and practically but always on a bedrock of principle. I think I have been particularly blessed, quite frankly, by the experiences I have had in that committee and by being able to experience the benefits of the wisdom of the senators who sit on it. In that, of course, we are assisted by the good professor who looks after us, Jim Davis, and by the secretariat. I think we are also particularly blessed by the chair, a gentle and sometimes idiosyncratic man but one who nevertheless holds very strong and very good principles in the practice of his duties, and in the deputy chair, Senator Crane, who has a very deep attachment to the ordinary person not being roughed up by the institutions of the state. With regard to this report, I want to particularly thank the secretary, James Warmenhoven, and his immediate offsider, Margaret Lindeman, not just for patience but for a real contribution to the quality of the report.

You would gather from my introduction that I am particularly moved by the report. I am moved on this basis: having probably participated in hundreds of reports now in the nearly four years I have been in the Senate, I think this might be the most important report we have brought down in my time in the Senate. It is certainly one of the most important reports. Why do I say that? I say that because it is an attempt to establish Australia-wide principles about the ways in which our citizens shall be dealt with by the state, be it Commonwealth, state or territory government. It is my hope that this report will be taken up by the other parliamentary jurisdictions in this country and will result in a commonality of approach to what is a very fundamental, intrusive and aggressive power that the state takes for itself through search and entry provisions.

Many of you would know that much of my strong addiction to a human rights agenda comes from my background, particularly from my experiences in southern Africa. If you want to know how search and entry provisions can be perverted, you just need to have a little bit of experience in that part of the world. It is something that is a protection for all of us, from the highest to the lowest. I find that one of the greatest weaknesses of our federation is the fact that Australian citizens and residents of Australia cannot expect common treatment in terms of fundamental rights and obligations in the different jurisdictions of the country. It seems extraordinary to me that there are different ages, different processes and different procedures for fundamental issues which attach to the citizenry. One of those is search and entry. It is an aggressive power and the fact that it is exercised differentially in Australia is not something to be proud of. I hope that the principles that have been laid down will prove to be a great advance for our country.

The effect of these principles will, I think, also be welcomed by the agencies concerned. Frankly, most of the people who came before us impressed me with their desire to be guided by better standards and a better approach to the powers they have. I felt that numbers of them were uncomfortable with having to exercise power which they recognised was capable of being abused in the wrong hands or with the wrong processes. That was not universally so, of course. I got the impression from some of the witnesses that they rather enjoyed the powers they were given. A brief check list of some of the organisations in federal authority which have
these powers includes: the Australian Customs Service; the Australian Federal Police; the Australian National Audit Office; the Australian Quarantine and Inspection Service; the Australian Securities and Investments Commission; the Australian Security Intelligence Organisation; the Australian Taxation Office; the Australian Transaction Reports and Analysis Centre; the Director of Public Prosecutions; the Department of Immigration and Multicultural Affairs, which I think should get a special mention as being appalling in their use of these powers; the Health Insurance Commission; the National Crime Authority, which I feel needs a great deal more restraint; the National Industrial Chemicals Notification and Assessment Scheme; the National Registration Authority; and then the non-government agencies, such as the Royal Society for the Prevention of Cruelty to Animals and the trade union movement.

If the powers of search and entry are so widespread in our society and are replicated in the states and territories, it really is important that our most fundamental area of protection—which is our home, principally, but also our person and our personal business—should have guidelines and principles framing it to assist the state in going about its legitimate statutory duties. So for me, the production of this report, which has had a long and weary gestation, is the Senate acting as a practical guardian of principles which affect Australians. This is not an idealistic report; this is a very practical, workable document, based on the experience of agencies which have employed these powers and based on the development of law and principles as a result of the exercise of their experience. The recommendations in this report are the sorts of recommendations that any government should take up. I do not see that there is much that is controversial here. I think there is a great deal to be applauded.

There are those who should take note of the report. Amongst them are business organisations, directors of public prosecutions, heads of police unions, law departments of universities, the chief justices, the bar associations, the criminal law associations, other law associations and councils, law reform commissions, speakers and presidents of upper and lower houses, attorneys-general, civil liberties organisations and other scrutiny of rights committees. In other words, let’s spread the message, particularly to those of our senators who have responsibility in the portfolios affected by this report. I thank the Chairman of the committee, Senator Cooney, and commend him for an excellent piece of work. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

SUPERANNUATION (ENTITLEMENTS OF SAME SEX COUPLES) BILL 2000

Report of Superannuation and Financial Services Committee

Senator WATSON (Tasmania) (10.15 a.m.)—I present the report of the Select Committee on Superannuation and Financial Services on the provisions of the Superannuation (Entitlements of same sex couples) Bill 2000, together with the Hansard record of the committee’s proceedings and submissions.

Ordered that the report be printed.

Senator WATSON—by leave—I move:

That the Senate take note of the report.

I seek leave to incorporate the tabling statement in Hansard.

Leave granted.

The statement read as follows—

Senate Select Committee on Superannuation and Financial Services

As Chair of the Senate Select Committee on Superannuation and Financial Services, I wish to present our report on the Superannuation (Entitlements of same sex couples) Bill 2000 together with the submissions received and the proof Committee Hansards of the two public hearings held on 3rd and 13th March 2000.

Under our Terms of Reference, the Committee was required to examine the provisions of the Bill. The purpose of the Bill is to amend the Superannuation Industry (Supervision) Act 1993 to remove discrimination against same sex couples in respect of superannuation benefits. The Bill would effectively put same sex relationships on the same basis as heterosexual relationships and therefore the Bill is initiating significant social change. The Bill will:

• repeal the definition of ‘spouse’ in subsection 10 (1) of the SIS Act;
repeal the definition of ‘dependant’ in subsection 10(1) of the SIS Act and substitute the definition so that ‘dependant’ in relation to a person would include ‘the spouse, de facto partner, and any child of the person or of the person’s spouse or de facto partner;’

insert into subsection 10(1) of the SIS Act a definition of ‘de facto partner’ so that in relation to a person, ‘de facto partner’ means ‘a person whether or not of the same gender as the person, lives with the person on a genuine domestic basis as a partner of the person;’

add to subsection 52(2) of the SIS Act a provision to prevent discrimination in relation to a beneficiary ‘on the basis of race, colour, sex, sexual preference, transgender status, marital status, family responsibilities, religion, political opinion or social origin.’


On the whole, we found that there was considerable support for the objectives of the Bill, coupled with significant concern about the existence of discrimination against same sex couples. Nonetheless, the Committee received a small number of submissions in opposition to the Bill. Certainly feelings run high about this Bill and the need for reform to address discrimination in general.

The issues are extremely complex and involve significant ethical issues.

Consequently, the Committee was divided as to its final conclusions and recommendations.

Firstly, all members of the Committee consider that there are a number of shortcomings in the provisions of the Bill which warrant further attention and that without significant amendment to the proposed definitions in the Bill, there could be some serious unintended consequences. For example, the definitions as proposed may cause problems in the areas of annuities and insurance premiums where there currently exists positive discrimination in favour of women. The removal of the word ‘spouse’ may also have ramifications for other legislation recently passed.

However, the majority of the Committee (Labor and Democrat Senators) consider that the resolution of these issues is possible through negotiations with the stakeholders and that these issues should not unnecessarily hinder the passage of the Bill.

Secondly, all Committee members noted that the Bill as drafted exempts Commonwealth public sector and defence force schemes. The Government members of the Committee also note that amending the proposed legislation to remove the exemption of Commonwealth public sector and defence force schemes from the provisions of the Bill will only be achieved at a cost to the Commonwealth.

Thirdly, all Committee members noted that inequities in the taxation treatment of the entitlements of same sex couples to superannuation benefits are not addressed by the Bill, and that the Bill does not address the inequitable treatment of persons of the same sex in relation to social security payment eligibility. As such, amendments to both taxation and social security legislation would be required to remove discrimination in the treatment of same sex couples in respect to superannuation.

Fourthly, all members of the Committee agreed that the legislation should not apply retrospectively, if the Bill were to be passed.

Finally, all members of the Committee accept that many in the community acknowledge the existence of discrimination and are anxious for change and that this Bill is seen as an incremental step in an overall process of change.

Arising out of these differing conclusions, the Committee was therefore unable to agree on all recommendations. The majority of the Committee (Labor and Democrat members) recommend that:

- a maximum period of one month be given for advice to be sought from stakeholders, including the superannuation industry, on how best to draft appropriate amendments to the Bill to avoid the possibility of unintended consequences and that the Bill then be passed;
- the Bill should not apply retrospectively;
- the Government establish a Commonwealth Inter-Departmental Committee, coordinated by the Attorney-General’s Department, to examine the full range of Commonwealth legislation with respect to discrimination on the basis of same sex relationships.

The Government Senators are not in agreement with all of these recommendations.

As noted previously, we agree that the Bill should not apply retrospectively and that the Government should establish a Commonwealth Inter-Departmental Committee, coordinated by the Attorney-General’s Department, to examine the full range of Commonwealth legislation with respect to discrimination.

However, the Government Senators do not believe that this review should be confined to examining
discrimination associated with the superannuation entitlements of same sex couples, but rather such a study should take a more holistic view of removing discrimination in other areas. We believe that such a review should take into account the likely impact on traditional families and traditional values. We do not consider that superannuation should be the ‘lead vehicle’ for the implementation of the significant social change envisaged in this Bill.

Consequently, we do not agree that the Bill as currently drafted should be passed because of its limitations and the need to consider this area of reform in a holistic way.

The Committee also notes that the Australian Democrats in addition to supporting the Labor Senators’ recommendations, have included some further comments in the Committee’s report.

Before concluding my remarks, I would like to thank my colleagues Senators Allison, Chapman, Conroy, Hogg, Lightfoot and Sherry for the cooperative and diligent approach which they have brought to the inquiry.

I would also like to thank the Secretariat for their work—Sue Morton, Robyn Hardy, Celia Tancred and Saxon Patience.

Lastly, I would like to thank each and every witness who came before the Committee and those individuals and organisations who contributed to the inquiry through attendance at the hearings, providing submissions and by way of correspondence and e-mails.

I commend our report to the Chamber.

Senator GREIG (Western Australia) (10.21 a.m.)—From the outset, I declare an interest in this committee report, being a gay man, a superannuant and somebody who has been in a long-term relationship. Having said that, I wonder how many heterosexual couples feel compelled to make that preamble when they speak on superannuation in the general sense. This issue is of burning interest to many people, not only to lesbian and gay couples. It goes to the very core of much of the discrimination which same sex couples experience, and it was that which the committee was investigating. In particular, it was looking at superannuation.

As I said in my first speech, when I was new to the chamber, this is a particular sore point for many in the lesbian and gay community on the basis that payment of superannuation is, for the most part, compulsory—that is, as working citizens we are compelled to comply with superannuation laws and to contribute. Yet having been compelled to contribute our personal funds to superannuation companies or through the Commonwealth, we find that we are then directly and unashamedly discriminated against in terms of those payouts in relation to death benefits. So you have, for example, the scenario with a same sex couple where, no matter how long they have been together, whether it was two years or 25 years, if one partner should die and he or she is a superannuant, the surviving partner is not eligible to receive that superannuation money as a death benefit. I really find that appalling. I cannot understand how anybody can argue in any way that there is some validity in or justification for that.

We heard through much of the committee process looking into this particular bill, which originated in the House of Representatives, from those opponents of the bill. I do note that there were only four, possibly five, out of a total of some 1,200 submissions, who were strongly opposed to the bill. They were the usual suspects and presented the standard arguments based not on reason but, frankly, on homophobia, religious intolerance and bigotry. Indeed, I have heard American commentators talk recently of the need to remove the word ‘homophobia’ from the language and replace it with ‘homo-hatred’ on the basis that it is more accurate.

We have heard very often that it is essential to deny gay and lesbian people their human rights, including their human and civil rights to superannuation, because that somehow strengthens the family unit. It is beyond my comprehension how families can be strengthened by beating up on gay and lesbian people, whether it is administratively, financially or through direct discrimination. However, in noting that, I read through the conclusions of the committee that, in essence, the majority of the committee is supportive of the bill. Conclusion 6.1, for example, makes the bold statement that the committee
concludes in the majority report—although I note that the government senators produced a minority report—that ‘discrimination against same sex couples can no longer be tolerated’. Hear, hear, I say; but if it is to be the case that we are no longer going to tolerate discrimination against same sex couples, then we need to do something about it.

There have been numerous attempts through the parliament, including through the Senate, to redress this issue, the most comprehensive of course being the Senate Legal and Constitutional References Committee inquiry into the Spender bill, the Sexuality Discrimination Bill. I know, Mr Acting Deputy President McKiernan, that you will recall that committee. I think it was in fact the first time we really met, when you were in Perth chairing that committee. I was there discreetly and confidently giving evidence, only to find that I was on the front page of the West Australian the following day, having been accused of outing members of the Court government, which I had not done. That is neither here nor there. As I said, that was the nation’s first and most comprehensive investigation into sexuality discrimination. The committee’s report is rich with information which, as you will recall, dealt with the topic of superannuation. So to some extent I am quite exasperated by the fact that here we are once more looking into the issue of same sex couples, and in this case superannuation, coming up with a range of conclusions which are unnecessarily hazy.

Mr Acting Deputy President, when I was at a national conference of the Democrats party some months ago, there were a number of corporate businesspeople and lobbyists there and a large number of them came up to me and wanted to speak about the issue of superannuation. I pointed out to them that I was not the Democrats spokesperson on superannuation and they said, ‘Yes, but we particularly want to talk to you about the way in which it discriminates against same sex couples, and in this case superannuation, and coming up with a range of conclusions which are unnecessarily hazy.

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I note also that the bill, although it originated in the House of Representatives, does not expand to include Commonwealth employees. So there is this flaw in the bill in as much as the vast majority of working people, those in the civil service, would not be covered or protected by this. I understand the technical and constitutional reason for that. Without knowing the full and proper wording for this, I understand that technically the bill could not extend itself to the Commonwealth. But I believe that can be addressed. When that was explored by the committee I understand that the committee indicated that there would perhaps be some technical difficulty in doing that anyway if we were to go down the path of properly recognising same sex couples for the purposes of superannuation. I totally reject that, Mr Acting Deputy President. I do not see that there is any great difficulty with this at all.

I think it comes back to the key argument that what really needs to be amended here is the Commonwealth’s superannuation act. Quite simply, it means we need to address the definitions of spouses and partners that exist
in the act. That is the fundamental problem at its heart. ‘Spouse’ is defined to mean opposite sex partners, as is marriage, understandably; but the general term ‘partner’ is specifically deemed to be opposite sex partners only. There have been some test cases, if you like, to try and test these definitions, the most celebrated one being that of Mr Brown in Melbourne who argued that, under the definitions of the superannuation clause, he was living in a marriage-like relationship, although not legally married. The tribunal in that case found that that was not an adequate coverage or adequate protection, therefore he was denied the right to a death benefit through superannuation from the loss of his then partner of several years. It was a tragic case but is not the only one by any means.

I recall clearly that in I think it was the 1996 campaign, the one in which Prime Minister Howard was ultimately and initially successful, there was a television debate on Channel 9 which Ray Martin chaired. There was a period where there was a range of questions fired backwards and forwards to both then Prime Minister Keating and opposition leader, Mr Howard. One of the questions which Mr Ray Martin threw in was, ‘Do you support the notion of gay marriage?’ It was interesting to watch what followed from that, because both men fell over themselves in terms of their hypocrisy, both claiming very strongly, ‘No, we do not support the notion of gay marriage,’ an agenda, I should add, that has never been advocated by the gay and lesbian community. It was a Ray Martin agenda. But to follow up, both men said that while they did not support the notion of gay marriage, at the same time they did not support discrimination against gay and lesbian people. In truth, we cannot end discrimination against gay and lesbian people until we address the discrimination that exists with gay and lesbian people in terms of their relationships. Superannuation is just one part of it. There is so much more work to be done, whether it is in relocation expenses, discrimination in the ADF or the police forces and a wider range of discriminatory practices that exist in the Commonwealth. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

APPROPRIATION BILL (No. 3) 1999-2000
APPROPRIATION BILL (No. 4) 1999-2000
Second Reading
Debate resumed from 5 April, on motion by Senator Ian Campbell:
That these bills be now read a second time.

Senator GIBBS (Queensland) (10.31 a.m.)—Yesterday I was talking about the fringe benefits tax and the impact it has on service personnel, and what a serious problem this was, and also the conflicting advice that the shadow minister, Mr Laurie Ferguson, had received from Senator Newman and Mr Scott. I ended up by saying that it is quite surprising that these two ministers do not seem to communicate with each other. The government has tried to clean up this mess by arguing that the fringe benefits reporting exemption is unrelated to the issue of child support liabilities. This claim is totally refuted by the government’s media release of 19 August, which specifically referred to child support liabilities. Furthermore, on the following day, 20 August 1999, the Chief of the Defence Force, Admiral Barrie, issued a separate media release welcoming the government’s announcement of the previous day. His release included this statement:

The decision to exempt housing assistance will address the primary concerns of ADF families about the effect on take home pay due to loss of Government benefits and increased payments such as child support.

To any fair-minded person, reading these two media releases would have given defence personnel the impression that the value of their subsidised housing would not be considered in determining any child support liability. Seven months later we are fed the preposterous proposition that the two issues are totally unrelated. This whole situation is obviously a total debacle. I really think the two ministers should get together and sort out what the actual advice is. I totally agree with the shadow minister when he said:

The Prime Minister must clarify without delay whether housing assistance to Defence personnel has really been ‘totally exempted’—or whether their take home pay will continue to suffer due to
loss of Government benefits and increased payments such as child support.

To this date, neither Minister Scott nor Minister Moore has seen fit to respond to the opposition’s latest revelations. This has done nothing to clarify the position of our serving men and women in the Defence Force.

There are areas other than housing that will be hit by the FBT. They include things such as the living away from home allowance, travel entitlement, remote locality allowance, reunion travel, spouse emergency travel and other small but important benefits defence force personnel receive. The government seems to have washed its hands of the issue after saying housing would be exempt. Unfortunately, the government does not recognise that these other benefits help to compensate for the impact of defence force life. These other benefits help compensate for the frequent transfers, the frequent changing of schools for children and other major impacts on family life. It really is time the government sorts out this terrible mess, which is having a negative impact on the morale of the Australian Defence Force. Like on so many other issues, the government is too stubborn to admit that it has made a mistake in this area. The government has shown it has little understanding of issues affecting personnel in the defence forces.

The government’s continual dithering on this issue has meant we are in danger of losing many of our trained defence force personnel. Just last week, the Australian National Audit Office released a performance audit detailing the retention of military personnel in the Australian Defence Force. As part of the audit, the Audit Office interviewed 236 Australian Defence Force members about issues relating to personnel retention. One of the issues that those defence personnel identified as affecting retention was housing. In general, the personnel interviewed said that in recent times there had been a considerable improvement in the housing situation. But, while the soldiers themselves have been finding an improvement in the housing situation recently, the government has been punishing them financially, reducing their access to various benefits. Retaining our defence force personnel is a very important issue. The people who risk their lives to defend this country are one of our most valuable assets. We should not underestimate the crucial national role performed by the service personnel across this country. Not only are they there to defend us in times of war; they are also there to play important humanitarian and antiterrorist roles and to evacuate Australian citizens from anywhere in the world at a moment’s notice.

The Audit Office realises this. The report recommended that action be taken towards assessing personnel replacement costs to help guide decisions on resources to be applied to career management and personnel retention, establishing a management framework that details retention policies and assigns responsibility for personnel retention, promoting the services and assistance available to Australian Defence Force members and their families, evaluating the cost effectiveness of quality of life measures designed to avoid separations from the Australian Defence Force, developing a system for gaining a good understanding of the factors that motivate members to remain in the Australian Defence Force and making recruitment more effective in gaining long-term members of the Australian Defence Force and in retaining recruits for cost-effective periods.

All of those recommendations are quite sensible. I hope they can in time be fully adopted. But I would like to point out in particular the third and fourth recommendations. Those recommendations related specifically to promoting the services and assistance available to personnel and their families and evaluating the cost-effectiveness of measures designed to retain personnel. I have been told by numerous defence force personnel that these changes to the fringe benefits tax are going to make it even harder for them to stay in the Defence Force. I wonder whether the government has any idea that these people have valuable skills outside of the Defence Force. Does the government have any idea that a lot of these personnel can earn higher wages outside of the forces? Certainly these changes seem to indicate that the government has absolutely no concept of these issues.

Despite the contradictions raised by the shadow minister, we have heard nothing on
this issue from either Mr Moore or Mr Scott, as I said before. Maybe they think the issue has gone away. It has not. The sooner this situation is sorted out, the better it will be for everybody.

Senator Ludwig (Queensland) (10.40 a.m.)—I rise to speak to Appropriation Bill (No. 3) 1999-2000 and Appropriation Bill (No. 4) 1999-2000. I wish to speak about the abandonment of regional, rural and remote communities in Queensland. This government has withdrawn services, and it has not stopped there. Not only has it continued to withdraw its services, but it has failed to provide adequate infrastructure. The government has not taken a proactive role and stepped in where it needs to.

This government has set about to systematically dismantle government services to rural and regional Queensland. It has underpinned this withdrawal of services with policies that promote business to follow suit. It does not nurture business, nor is it sensitive to the needs of the rural communities. Instead, it plays politics with the sale of assets. In my travels around Queensland to places like St George, Emerald, Roma, Monto, Charleville and others too numerous to mention—I guess I will be in trouble for not mentioning all of the places I have travelled to and lived in, in regional and rural Queensland—it is clear to me that the policies the government has adopted are underpinning the shift from rural to urban areas. The attitude this government has demonstrated by not supporting rural and regional Queensland will only exacerbate the current service differential.

People in these communities are not unrealistic. They understand only too well that there are benefits in living in urban populations. They understand only too well that there is, and always will be in some respects, a different lifestyle and different expectations. But what they are dismayed at and complain about—in a fair tone, I must say—is that there seems to be a great gulf developing between the urban populations and the rural and regional community. The situation is at the point where it is being demonstrated very noisily that the advantages of living in rural and regional Queensland—particularly in the great places that do exist in Queensland—are becoming fewer and fewer. People are contemplating shifts from the rural to the regional areas, and even to the urban areas.

People in these communities do not expect the government to step in at all times. They are realistic about what governments can do. They are dismayed that this government is not prepared to listen carefully to their concerns and to act proactively to address them. People in these communities make it clear to me that the growth in urban Queensland should not be at their expense; that they should receive some benefits of that growth. It seems clear now that this will not occur either in the short-term or the long-term whilst this government continues with the policies it promotes. The non-interventionist policies of this government are causing hardship. The government is allowing services in rural Queensland to be run down. But the communities in rural Queensland are not blind. They understand only too well that if some of these service were made available it would vastly improve their lifestyle and, more importantly, their ability to engage in businesses in competitive and innovative ways.

Many businesses in rural communities could compete more effectively if the lack of services were positively addressed, rather than the government hoping there will be a trickle-down effect which will supposedly lift up regional and rural Queensland. These policies are not working. A recognition that these policies are not working is what is called for by this government. The government should intervene with positive policies to address the lack of services that is out there.

It is not a case of hoping that the trickle-down effect will spread out so that the urban sprawl will then continue out into regional and rural Queensland. People out there are realistic. They understand that will not happen. They were told it would happen, and that is what they find very disappointing. They were told that the trickle-down effect would spread not necessarily the urban sprawl out to regional and rural Queensland—they quite accept that—but they un-
derstood there would be spin-offs that might allow their businesses to grow and be competitive, and that is just not happening. The programs that have been talked about are mere puffery. Obviously rural and regional Queensland want to share in such economic benefits as improved education, training, access to universities, improved health services, telecommunications and the delivery of online services. It is not a case of saying that the gulf is too wide, that it should not even be attempted to be bridged. They are listening for an indication that this government is sensitive to their concerns and their needs. They are not saying, ‘Come out with a bucket of money and put it into regional and rural Queensland.’ They understand only too well that that is not about to happen. What they expect to hear from this government is, ‘We will target our policies; we will assist in programs that will reach out and try to bridge some of the gulf that divides.’ They also understand that the urban population has to address regional Queensland in a decentralised and proactive way. They also understand that the urban areas require addressing. They understand that. They come to the cities and understand what is going on and that governments have to deal with urban populations. But they say, ‘Also, while you are dealing with those, understand that we have concerns as well.’

A Senate committee produced a report, *Riding the waves of change*. It recognised that rural communities were being subjected to a variety of impacts which were not only economic but social as well. The impacts of national competition policy, general micro-economic reform and the effects of globalisation are taking their toll in regional and rural Queensland. They are eroding the social cohesion of some communities. The social costs and benefits that arise are being devalued by economic objectives such as productivity and efficiency. This government needs to urgently address the matters raised in that report, among other matters I have spoken about this morning—issues such as ensuring that the national competition policy agenda is oversighted and that this government is taking an interest in the impact of national competition policy on areas such as employment and the lack of training being provided in regional and rural Queensland.

Employees are too easily overlooked. But if you do not have motivated, skilled employees living in and wanting to work in regional Queensland, the greatest businesses in the world will not thrive and flourish. The spark for new ideas to be spawned out in regional and rural Queensland will not be found; nor will there be the motivation for employees to provide the multiplier effect and create vibrant businesses. Employees who are retrenched by councils because of the lack of support by federal government—because NCP is driving outcomes—will depart from those regions. Then incomes are lost from communities; families are taken from regional and rural Queensland. They say, ‘If we can’t find long-term employment in these regions, we are better off moving to urban places to find employment or at least to benefit from some of the services that urban communities can provide.’ It has a knock-on effect. If a council retrenches employees, if businesses find it is easier not to employ new staff, not to encourage skills or provide training for new staff, you then have a knock-on effect, as I have just said. What happens is that no-one goes into the child-care centres, no-one goes into the schools. The local hospitals when they do their numbers find they are limited in the services they can provide. The community suffers. It can suffer more dramatically because, where you have small communities—around 5,000 is bandied about as a nice number, or even where you have fewer than that—as soon as you take even one family out of that community, you have a knock-on effect in the whole community. You then end up with a slow slide. The community knows that and feels that and there is a depressed feeling. It is certainly not a vibrant feeling you get when you go out and talk to these people. But they do understand.

The shadow minister for regional development, infrastructure, transport and regional services recently cited an initiative in a recent report which would see the return of some of these services to regional Australia. When you talk to people in regional Australia, they say, ‘Well, why not? Some of these initiatives
might just provide that spark.’ It would have the effect of putting services and government jobs into regional Australia. But the report did not even hit the deck. The shadow minister reported to the other chamber, but it was dismissed overnight. It did not even manage to find favour anywhere, not even with the government or the National Party. Instead, to date, we get six regional transaction centres—one in Queensland and a couple on the drawing board to replace the loss of services occurring in those areas. Wouldn’t it be better to empower these regions? This government has lost the trust of regional Queensland, and time is running out for this government, as the report from the House of Representatives Standing Committee on Primary Industries and Regional Services states quite clearly. The report is aptly named, I think—Time is running out. This report only serves to highlight the fundamental mismanagement of the programs for revitalising regional Queensland. In fact, what this government is doing—which will harm regional Queensland—is introducing a goods and services tax. But all we get is rhetoric.

Senator Macdonald mentioned his interest in Northern Australia and even mentioned large infrastructure projects that I note he has raised in a number of press releases that he has put out. One of his press releases lists a minefield of extensive projects—the Burdekin Dam extension; the Bradfield scheme; the Tully Millstream electricity project; the PNG to Brisbane natural gas pipeline; a gas pipeline from the Timor Sea to the east coast; the Outback Highway from Winton to Laverton; a northern development road from Cairns around the Gulf of Carpentaria and the Top End and on to Darwin; the completion of the Darwin to Alice railway; the Melbourne to Darwin railway through inland New South Wales and Queensland; a road from Alice to Broome; alternative energy projects in the north-west of Western Australia, which is obviously over the other side of Australia; and the Ord River scheme, which too is outside of Queensland.

Senator Mackay—It’s a bridge too far.

Senator LUDWIG—It certainly is. What we find is that Senator Macdonald puts all of these projects out there and says, ‘Well, they’re out there.’ But that is where they are. Where is this government saying, ‘These are the initiatives that we are going to then look at; these are the ones that we are going to address; this is the program we are going to put in place’? Where is the strategic plan of this government to address some of these issues, to prioritise them, to say, ‘Let’s look at the ones that will make the most difference, that will give the area a competitive advantage, that will help rural, regional and other areas of Queensland’? Where is the forward thinking minister on these issues? Nowhere. All we can find are press releases about what is out there.

What is clear is that some of those projects are worthy of consideration. In addition, if Senator Ian Macdonald went out there and started to talk to people in Queensland and in other states, I suspect the same might occur and he might find others that are worthy of mention. It is not a case of just simply spraying around and saying, ‘I’ll listen to all of them. I’ll write them in a press release, and I will shoot it out.’ What we really need to hear about is a strategic plan that is put down, looked at and considered. This government should play a proactive role and not just simply say, ‘I’ll put out a press release, and I will put them in print and maybe I will get a bit of a glad feeling about it all.’

In my view, there is no doubt that the minister should get serious about these things. Instead, what we sometimes get is the minister coming out with a manual aimed at promoting recreational activities for Brisbane’s older adults, which was the case in a recent press release the minister put out. I can understand that it is very important for the Brisbane City Council to deal with Brisbane’s older adults; it is certainly very important for them to talk about promoting recreational activities. These are of great importance to them. What regional and rural Queensland want to hear are his views on, or his step-by-step guide about, how his government can help regional and rural Queensland. No doubt we will get—and we should get—a step-by-step manual on business opportunities in regional Queensland and a step-by-step guide on employment and training opportunities and other matters that
people in regional and rural Queensland are crying out for to be addressed by this minister. It is certainly a matter that should be considered, dealt with and put high on the government’s agenda. I await with extraordinary interest for that to occur.

We find in the House of Representatives Standing Committee on Primary Industries and Regional Services report *Time running out: shaping regional Australia’s future* that people are concerned about telecommunications. When I travel around regional and rural Queensland—I guess you would call it a complaint, although sometimes that would be putting it at too high a level—I find that people are concerned about the lack of mobile coverage. They are concerned about the basic telephone service. They understand that they are in regional and rural Queensland, but what they are looking forward to is positive action from this government on how it is going to address their needs. If they do not have reasonable access, if they do not have proper service, then the lack of these services will be telling in their business ventures. Businesses will go unrealised and opportunities and employment, as a consequence, will go unrealised. The report that I mentioned earlier says:

> To date, the high capital costs associated with rolling out telecommunication services to regional Australia have generally deterred investment in infrastructure beyond that required to fulfil the universal service obligation.

It is commonly called the USO. To continue:

> The USO is the telecommunications safety net for basic telephony and advanced telecommunications (ie access to a particular level of bandwidth).

They understand what this report is telling them: that there is generally deterred investment in infrastructure beyond that required to fulfil the universal service obligation. And even then they worry that they are going to get the USO.

The report deals with information technology at chapter 6, ‘Developing regional competitive advantage’. This refers to the matters I spoke about earlier. In short, where you can have information technology being developed in regional areas then they can gain a competitive advantage. There are some very bright people in regional and rural Queensland who like the lifestyle, who understand that the lifestyle is important but who also want to contribute to the growth and investment in Australia. They want to contribute positively. They want to create a business environment that can nurture and employ people in regional Queensland and that allows regional Queensland to participate in the growth that Australia enjoys in some of its urban areas.

On that point I will conclude—although it is a point I will come back to at other opportunities to discuss this very important report of the House of Representatives Standing Committee on Primary Industries and Regional Services and the ability of this government to address the recommendations. I call on the minister, Ian Macdonald, to take the bull by its horns and to start looking at some of these issues in a proactive way and to say, ‘It is not enough to simply mouth off about these matters in press releases; it is important to sit down and progress them in order’—a chronology of some of the matters in the projects I have covered today is worth looking at—and not simply spray about them, but go forward and actually look at a strategic plan—a proper look at what needs to be done to address some of the shortfalls—and be proactive about it, because that is what Labor will do.

**Senator ELLISON** (Western Australia—Special Minister of State) (10.59 a.m.)—There have been a number of issues raised by senators in dealing with these bills. There is one point that I do think needs addressing, and that is the point made by Senator Carr in relation to Greenwich University. Senator Carr knows full well that there is an inquiry pending in relation to this university.

**Senator Carr**—Because of the incompetence of Senator Macdonald

**Senator ELLISON**—Quite unfairly, and incorrectly, Senator Carr accused Senator Macdonald of incompetence in relation to this matter. Senator Macdonald is the Minister for Regional Services, Territories and Local Government. What Senator Carr was dealing with was the question of maintaining standards in education. That has nothing to do with Senator Macdonald’s portfolio. Senator Macdonald has handled this in the most appropriate manner. The establishment
The government is considering this issue in an entirely appropriate manner. I think Senator Carr does a disservice to the tertiary education sector by saying that Greenwich University is an example of the lack of standards in this country in relation to tertiary education. It is not. The tertiary education sector in Australia is one that is respected worldwide; so much so that we have people coming to this country to study. The situation is that we have an education system that we can be proud of.

Senator Carr also said that it was possible to use the term ‘university’ without any sanction or check. I need to advise the Senate that all states and mainland territories of Australia protect the use of the term ‘university’ in legislation regulating the use of business names. In addition to this level of protection, four states have specific education legislation that protects the use of the term directly. I refer to New South Wales, Queensland, Tasmania and Victoria. These states, plus the Northern Territory and South Australia, also regulate the offering of higher education awards. The Australian Capital Territory and Western Australia regulate the establishment and operation of universities solely by policy.

Arrangements are now in place in all jurisdictions for the corporate affairs agencies responsible for the approval of business names to seek advice from the relevant education and accreditation agency before approving a business name that includes the title ‘university’. The national protocols for higher education approval processes, which were agreed last week by the Ministerial Council on Education, Employment, Training and Youth Affairs, specify that all jurisdictions should provide legislative and administrative protection for the title ‘university’. The protocols specified that the relevant higher education authority should undertake an investigation of the educational credentials of an applicant before providing advice on the use of the title ‘university’ in a business or corporate name. That council also agreed that Dr Kemp, the federal minister for education, as chair of MCEETYA, would write to the chair of the Ministerial Council for Corporations, confirming the importance of controlling the use of the title in business names and continuing the cooperation of corporate affairs officers in consulting with the relevant education agency before approving use of the title.

I add that trade practices legislation also protects against misleading and deceptive conduct. The national protocols that I have mentioned and the new Australian Universities Quality Agency will strengthen the protection of Australian higher education and enhance its reputation internationally. That totally refutes the assertion by Senator Carr that there is no regulation and no assurance of quality in this area. The government has acted, with other state and territory governments, to ensure that you just cannot use the term ‘university’. In fact, I think Senator Carr said that there was somebody who was using the term and operating out of a ‘grog’ shop, or some shop somewhere. I can say to the Senate that what I have outlined here is protection and assurance in relation to the highly regarded reputation of Australia’s education sector. Senator Carr’s comments on this subject have been quite wrong and, in fact, are scare tactics. They do no service to the education sector in this country. Apart from that, I thank other senators for their contributions, and I commend these bills to the Senate.

Question resolved in the affirmative.

Bills read a second time.

In Committee

APPROPRIATION BILL (No.3) 1999-2000

The bill.

Senator MACKAY (Tasmania) (11.07 a.m.)—I move:
(1) That the House of Representatives be requested to make the following amendment:

Schedule, page 72, increase the vote for Departmental Outputs for the Department of Transport and Regional Services by $0.15 million as follows:

(a) Policy Advice and Ministerial Services
(Output Group 1.1)
$0.05 million;

(b) Services for Regional, Rural and Remote Communities, including State-Equivalent Services to the Commonwealth’s Non-Self-Governing Territories
(Output Group 3.1)
$0.1 million.

In moving this amendment, I wish to make a couple of preliminary comments. It is the view of the opposition that, on the basis of the limited information we have been able to glean at estimates—on the basis of the limited information that is provided by the minister and the department in relation to estimates—this part of the department is clearly insufficiently resourced. I point to the lack of timeliness, as many other senators have done, with regard to questions on notice from this department.

The minister himself has indicated to us in estimates continually—and I will quote from the estimates of Monday, 7 February—that he is not keen for questions to go on notice, that he is very keen for questions to be asked at the estimates and to be responded to at the estimates, and that he is not keen to take questions on notice because of the huge amount of time required within the department to answer them. If that is this case, we believe that this section of the department clearly requires additional resources. In tandem with that, the level of response the opposition have had in estimates would indicate a significant and severe underresourcing in this section of the department.

Everybody is aware that the Senate is here to approve the appropriations bills. To do that, the government needs to be accountable in relation to appropriations. Normally the way this is done is through estimates, which are effectively the committee stage of appropriations. Normally the opposition would seek to have questions answered there, and normally the response would be sufficiently adequate for us to not have to take this sort of step. This has not been the case, consistently, with regard to estimates in this portfolio, and particularly in the portfolio directly related to Senator Macdonald, who I notice is not here. I assume he is on his way. This has led the opposition to use this committee stage to seek answers to questions which have not been adequately answered in estimates by the minister.

Senator Faulkner—We have no alternative.

Senator MACKAY—As Senator Faulkner said, we have no alternative. I would like to indicate at this point that both the minister and the chair of this committee, Senator Crane, have invited the opposition to do this exact thing on many occasions. To paraphrase Senator Crane and Senator Macdonald, ‘If you are not satisfied with the responses you get here in estimates, then you can always go somewhere else—you can always take this matter to the chamber.’ That is precisely what we are doing.

The opposition have a series of issues and questions that relate to the area which we are seeking to amend, and I will go immediately to those. I ask the minister at the table—whilst we are waiting for Senator Macdonald, who no doubt is hotfooting it down here—to be accountable, given he himself extended the invitation for precisely this activity. The question I wish to ask initially is: with regard to the Prime Minister’s statement at Nyngan on regional services and his so-called ‘red light flashing’ comment, can the minister please outline what precise commitments the Prime Minister gave when he made that speech at Nyngan?

Senator ELLISON (Western Australia—Special Minister of State) (11.11 a.m.)—I say at the outset that the compact was agreed to between the Senate and the other place back in 1965 and has had many revisions since. I think we affirmed as late as last year that appropriation bills dealing with the annual ordinary services of government would not be amended in the Senate and, if an amendment were sought in this way, the whole bill would be sent back.
Senator Faulkner—It hasn’t been amended yet. It’s a load of nonsense anyway.

Senator Ellison—Senator Faulkner can say the compact is a lot of nonsense—I dare say he does not have any respect for it. The fact is that, if you purport to amend one part of it, you should be seeking to send the whole bill back. That is the advice I have, and I think the opposition should be careful when considering this whole matter.

In relation to the question of estimates, the rural, regional and transport committee in the last series of estimates, looking back to June last year, met over two days for almost 36 hours. It then met in December for another two days for more than 13 hours and, in February this year, for another two days for more than 20 hours of hearings. In the space of less than a year, the situation is that a Senate estimates committee sat over a period of six days, with a total hearing time of more than 79 hours. The comments made by Senator Mackay cannot go unchecked because there is an imputation that there has not been a satisfactory process in relation to estimates. These comments do need to be addressed, and they need to be addressed in the Senate, because Senator Mackay is saying that the department and the minister concerned have not been cooperative in relation to the committee’s inquiry.

Pointing to the facts of the situation, this committee sat for six days and for more than 79 hours. That needs to be said before this debate goes any further because these amendments being proposed by the opposition come as a result of its dissatisfaction with previous estimate hearings, and that is what it is—nothing more or nothing less. There is nothing of any substance in relation to these amendments. All we have from the opposition as the reason for this figure is that there is some administrative resource needed to assist the department in answering questions, yet there is nothing to back this up. I have just pointed to the facts of these hearings.

Senator Faulkner—Answer the question. You can’t answer the question.

Senator Ellison—Senator Faulkner does not want to hear this because he knows that what we have here is a situation where the minister and the department have complied with the requests of the committee. The opposition do not want to hear the facts and they do not want people to know that this particular committee had, I think, the second greatest aggregate of hours of estimates hearings. They do not want that to get out. They are willing to criticise the department and the minister, but they do not want to hear the facts of the hearings which took place. Senator Mackay raised a question in relation to the Prime Minister, and I will take that on notice.

Senator Robert Ray (Victoria) (11.15 a.m.)—Just briefly in response to what the minister has had to say: the minister is saying that the opposition are moving amendments in some ways in retribution for the failure of the minister to answer questions at estimates. That is absolutely right.

We should go back a little in history and understand how this particular system has evolved. A lot of people on both sides of this chamber found it very unsatisfactory to hold, if you like, the supplementary estimates committee hearings in the chamber as a committee of the whole, and we in fact developed, by negotiation between government and opposition, a new system. The previous system would have meant you, Senator Ellison, as Special Minister of State, in the supplementary hearings would have been stuck in this chamber with a maximum of nine advisers squeezed into the box to assist you in that supplementary round. It was not satisfactory for you because it was very difficult in certain areas for you to answer questions, especially in a representational role rather than in your direct role. It was extremely difficult and it meant long gaps in the committee’s proceedings while the minister went over to the adviser’s box to get an answer. So what was devised was basically two rounds in the one estimates process: the main round, be it either budget or additional, and a supplementary round where a minister would have available to them immediately advisers who could answer questions. That was the first leg of the reforms.
composition of estimates committee and who would chair them. This goes back to events in 1994 when the then opposition, thinking they would never be in government, made a run for all the committee chairs. That was not deemed to be viable. Therefore, the committee chairs and the committee structure were changed and there was, if you like, a power sharing—I prefer to call it a monetary sharing—amongst committee chairs. Having done that, which I think was sensible—and I think the more sensible elements of the coalition realised that they may be in government one day—certain compromises were reached. One of the key compromises that I pushed—and I think certain elements of the coalition endorsed—was that you could not let the estimates process fall into the hands of an opposition. I think that was fair enough. It should have some government control as to the chairing, the rulings, the timings, et cetera. That was part of the balance that we have. The pay-off, if you like, was that the references committee would be controlled by the opposition. Sometimes that causes problems, but on balance we have got it right.

We considered at that time—I stress: at that time—what would happen if a government misused its numbers on an estimates committee. What if the vote in a private meeting is three all and the government has the casting vote? What would happen then? Could an estimates committee just close down consideration at the drop of a hat? We then discussed the one reserve power available to oppositions—to bring that debate back into the committee of the whole, as the opposition have today. We have been in opposition for four years. We have never done this before. I hope we never have to do it again, because it is unusual. The Greens (WA) did this, I think in 1996 or 1997. As you will recall, Minister, we gave them very little support in that process.

The situation at the moment is that we have eight estimates committees in which ministers appear. You cannot say that the ministerial track record at estimates committees is ideal. You cannot say that of this coalition government and you cannot say it of the previous Labor government. But why is it that, in at least seven of the committees, ministers try to do the job, try to get through the estimates process as best they can? Why is it that Senator Ellison turns up to the DoFA estimates and sits there for hours trying to assist the committee? Sure on occasions he dissembles, sure on occasion he blocks lines of inquiry, but he does not vandalise the process. He accepts that that is part of his role. We accept that on occasion he will dissemble or that he will block a line of inquiry—we are in adversarial politics—but he takes his duties seriously. So does Senator Hill, and I could name several other senators. But in the case of rural and regional we have an arrogant minister who just shows total contempt for the procedure, who refuses to answer legitimate questions, who is constantly abusive and who is not part of the process. I think he is too scared to engage in the process, and he uses all these mechanisms available to him to avoid scrutiny.

It is up to the Leader of the Government to intervene and change that process, or he will find these sorts of techniques used. I repeat: we are not about vandalising the Senate system. We have hardly moved any censure motions in this chamber. We have not contemplated disruption of the program because a private members bill has not been considered in the House of Representatives. We are not into the technique of gagging ministers because they fail to respond to returns to order. We are not into that sort of procedural vandalism, and I do not regard what we are doing today as that. But we must have some means available to us to bring a recalcitrant minister back into line.

He is not doing his own reputation any good by his attitude in estimates. Taking that particular estimates committee, which I have actually sat in on a couple of occasions, I could not believe the attitude of the minister. Even if you dismiss his attitude as a matter of principle, pragmatically it is not doing him any good at all. Senator Ellison comes in today and says he does not approve of the process. Do something about it, Senator Ellison: talk to your colleague about behaving a little better at estimates committee. No-one expects him to be a toady. No-one expects him to answer openly and freely every question that we direct towards him. We understand
we are in adversarial politics where you do not give a sucker an even break, but do not abuse the process. If you abuse the process, cop the consequences of what is happening today.

Senator CARR (Victoria) (11.23 a.m.)—I support the remarks of Senator Ray. I participated in the particular committee that is under discussion this morning. I would suggest to the minister at the table, Senator Ellison, that he knows the sorts of attention and energy that I put into estimates, and I have observed the different styles that have occurred across a number of estimates committees. I notice that ministers attending the particular committee to which I pay attention have generally sought to cooperate with the estimates process, although they may not like the questions they are asked. I may not like their answers. I have an understanding that they are only obliged to answer the questions that are actually asked; they are not actually obliged to give me the information that I would like them to give me, but we have a dialogue in that process and we produce a result which I think, Minister, has worked reasonably well.

When I have taken along questions directly related to the ministerial responsibility of Senator Macdonald, I have noticed a complete and total transformation in the response of the government. I refer in particular to the issue of Greenwich University, one that I am sure senators have heard me mention once or twice before. I am concerned in particular at the way in which the actions of the department of territories produced a situation where our international reputation was severely embarrassed by the actions of government and of this particular minister. When questions were asked of the minister's actions in this matter, we were first told that he was refusing to answer any questions on that matter because there was no line item in the budget. He then went on to say it was a minor matter and he was not particularly concerned about the implications of the decisions which he acknowledged he had taken. His other comments were that these were issues that were best directed to other portfolio ministers—yet these were his own actions.

I think there is an appropriate forum in this parliament and that there are appropriate means by which ministers are entitled to present and defend their positions. But what is totally inappropriate is to refuse to engage in the political process. What is totally inappropriate is to suggest that we are not entitled to at least an answer to a legitimate question entirely in keeping with the standing orders, entirely in keeping with this minister's responsibilities for the actions that he took as minister for territories. So I think that in that context, what Senator Ray has indicated to us today is appropriate. I would ask you, Minister, where the relevant minister is. Where is Senator Macdonald? Why isn't he here now? Why are you doing this job? Why are you seeking to protect him? Why isn't this minister in this chamber having to deal with these questions? Is this not a continuation of the general problem? The general problem is that the minister will not front up to his responsibilities and will not acknowledge his obligations to this parliament and to the political process in which he is engaged. So I ask again, Minister: where is Senator Macdonald? Why isn't he at the table today?

Senator O'BRIEN (Tasmania) (11.26 a.m.)—I was looking to see if the minister at the table was intending to rise and advise the chamber as to the whereabouts of Minister Macdonald and whether he was intending to come to the chamber to deal with the amendments which are relevant to his portfolio responsibility. If the minister at the table wants me to sit down to give him the opportunity to do that right now, I am prepared to do that if he so signals.

Let me say this, if there is any need to in fact: the minister referred to the lengthy period of time that this committee has taken in the estimates process. Minister, I can say that I have been present at many of the hours of sitting of the committee and that I have been present in past years at many hours of sitting of the committee. This is a committee that has responsibility for dealing with some very important areas of government responsibility, and in the past it has taken time. The difference between the time taken and the process of the committee which has occurred since Senator Macdonald's responsibility has been put before the committee is that we have a different minister—and that is Senator Mac-
donald. We have had debate about a myriad of questions as to which part of the portfolio responsibility they were. We have even had the suggestion that we could not ask questions about the past because they were not covered in particular line items in the budget. We were then put in the situation that, if we cannot ask questions about the past and if we do not ask questions about the present, which was the circumstance which was occurring, when we get to the next budget round and we want to ask questions, you, Minister, will be saying to us, 'You cannot ask about the previous round that I wouldn’t answer questions about before because now it's not a line item in the budget before the committee at the present time.'

So we were faced with all sorts of circular arguments about nothing, which were basically attempts to obscure the issue and to frustrate the senators who were seeking to do their job in inquiring into the actions of the government and the expenditure of the government relevant to the portfolio items before the committee. So, in answer to your comments, Minister, let me say that we spent a lot of time at this committee unnecessarily because of the actions of Senator Macdonald. That is in contrast to the history of this committee, a committee that has worked diligently and amicably in the pursuit of its responsibility of making the government accountable for its actions and expenditures; that is the role of the committee.

I want to make some comments about the amendments, particularly the amendment that Senator Mackay moved, but I really am reluctant to commence debating that in the absence of the responsible minister. If I am to put those comments on the record, what do I do when he comes in and is ignorant of them? Do I put them again and take the time of this committee unnecessarily? We need to have answers to these questions if we are going to make progress in the committee stage of this bill. I would be very happy if the minister could indicate to us just when Senator Macdonald will be gracing this chamber with his presence in the committee stage of the debate on this bill. If the answer is that he will not, I think that really is an insult to the process and to the chamber. I would suggest that the minister, Senator Macdonald, has a responsibility not just to the opposition, not just to this chamber, but to the Australian people, to be prepared to come before this chamber and be answerable for the expenditure of his department and to respond to proper questions put to him in the committee stage, as is allowed under the standing orders.

Senator ELLISON (Western Australia—Special Minister of State) (11.31 a.m.)—To deal with Senator Mackay’s earlier question, it is on record that the Prime Minister wrote to his ministers in relation to the implementation of policy in regional Australia. As to how that is implemented internally, that is a matter for the government. Certainly, the Prime Minister has made very clear to his ministers what he wants done in relation to regional Australia. It has been communicated to them.

With regard to Senator Macdonald, he does not have responsibility for the carriage of these two bills in the Senate. It is appropriate that I be here representing the minister for finance. That is obviously how things are done. I do not do bills dealing with regional services or transport—that is Senator Macdonald’s area. This is my portfolio responsibility in this chamber. Through the chair, I say to those who asked this question that it is appropriate that I handle these two bills. It is inappropriate for any other minister to be dealing with them; it is my responsibility. On the question of the request for amendment, the greater authority and the more illuminating aspect of this is section 53 of the Constitution. I would remind the opposition of the consequences of these actions and that they may result in the delaying of this legislation, which deals with the ordinary annual services of government as mentioned in the Constitution.

Senator MACKAY (Tasmania) (11.33 a.m.)—How embarrassing for Minister Ellison. How embarrassing that Minister Ellison has to get up here and make excuses for a minister who simply does not have the courage to come into the committee, to front up and answer questions in relation to his own portfolio. How embarrassing for the government to have to carry this weak and ineffect-
tive minister, who has invited us to take exactly this action. In estimates he continually said to me and to other senators, ‘If you are not happy with the responses I give,’ or the non-responses, in most cases, ‘then take it further: go to the Senate in relation to it, take it to the chamber’—a call that was echoed by Senator Crane on a number of occasions. So the opposition are doing exactly that. We are doing exactly what Minister Macdonald invited us to do, but where is he today? He does not have the intestinal fortitude to carry through and to front up. He does not have the intestinal fortitude to come in here and defend his actions and the actions of his government in failing regional Australia.

Senator Ellison clearly does not understand the history—and I appreciate that he does not need to—in relation to Senator Macdonald and the sad and sorry story of his estimates performance. I say to Senator Ellison that Senator Macdonald’s estimates performance was so poor that the opposition was moved to put in a minority report to the supplementary estimates report in June 1999 after a farcical round of estimates which involved around three private meetings of the committee. It also involved the Clerk providing substantial advice to us in relation to the attitude of this minister. Let me go through some of the things the minister did. If he did not like a question that the opposition asked, he would not answer it—he just refused. He was cavalier, arrogant and completely in breach of the standing orders. The opposition sought advice from the Clerk in relation to this. The Clerk made the situation extremely clear, and I will quote from his advice in relation to Senator Macdonald’s refusal on a whim—or probably because he did not know the answers—to answer questions. The Clerk said inter alia that there are no grounds on which a minister can refuse to answer questions except ‘where disclosure would be contrary to the public interest’. The minister has to declare that. He has to say, ‘This is not in the public interest, therefore I cannot answer it.’ But did Senator Macdonald do that? No. He just said, ‘I don’t feel like answering the questions.’ He also stopped his department answering the questions. I want to make it very clear here that the opposition are not dissatisfied in the main with the performance of this department. We regard this department as substantially under-resourced. We regard the budget cuts that have taken place since this government came into power as contributing to the difficulties the department is experiencing. So, in the main, we have no difficulty with the department when we actually get an opportunity to ask questions of the officials at the table—that is, before Senator Macdonald tries to cut them off.

As Senator O’Brien has indicated, the minister actually went so far as to say, ‘I will only answer questions relating to this financial year.’ He would not even answer questions relating to the out years. So this involved another trek down to the Clerk’s office and another half an hour or so of the Clerk’s time to provide advice on that. Of course, Senator Macdonald was wrong and again in breach of the standing orders. The standing orders are very clear: the minister is required to answer questions in relation to out years. Of course, that is the advice we got from the Clerk. Extraordinarily, he also refused to answer any questions at all in relation to the GST and his portfolio—not simply on local government, which is very important, but also on regional Australia. He refused to answer any questions on the GST and regional Australia. But that does not stop this minister putting out a plethora of press releases about how good the GST is for local government and for regional Australia. He will not answer questions in relation to it because he cannot. Let us get it very clear: that is what it is about. We are dealing with a level of incompetence which is unparalleled at the moment in the Senate. He cannot answer the questions. That is why he is not here today. That is why he will not front in relation to estimates and has to hide behind the chair nine times out of 10.

We got a substantial amount of advice from the Clerk in relation to this. The Clerk made the situation extremely clear, and I will quote from his advice in relation to Senator Macdonald’s refusal on a whim—or probably because he did not know the answers—to answer questions. The Clerk said inter alia that there are no grounds on which a minister can refuse to answer questions except ‘where disclosure would be contrary to the public interest’. The minister has to declare that. He has to say, ‘This is not in the public interest, therefore I cannot answer it.’ But did Senator Macdonald do that? No. He just said, ‘I don’t feel like answering the questions.’ He also stopped his department answering the questions. I want to make it very clear here that
I say, by every senator on the Procedures Committee, not simply opposition senators. The Procedures Committee vindicated utterly the actions of the opposition and vindicated utterly the advice we received from the Clerk—complete and absolute vindication. I quote from the Procedures Committee report in relation to the non-response. It reads:

It is for Ministers to determine whether they wish to raise any grounds for not responding fully to particular questions, and whether those questions will be pressed is a matter for a Committee to decide in the first instance—

of course, this relates to the previous advice that we got from the Clerk, which went to the public interest—

and ultimately for the Senate.

That is what we are doing here, Minister. We are here in the Senate because we could not get answers from Senator Macdonald, and what answers we got were inadequate. People say, ‘Ten steps to courage outside the chamber.’ I say, ‘Ten steps to courage inside the chamber for Senator Macdonald.’ It is about time that Senator Macdonald had the courage to come here and put his money where his mouth is, come here where he invited us to come if we were not happy with his behaviour, and answer some of these questions that he has simply refused to answer. I think it is gutless in the extreme for him not to be here. I am embarrassed on behalf of the government to have a minister of this calibre, where Senator Ellison, Senator McGauran and so on have to come in here and defend him. If I were in your shoes, Senator Ellison and Senator McGauran, I would not be very happy, and I am sure you are actually not. It is nonsense, Minister, to say that it is your responsibility in relation to the appropriations. That is not correct. That is exactly the same load of nonsense we heard from Senator Macdonald about his refusal to answer questions in relation to the GST and local government and the GST and regional Australia whilst at the same time he has been putting out press release after press release saying what a good thing it is.

Where is Senator Macdonald? Obviously he is not going to front. He has to live with that. The government has to live with having a minister who is, firstly, cowardly and, secondly, incompetent—

Senator Ellison—I ask that that be withdrawn.

Senator MACKAY—Who does not have the courage to in fact turn up here, on the basis of a course of action that he himself proposed, to answer a series of questions in relation to his own portfolio. I reiterate that the advice from the Procedures Committee was that this minister’s action in estimates is unacceptable. I reiterate that the advice from the Procedures Committee was that, if the opposition are not happy, we should come here and raise it here and that Minister Macdonald would turn up. I reiterate that we are here essentially on the invitation of the minister himself and he is not here to answer those questions. Minister Ellison, you will be here for a very long time because we have a number of questions. I notice that there are officials from the department present who I am sure would be perfectly adequate to advise you, but it is pathetic that you have to be here and do this. It is sad, it is pathetic and it is an embarrassment.

Senator McLUCAS (Queensland) (11.42 a.m.)—This is the first time I have had the pleasure of participating in an appropriation bills debate. I took a bit of time to do some research and find out how it happens, and what is happening here today is not what I expected. I expected that we would have a minister with the relevant portfolio responsibilities here to be able to debate the issues that we have been raising in estimates for the two estimates committees that I have been able to attend. We spent 69 hours, I understand, over the last while, trying to get some clarity from the government about their commitment to regional and rural Australia. We have obviously had to spend that long because we have not had the answers on the issues that we have raised. I should say that it is different
for those of us on this side. Our commitment to regional and rural Australia is different. We have a much stronger commitment, and that is why we take the time to prepare for the estimates committees, to attend them and to plead, unsuccessfully it would seem, for the answers. I am also astonished that Senator Ellison is the person who ostensibly is going to answer some of the questions that we raised. He may be able to, and I hope that he does, but we certainly tried with the other minister.

During this most recent round of estimates I questioned the minister on GST compliance costs for local government, and I wonder if I could get some response to this question: what advice has the government received from the department about the ongoing costs of compliance with the GST post 1 July, and what increase in FAG grants is anticipated for the following year?

Senator ELLISON (Western Australia—Special Minister of State) (11.45 a.m.)—In relation to the second part of Senator McLachlan’s question concerning FAG grants, that is a matter for the budget, and we have the budget coming up in early May. In relation to the advice from the department, that is something which, at estimates committees, we have said repeatedly is a matter between the department and the minister. Policy advice, for example, is something which fits into that category. That is really not something which any government discloses in relation to estimates or other inquiries. As for the FAG grants, that is something for the forthcoming budget.

Senator O’BRIEN (Tasmania) (11.46 a.m.)—Having heard the minister’s response as to who will actually be present in the chamber, on behalf of the government, dealing with the areas of expenditure relevant to Senator Macdonald’s portfolio, it is an interesting position to take. I can only remind the minister that the coalition will not always be in government. I suspect it is a precedent which he will not want the opposition to throw back at the coalition when the coalition sits on this side of the chamber. It is a highly unsatisfactory position to take, but if that is the precedent which the minister wishes to establish and if, indeed, the government is insistent on protecting Minister Macdonald, we will have to live with that, the government will have to live with that and certainly Senator Macdonald will have to live with that. The reality is that it is his responsibility to answer the questions that he chose not to answer in the estimates process. In my view, there is an opportunity for the opposition to raise those matters here. Senator Ray set out the context for the current committee system with the final recourse to this chamber for members of committees. We are seeking to take that opportunity here. The government is insistent that it will defend an incompetent minister and protect him from the questions that he cannot or will not answer and perhaps protect the government because it knows that the minister is not competent to deal with the issues before the chamber.

Amendment (1) moved by Senator MacKay is soundly based on the fact that there is an obvious need for greater funding of the department. Had Senator Macdonald been here, I would have said that he would recall the evidence of the department during the estimates process, but as he is not here, I will have to draw your attention, Minister, to just what was said about the resourcing of the department. I was questioning the Department of Agriculture, Fisheries and Forestry and they advised me that they had to divert resources away from other programs to deal with the implementation of the GST and of course that they received no additional funding to undertake the GST work. Let me refer you to the Hansard of the Rural and Regional Affairs and Transport Legislation Committee of 8 February 2000, at the bottom of page 216, where I said to Mr Dolan, who was representing the department:

You have a budget year. You have certain things you can do in the year and certain staff who are able to do it. The proposition that I am putting to you is: either you have got excess staff so you can do this extra task— thereby meaning the work on the GST. I continued:

I did not think you were saying that—and Mr Dolan’s response was no. I then asked:

Or, alternatively, you have taken the staff off other projects, you have pushed timelines out or de-
ferred action on things until the staff is available, and that is how the department has coped with the costs of the implementation.

Mr Dolan’s answer was, in three words: ‘That is correct.’ So Mr Dolan conceded that the department was inadequately resourced to deal with the implementation of the GST. Mr Dolan agreed with the proposition. He demurred with no part of the proposition that I put. He agreed that the department had taken staff off other projects. He agreed that the department had pushed time lines out or deferred action on matters until staff was available and that was the means by which the department had coped with the cost of implementation. Were I to ask that question of all departments, I suspect I would get the same answer.

The burden placed on all departments, both in time and money, in trying to manage the implementation of the GST has been and continues to be enormous. As a result, important policy work that the department should be doing is not being done. So Senator Macdonald’s area, the Deputy Prime Minister’s area—the transport sector—and Mr Truss’s area—the agricultural sector—are copping it coming and going. They are being forced to deal with the burden of implementation and, soon, administration of the GST, and they are seeing resources diverted from important programs by the government’s bureaucracy, which is also trying to grapple with the complexities of the new tax system. Clearly, if the policy advice and ministerial services division of the department needs more resources, then they ought to be provided. This amendment is designed to do just that.

Minister Macdonald, were he here, would recall that the ALP went to the last election with a policy of enshrining both the Tasmanian Freight Equalisation Scheme and the Tasmanian Wheat Freight Subsidy Scheme in legislation. Some of this additional funding we are proposing could be applied to developing such a policy. The reason for this approach is simple: at the moment, both of these schemes are only there as long as the Expenditure Review Committee allows them to be. The survival of these schemes rests with the budget process, and they have to compete with a range of other interests. Given the key role both of these schemes play in the economy of my state of Tasmania, the exposure to the fiscal hardheads in Finance and Treasury every May should not be allowed to continue.

At this point, I would like to point out the role played by the Tasmanian Freight Equalisation Scheme. There were major commodities shipped to and from Tasmania in the last financial year, 1998-99, utilising the Freight Equalisation Scheme. You have items such as frozen vegetables; paper; manufacturing and mining raw materials; timber; newsprint; wood and cork products; confectionery; manufacturing and mining raw materials; beverages; fresh vegetables; apples; cartons; wastepaper; machinery and transport equipment; textiles, yarn and clothing; cheese; aluminium; metal waste and scrap; particle board; cattle; and milk in its various forms—dried, condensed and UHT. Those are just the top 20 items that are shipped under that scheme. The importance to the economy is the reason that this scheme should be secured in legislation. Only then will its future and the economic benefits it brings to Tasmania be secure, because only then will it require an act of parliament and not just the actions of the Treasurer and minister for finance to dismantle the scheme.

In developing policy on this, the department should not be in a position where it is inadequately resourced. That was the admission of Mr Dolan in the estimates process on 8 February this year, on page 216 of the Hansard, as well as that the department is inadequately resourced because it had to divert its resources from other programs to cope with the implementation of the GST. So when you talk about an additional amount under amendment 1(a) of $0.05 million, it is the sort of small amount that I think the Treasurer, Mr Costello, was referring to when he made comments about dealing with Mr Burke in the Northern Territory and the ability of the budget to cope with relatively minor amounts to deal with that problem. We are talking about relatively minor amounts here. We are talking about a problem which has been clearly identified in that part of the estimates process where we were not ob-
structed by Senator Macdonald, because apparently he did not know anything about this matter. We had a clear and honest answer, as one would expect of course, from the officer at the table, who was responsible for the financial affairs of the department or certainly for reporting them to the committee. We had that evidence clearly set out: an inadequacy in funding brought about by the need to cope with the implementation of the GST, thereby causing a reduction in the resources of the department to deal with the problems where they were needed.

There may be other matters that the government might choose to prioritise, but the evidence is that their priorities are being subsumed, or they have decided that the policy areas that the department is really responsible for are less important than the implementation of this gigantic new tax. In making an assessment of this, I would ask the minister to let us know what the impact of an increase in the budget of $0.05 million, for example—that is, adding $50,000 to the budget of the policy advice and ministerial services division—would be on the budget and whether that would make the budget in any way unsustainable for the year. The second item is $100,000, and I guess it can be put in the same context. Perhaps the minister would care to respond to those comments.

Senator LUDWIG (Queensland) (11.52 a.m.)—I rise to support my Labor colleagues today. When I came to this chamber from Queensland, they sent me with a number of charters. One of those was to represent Queensland earnestly, to take it seriously and to address some of the issues that they wanted addressed. One of the things they told me I should turn my attention to—and my travels around Queensland keep confirming this, as I said in my speech in the second reading debate on the appropriation bills—is the importance of pressing home the urgent issues that face rural and regional Queensland. I took this place at its word and thought that it was a place where you could come and do that. The parliament took great pains to explain to me the process of estimates, and I thank the staff for doing that. I took additional time to follow through and understand what the estimates process was about.

I was fortunate enough to be given a committee to participate on and to be a member of—the Legal and Constitutional Affairs References Committee. That committee proceeded very much as I expected. I suspect that is because of the good work of this house in informing me of my duties and giving me good instructions. It worked effectively. I went to the meeting. I asked questions that I was charged with, ones that I thought were important, that Queensland needed an answer to, that I needed to represent Queensland about and to which I expected to get answers, where appropriate. Sometimes I did not get the answers for commercial-in-confidence reasons, but we pressed them on whether that was relevant or valid. We pressed them on a number of other issues, and they became responsive. They are getting back to us. They informed us where they could. Senator Vanstone sat in on the area of her ministerial responsibility and answered the questions that were directed at her or her department. She did not intervene, did not discourage, did not ensure that the process was derailed.

I understood that that was the process that was going to happen and the process that I would come to expect, and I take that as being reflected in every other committee. I had the opportunity of sitting in the workplace relations legislation committee during the estimates hearings and found that a similarly rewarding experience. I was given the responses to that a couple of days ago that I can go through, have a look at the questions that I asked and the responses that have been given, and consider whether or not they were fair responses and then pursue them again.

I also went to the Rural and Regional Affairs and Transport Legislation Committee at the last estimates hearings. I did not participate in the whole of the process. I asked a number of questions which, in my travels around Queensland, people had raised and charged me with the responsibility of inquiring into—of exploring some of these matters to see what was happening and to see whether the direction that the government was taking was the right one or whether I should pull them up and inquire into it. But it
was brought to my attention just recently that I have to hope that I get a response. I am informed this morning that the response has been returned, but I have not had the opportunity yet of going through that to see whether or not the particular questions that I asked have got responsive answers. What troubles me more than anything else is that I find, when I turn to the supplementary estimates report of June 1999, that I should not hold out much hope that Senator Macdonald will be responsive or will be able to answer those questions.

It is not a question that I wish to direct at you, Senator Ellison. Unfortunately, you are the person that I have to tell it to. If I have to tell it to you, I will. I will bring it to the chamber’s attention. If you have to listen to it, then that is a matter that I have to put up with. But I sincerely hope that you will be able to pass on to Senator Macdonald that the matters that I wish to explore are important to Queensland and that I am appalled to find, when I read the supplementary estimates report, that it may just disappear into the ether. I may not get a response.

I am also going to go back to the people that told me how the process should work and tell them that, when they inform new senators about the processes in this place, they should also take a copy of the June 1999 report. It should fit on every new senator’s table when they come down here, so that they know that there are problems, that there are people like Senator Ian Macdonald who will not be responsive, who will sit there and obfuscate, deny, obstruct and do all things possible to ensure that the questions will not be answered and that you will not get a proper response. It is really not a reflection on the parliamentary staff here. I think it is a reflection on Senator Ian Macdonald. It was not until Senator Ray advised me this morning of the process, and about the response from Senator Ellison, that it really sheeted home. This was the opportunity for those things to be dealt with—in estimates. That is a proper and appropriate place. What I find, though, is that should come here. I should come and find, when I can see the appropriations—

Senator McGauran—Well, ask a question, for God’s sake.

Senator LUDWIG—I will. I can start. I have been invited by Senator McGauran to do that. This was not the time I was going to ask it, because now we are only talking about the substantive motion, not the questions themselves. But there are certain matters I would like to know about concerning the Australian Rural Partners Foundation. I would like to know how much. Did the philanthropic nature of the people on that particular foundation not materialise? Were they mean spirited? Why are we seeking more money in response to that? Those are the sorts of matters that I would certainly like to engage Senator Ian Macdonald or his staff about. But, by the looks of that Rural and Regional Affairs and Transport Legislation Committee supplementary estimates report, if I save up all my questions and go back into that process, if I wait for that opportunity, I might be denied that opportunity. I might be told, ‘It’s not going to happen. Go away. Don’t worry about that, son.’ Well, it is not good enough. Maybe this is the opportunity. I can at least start to inquire, on behalf of Queensland, what those matters are that need to be dealt with so that I can get a proper and appropriate response.

Senator HUTCHINS (New South Wales) (12.06 p.m.)—I rise to support Senator Mackay’s amendment. I think I am the third most junior on our side now. Like my other colleagues Senator McLucas and Senator Ludwig, I have the experience of going to estimates committees. I have been to two separate types of estimates committees. The first one that I went to was with Senator Macdonald. I asked a series of questions and I was there when Senator Mackay asked a series of questions. What struck me was that he kept refusing to answer them and was quite rude and evasive to us. For myself, I thought that I was just being softened up, being shown the ropes about how you are going to be treated while you are in opposition and how you are going to be treated as a junior senator. So I assumed that was the way the government did business.

I was fortunate enough to have the following extract of the transcript of that hearing pulled out of the Hansard. I remember the day. Senator Mackay was asking a few
questions of Senator Macdonald. It started like this. Senator Mackay was asking questions about the GST. It goes on about the ANTS package and how it is going to start on 1 July. So Senator Mackay asks:

Is there anything in this budget that is related to the ANTS package?

Senator Ian Macdonald—I can only answer that the same way, Senator.

Senator MACKAY—What was that?

Senator Ian Macdonald—That the ANTS package doesn’t start till 1 July 2000.

Senator MACKAY—That is not the question.

Senator Ian Macdonald—And it will be dealt with in that estimates committee.

Senator MACKAY—That is not the question.

Senator Ian Macdonald—That is the answer you are getting.

Senator MACKAY—No. The question is this. Is there anything in your budget, Minister, which you are responsible for, that has anything to do with the ANTS package?

Senator Ian Macdonald—No, I have given you the answer, Senator.

Senator MACKAY—No, you have not.

Senator Ian Macdonald—Sorry. That is the only answer you are going to get.

Senator MACKAY—What was that answer?

Senator Ian Macdonald—That the new tax system starts 1 July 2000 and will be dealt with in that budget.

So there is a series of pages and pages of ‘that is the answer you are going to get’—very uncooperative, very combative. I wondered. I thought, ‘This is what you must do when you are in government. You must try to be adversarial, to be uncooperative, not to respect the processes of parliament.’ I thought that that was what Senator Macdonald did, that was his style. Maybe that is the style of all ministers. But I went along to another estimates committee in which the Leader of the Government, Senator Hill, was the responsible minister. I had the opportunity to ask some questions of Senator Hill that were probably politically sensitive for the government. I thought, with my experience of Senator Macdonald, that the questions would be evaded, that they would be batted off, that he would just be rude and arrogant towards us. But in his own way Senator Hill answered those questions and he was able to give me an opportunity to at least explore aspects of government policy as they affected an area which I was trying to concentrate on.

When we do go to these meetings with Senator Macdonald, he generally just sits there looking bored, as though he wished he were somewhere else. We try to inquire about what happens with the government’s money and how it is going to spend it, which we are entitled to do. It is not only the Commonwealth’s money; I suppose as taxpayers we have a right to know what the government is going to do with it. But we cannot get any answers from the minister. He continues to evade, continues to eschew things, so that we are frustrated. That is the reason why today the opposition has decided to proceed this way. We are feeling frustrated at the obstruction that Senator Macdonald deliberately involves himself with when we are in the estimates committees.

I have had the opportunity to be on only two estimates committees, one with—as I said earlier—Senator Hill. I had thought, ‘This must be the way the estimates committees are conducted.’ As I had heard from my colleagues earlier, at least seven of the eight estimates committee are conducted in this way. However, only Senator Macdonald does not conduct estimates committees this way. I do not know why, because he has a large portfolio area which is so significant to Australia, as has been outlined by my colleagues Senator McLucas and Senator Ludwig. I am frustrated in that I know I will go along to that Rural and Regional Affairs and Transport estimates committee again, and again Senator Macdonald will refuse to answer me or to assist me as an elected representative of the state of New South Wales in areas I have been asked to inquire into by my electorate.

Senator FORSHAW (New South Wales) (12.11 p.m.)—It is illustrative that this morning we have had contributions from a number of senators who—as they themselves have indicated—have only since the last election had the opportunity, because that was when they were elected, to participate in the estimates process. It is illustrative that each of
them has indicated to the Senate their absolute frustration and disappointment, verging on expressions of outrage, that Senator Macdonald has a reputation for not answering questions. Those of us who were here when we were in government—and I can recall this—well remember Senator Macdonald as one of the most vocal members of the then opposition. For a short time he was on the front bench, where he was even more vocal because he was closer to the other side and we could hear him.

Senator Macdonald made a name for himself as a loudmouth. He also made a name for himself once for developing a policy but having a brief circulated throughout his own party which was: ‘Don’t worry about what we promise in this policy because when we get into government we will completely ignore it.’ That has been his pattern since he has got into government. He had a heck of a lot to say when he was in opposition but, having got into government and unfortunately having been given responsibility as minister for a most important area, affecting regional services, regional Australia and local government, he has been notable for his silence whenever he is asked for information.

This is not just the opposition saying this. This is acknowledged by members of the government themselves. Those of us who are members of the Senate Rural and Regional Affairs and Transport Committee, such as Senator O’Brien, Senator Mackay and I, well recall from the outset, when Senator Macdonald first appeared as a minister before our committee in estimates, that on a number of occasions the committee during its meetings discussed the problem of Senator Macdonald refusing to answer questions, even straightforward questions.

We could see the public servants champing at the bit ready to provide the information, but Senator Macdonald took the attitude, ‘Well, we’re in government now; I am a minister—bugger you lot.’ His attitude was, ‘Why should we tell you anything?’ So the committee on a number of occasions adjourned during the hearings to discuss where we were going from there as the minister was just wasting the time of lots of people. I do not want to put words into the mouth of Senator Crane—he is not here—but I know that, much as Senator Crane would like to defend his own minister and his own government, Senator Crane was concerned about Senator Macdonald refusing to respond to questions and refusing to provide information—and indeed, in many cases, even refusing to take things on notice. He had the approach, ‘Well, unless you can find the specific reference in the portfolio statements for that particular budget, then I am not obliged to answer it.’ He took the attitude that he was not obliged to answer questions about how programs may have been implemented, about how the expenditure outlays had turned out relative to the figures. He took the attitude that he was not really obliged to provide any information about forward estimates. He had this very narrow view that it had to be an absolutely strict, black-letter approach to estimates. That was interesting because he thought that that meant that he could virtually dodge any question that was ever asked by the opposition.

However, in the other part of the estimates dealt with by this committee—the agricultural, forestry and fisheries area, AFFA, where Senator Macdonald is not the minister representing although he has been at estimates on the odd occasion—he was pretty full of gratuitous advice. He gave us the benefit of his wisdom in areas that did not come within his portfolio. Usually we ignored them because we knew how stupid or irrelevant it was. But he could not answer questions in his own area. I invite all senators to come along to estimates. Hopefully, we will have some change at the next estimates hearings, but I doubt it. As we all know, at the start of an estimates hearing the chair will usually ask the minister if he or she would like to make an opening statement. The clever ones, the ones who have been around a long time—

Senator Calvert—Like me.

Senator FORSHAW—I am talking about ministers, Senator. The clever ones will usually say, ‘Look, no; we are ready to proceed.’ But not Senator Macdonald. Usually he will give you a 10-minute homily about what wonderful things he is doing, what wonderful things his department is doing and how he is
prepared to come along and be full and frank and open and discuss all these issues and provide whatever information is wanted. And that is about as far as it goes.

**Senator Mackay**—Where is he?

**Senator Hutchins**—Where is Macca?

**Senator FORSHAW**—Yes, where is Macca? I understand that famous movie *Monty Python and the Holy Grail* got a mention in the last few days. There are so many scenes in that movie, of course, that are appropriate. The one that we are reminded of with Senator Macdonald is the knight of the round table, the Brave Sir Robin, who pranced around—one might say poonced around—in the forest singing about ‘Brave Sir Robin’. Of course, Brave Sir Robin turned out to be the biggest wimp of all. Brave Sir Robin was usually galloping away and avoiding trouble. That is precisely Senator Macdonald.

**Senator Ellison**—On a point of order, while Senator Forshaw’s analogy is entertaining, I ask that he withdraw that. It is unparliamentary to draw that comparison with Senator Macdonald—or in fact with any honourable senator. It is unparliamentary.

**The TEMPORARY CHAIRMAN** (Senator George Campbell)—There is no point of order, but I ask Senator Forshaw to be careful that he does not tread across that narrow line.

**Senator FORSHAW**—These are some of the greatest humorists of the 20th century, the members of the Monty Python team. If you think that Senator Macdonald is not that funny, others care to differ.

I turn to a couple of other issues. On a number of occasions the committee has had to deal with the problem of Senator Macdonald not answering questions and not providing information when requested. But it is not only that: he has also taken an evasive and belligerent attitude. That is reflected in the committee’s own report signed off by all the members of the committee, both government and opposition members, so if that does not demonstrate that this is a serious problem then, frankly, I do not know what will. We have had to get advice from the Clerk of the Senate regarding the attitude adopted by Senator Macdonald at estimates hearings. In my time in this Senate, over five years now attending estimates, I have never seen another situation such as this where a minister has treated estimates in such a cavalier and flagrant manner.

I will turn to a couple of issues I would like Senator Macdonald to come in here and respond to regarding the amendments that have been moved by the opposition. They relate to what it is that this government is doing to carry out the promises it made regarding regional Australia. Minister Anderson, the Deputy Prime Minister, and Minister Macdonald have waxed lyrical now for a number of months about the great regional summit and what that will deliver for regional Australia. What we know is that in fact hardly anything—either in dollar terms or in any other form of activity—is being delivered. There is a whole range of issues arising from that regional summit and from the budget estimates regarding the delivery of specific programs for regional Australia, for local government, that I would like Senator Macdonald to respond to.

I happened to be up on the North Coast of New South Wales two weeks ago with my colleague Bob McMullan, the shadow minister for industry. We met with local government representatives and we were told that a major local government area like Coffs Harbour was facing huge administrative problems with the implementation of the GST. Not only had they had to expend substantial amounts of money on training and computer resources but they have to put on more full-time staff just to handle the GST. You might respond, ‘That is a job creation program. We have a couple more people employed by local government.’ But when you look at local government budgets and where they have had to employ additional people full time as well as the extra consultancy advice and the extra accountancy advice and so on that they have needed, you see that the impost on local government just to handle the implementation of the GST demonstrates what a serious matter it is for local government. Yet this government continues to perpetuate the falsehood that local government will not be affected by a GST.
The issues affecting Senator Macdonald’s portfolio area are important. They have been acknowledged as extremely important issues in two recent reports. One of course was the report of the Senate Select Committee on the Impacts of National Competition Policy entitled *Riding the waves of change*. But more recently there was a report by the House of Representatives Standing Committee on Primary Industries and Regional Services entitled *Time running out: shaping regional Australia’s future*. This is a committee of the House of Representatives chaired by a government member, and members of the government acknowledged in the report that serious issues are facing regional Australia in regional services, local government, the issues of telecommunications, funding for education and so on. Many of these areas come directly within the responsibility of Senator Macdonald. And, as that report is so aptly titled *Time running out*—for regional Australia—I have to say that time is running out for this minister. It is about time he got himself into this chamber and started to treat his portfolio with seriousness and address these issues. It is about time he treated the estimates process of this Senate in a manner that it is entitled to be treated, which is as a forum to answer questions and to provide information to senators.

Senator CONROY (Victoria) (12.25 p.m.)—It is very disappointing to see that Senator Macdonald is continuing to behave in the manner that he demonstrates in estimates. His refusal to front today runs completely at odds with the image that Macca likes to portray. He is the tough man from Queensland. He is the man in the white suit that puts the white shoes on the Queensland white shoe brigade. He comes in here and he talks tough. And he sits over on the other side of the chamber and he goes, ‘Ask me a question.’ He is always shouting it from the other side of the chamber. He is constantly being brought to heel by the President for his interjections of ‘Ask me a question. Come on. Where’s the guts? Ask me a question.’ Well, where is the tough man today? He does not mind the dorothy dixers from his own side, but he will not come to estimates and face questions, and today the ultimate act of cowardice. Where is he? What is he afraid of? Surely not us! Surely not the people he ridicules so often as having no knowledge, no information and no idea about what is going on in regional Australia. Well, where is he? This continues to be such an indictment of this coward. Come on, Macca! We know you are watching. Come on down.

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—Order! Senator Conroy, I ask you to withdraw that comment. You have crossed the line.

Senator CONROY—I am not being pedantic, but which one?

The ACTING DEPUTY PRESIDENT—Coward.

Senator CONROY—I withdraw. The white feather is in his cap and that is all that matters—as we all know in this chamber.

What could possibly be distracting Senator Macdonald from his duties today? What could possibly distract him?

Senator Mackay—Probably lunch.

Senator CONROY—No, after lunch I could understand. But what could possibly be distracting him at the moment? Well, what we see is that Mr Katter, the member for Kennedy, recently passed a fairly severe judgment on Senator Macdonald. He says in the *Age* on the weekend:

There was a “horrid” fear of the GST in the community and the tax would cost the Howard Government the next election, according to the maverick federal National Party MP, Mr Bob Katter.

In a wide-ranging interview in his north Queensland electorate of Kennedy, Mr Katter described as—

I will repeat what Mr Katter said, but I will understand if I am forced to withdraw—

“bastards” federal coalition ministers who supported the continued deregulation of the dairy industry.

The ACTING DEPUTY PRESIDENT—Senator Conroy, I ask you to withdraw that comment.

Senator CONROY—As I said, I was merely quoting Mr Katter, one of the minister’s colleagues, and I withdraw. But the sentiment is there. Here is a man who is afraid not only to come into this chamber or face up in estimates but also to go out and face his
own colleagues. Where is Senator Macdonald? He is defying Mr Katter. What has he got to say? Nothing. He leaves it to Senator Alston. He is a big one for talking tough, but when the action is there and when he is in the gun from his own colleagues, he is missing in action.

It is not surprising that Senator Macdonald is not here, because I know where he is. You have only had to watch the newspapers for the last few days to see where Senator Macdonald is. He is in another crisis meeting. He has been at that famous party meeting on Tuesday. Yesterday’s *Courier-Mail* reports:

At a joint party room meeting yesterday, Mr Howard said federal MPs needed to step in and quash internal divisions that have plagued the party in recent months.

In the wake of last month’s disastrous electoral loss for the Brisbane City Council, Senator Macdonald is trying to referee the faction fight in Queensland.

**Senator Mackay**—He was involved in that.

**Senator CONROY**—Senator Mackay, I think you are probably right. The tough man from Queensland is in it up to his neck. We know that. Mr Truss, another ministerial colleague of Senator Macdonald, in the *Courier-Mail* of 5 April, said:

The Liberals have had a succession of poor results in Brisbane and they should be addressing their problems instead of camouflaging them by trying to steal seats from the Nationals.

That is another attack on Senator Macdonald.

**Senator Hill**—Are you blocking supply? Is this a new tactic, a constitutional crisis?

**Senator CONROY**—I am glad to see that you have turned up, Senator Hill. If you want to join the debate, I have a whole set of clippings on South Australia where you get a number of honourable mentions, don’t you worry about that. Today’s papers show the level of crisis that Senator Macdonald is in. One heading, in today’s *Australian*, states, ‘Rot in the Liberals’ core’. I have to read Scott Emerson’s article almost in full because it is such an indictment. We know where Senator Ian Macdonald is. We know why he is too busy—‘Rot in the Liberals’ core’! The article says:

As John Howard swept to a landslide victory in 1996, nowhere was the blue Liberal tide stronger than in Queensland, where Labor was reduced to just two federal seats.

But four years on, the Prime Minister looks with horror at the Liberals’ Queensland branch racked by factional fighting, allegations of ethnic branch-stacking and a succession of electoral defeats.

Queensland is seen as crucial to the Howard Government’s chances of winning a third term.

Nearing to lose only seven seats to relinquish power, five of the Government’s eight most marginal electorates are in the state.

This man is paralysed with fear. He cannot front the parliament. He cannot front the electorate. He is paralysed by the debacle he has created. One of the Queensland Liberal Party’s strongmen has created the debacle.

The article goes on:

Herbert, the Coalition’s most marginal seat at 0.1 per cent, is based on Townsville, where two weeks ago Labor took every ward at the council elections.

Who is the mastermind of the Liberal Party in Townsville? Townsville is the most marginal seat in this country. It is 0.1 per cent, and who is the Liberal Party fix-it man? Who is the Liberal Party’s Mr Tough? Their campaign genius! We all know of his involvement in local council elections.

**Senator Mackay**—We’ve all seen it.

**Senator CONROY**—That is right, Senator Mackay, we have all seen it. He is an avid letter writer on behalf of the candidates in council. He even did it in Brisbane, was it?

**Senator Ludwig**—Yes.

**Senator CONROY**—Thank you, Senator Ludwig—’Dear Acacia Ridge residents...from Senator Ian Macdonald.’ Where did this get his candidates, Senator Ludwig, help me out here?

**Senator Ludwig**—Zero.

**Senator CONROY**—That is right—zero! No candidate. Thank you, Senator Ludwig. He was absolutely slaughtered when he interfered outside his own area. But in Townsville he was wiped out—the number there was zero as well. So it is no surprise that he is not in here today. He is cowering in his office. He sees the writing on the wall. He knows
that his incompetence, his incapacity to manage—

Senator Hill—What he is doing is a brilliant job.

Senator CONROY—Yes, a brilliant job! He was wiped out in his local elections. This is a man who has spent all his time interfering in council elections in Queensland, and he was wiped out. It is no surprise. He is probably on the mat in the Prime Minister’s office right now, trying to explain how he is going to lose Herbert. But it is not just Herbert that this man is responsible for. Scott Emerson’s article in today’s Australian says:

In Brisbane, which encompasses the seats of Petrie (0.75 per cent) and Moreton (0.57 per cent), Labor Lord Mayor Jim Soorley last month easily won a fourth term just weeks after the Liberals lost two state by-elections to remain a rump of just nine MPs.

That is the state of the Queensland Liberal Party. The article went on:

While the troubled Liberal branches in NSW and Victoria have been the focus of recent concern, many in the party believe a moribund Queensland is in need of federal intervention.

Federal intervention is being called for by their own people to deal with the likes of hacks like Macdonald—all talk, no action hacks like Macdonald.

The TEMPORARY CHAIRMAN (Senator Bartlett)—Please refer to Senator Macdonald in the appropriate way, Senator Conroy.

Senator CONROY—Senator Macdonald the hack—certainly. The final paragraph of the article says:

A stronger Coalition vote in Queensland has traditionally offset poorer results in Victoria and NSW—

Senator Hill—Mr Temporary Chairman, I raise a point of order. I object to this description of a very able, conscientious, committed and effective minister. I think it should be withdrawn. The honourable senator should apologise and he should recognise the record of Senator Macdonald, the benefits that he has brought to regional Australia and his interest and support for the bush.

Senator CONROY—I withdraw on the basis of having been called a hack many times. I am insulting myself by giving him the same title.

The TEMPORARY CHAIRMAN—Thank you for your withdrawal, Senator Conroy. Please continue.

Senator CONROY—Many of us have been called hacks, and it is a disgrace for me to refer to him as a hack. You are right. It is a disgrace for me to refer to him as a hack. I am prepared to withdraw.

The TEMPORARY CHAIRMAN—Please continue debating the amendment.

Senator CONROY—I will recommence by quoting that final paragraph from Scott Emerson’s article in the Australian. It says:

A stronger Coalition vote in Queensland has traditionally offset poorer results in Victoria and NSW, but Howard knows the tide has turned in the state and that a dysfunctional Liberal branch will sink his electoral chances in 2001.

That is why he cannot front up here today. That is why he is running and hiding—because he knows that he is going to be the architect of the collapse in the coalition’s position in Queensland. The strongman in federal politics for the Queensland Liberal Party is too scared to face the parliament and too scared to do his job. Round Australia they are saying, ‘Where’s Senator Macdonald? We never see Senator Macdonald. He doesn’t turn up in Townsville. He doesn’t turn up anywhere in regional Australia.’ And he has the gall—

Senator Lightfoot—He has been to regional Western Australia.

Senator CONROY—Welcome, Senator Lightfoot. I got a letter from a friend of yours today—the old NCB. He had a lot to say about one of your colleagues. I vainly hope that you are prepared to read it in parliament, where it deserves to be read.

Senator Lightfoot—You had better send me a copy, then.

Senator CONROY—He’s sent it to everybody, and he asked for it to be circulated widely. I will make sure that you get a copy by the end of the day.

Senator Calvert—Mr Temporary Chairman, I raise a point of order. Would you remind the senator over there that he should be
addressing his remarks through the chair, not
directly to another senator?

The TEMPORARY CHAIRMAN—
Thank you for reminding me of that, Senator Calvert. Senator Conroy, I am sure you will
take note of that.

Senator CONROY—My sincerest apolo-
gies, chair, I will refrain from the distraction. I
will refrain from the throwbacks from the
West distracting me; there is no problem
whatsoever. I will happily make sure that
Senator Lightfoot gets a copy of the letter
from Noel Crichton-Browne, a former sena-
tor and close colleague of his.

Senator Ferguson—You wouldn’t even
know.

Senator CONROY—Senator Ferguson,
the South Australians’ silent assassin. The
silent assassin from South Australia has ar-
vived to join the debate. To go with the deba-
cle in the Queensland branch that Senator
Macdonald is responsible for, we now have
the two architects of the collapse of the Lib-
eral government in South Australia in here to
defend him. And they would need to defend
him, because when they have finished with
Queensland, they are going to get around to
South Australia. They are chatting comforta-
bly there today, but most of the time they are
too afraid to turn their backs on each other.
Be careful, Senator Hill. You almost turned
your back on them. You are too afraid to turn
your back on each other. This government is
racked by infighting in every state. On the
nose on the GST, it has been reduced to
beating up on guide-dogs. Can you believe
that? It is beating up on guide-dogs. You only
had to listen to John Laws this morning to
see how unpopular the government is, and he
is no friend or fan of the Labor Party. He
asked, ‘How on earth can the government
beat up on guide-dogs?’ The question has to
be asked: what was going through the gov-
ernment’s mind when it said, ‘You can’t give
a GST exemption to dog food for guide-dogs
and vet services’?

Where are these ministers? They are
asleep at the wheel. Mr Katter summed it up
best when he said, ‘The only people who are
not worried about the GST are in Canberra,
and they are the ones who should be most
worried.’ That is the problem we have here.
Cowering in his office day in and day out, the
minister will not go out and meet the public.
He will not go and meet the punters and an-
swer their questions, any more than he will
answer ours. What do you say to a blind per-
son with their labrador, when they walk up to
you and ask, ‘Why am I paying GST on the
food for my guide-dog? I used to have an
exemption from the WST.’ What is Senator
Macdonald going to say to them? Nothing.
That is why he will not open his office door.
That is why he will not come down here to-
day. That is why we see an absolute disgrace.

Senator Mackay—Ten steps to courage!

Senator CONROY—Ten steps to courage.
Exactly, Senator Mackay. All he has to
do is to come downstairs from his office now,
and come in here and join the debate. It is not
that hard. We are not that frightening. He
continually tells us that we are not that
frightening. He is a regular person who in-
vites questions, and yet when he gets the
chance to have the spotlight on himself—to
come down and provide the ordinary Austra-
lian voter with a bit of information—no show. They send down Senator Lightfoot to
defend him. They send down Senator Hill to
defend him. How embarrassing! This is an
absolute disgrace. If you cannot bring your
ministers to heel, Senator Hill—if the Leader
of the Government in the Senate cannot make
his ministers perform in an appropriate man-
ner at estimates—then you get what you de-
serve.

Senator Robert Ray—You should be his
role model!

Senator CONROY—Absolutely! Senator
Hill, you deserve credit. You make an effort
and you apply yourself. You understand the
responsibilities that you are charged with
when you sign that paper to the Governor-
General. You understand your responsibilities
and you dutifully carry them out. All we are
asking is that you make your minister do the
same.

The TEMPORARY CHAIRMAN
(Senator Bartlett)—Through the chair
please, Senator Conroy.
Senator Lightfoot—All we are asking is that you address your comments through the chair.

Senator CONROY—Were you in your place then? I did not hear you. All we are asking is that Senator Hill makes his ministers apply the same high standard that he applies in estimates and not allow them to weasel away and not allow them to refuse to answer questions. You would be embarrassed, Senator Hill, if you actually witnessed it, and I know you are not witnessing it because you are in there doing your job. You are doing your job for the government. You are prepared to enter the cut and thrust.

Senator Faulkner—Don’t go overboard!

Senator CONROY—I will accept that admonishment from my leader. Senator Hill, I invite you to come for five minutes to an estimates that Senator Macdonald is not performing in, and just see what you think. Afterwards, you will just take him aside, put your arm around his shoulders and say, ‘Look, Macka, you’re going to have to lift your game a bit. It’s just not on. You’ve really got to try to answer one question. One would be enough so that you were not faced with this sort of response from the opposition. Just one, Macka. Go on, just for me.’ That is all you have to do, Senator Hill: demand from your ministers what you produce yourself. (Time expired)

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.42 p.m.)—Never has Australia had a regional affairs minister as conscientious, as committed and as effective as Senator Ian Macdonald.

Senator Faulkner—Mr Temporary Chairman, I rise on a point of order. The Leader of the Government in the Senate is deliberately misleading the Senate, and I ask you to ask him to withdraw that mislead.

The TEMPORARY CHAIRMAN (Senator Bartlett)—There is no point of order.

Senator HILL—Senator Macdonald is a minister for regional affairs who actually gets out into the regions, into the towns, into the communities and into the bush. He talks to them about the issues they face, the challenges in relation to infrastructure and the difficulties of being competitive in business and industry with the cities. He determines the policy changes that are necessary to assist them in a way to be more effective in achieving those objectives and then, most importantly, he delivers outcomes for the benefit of regional Australia. He is a minister who can be proud of his record of commitment and delivery of services and benefits to regional Australia. That is what Senator Macdonald is all about—not the talk and not playing the politics but actually being out there and delivering outcomes. On hearing this astonishing suggestion in here today that Senator Macdonald is not prepared to answer his record, I say: what a nonsense. It is a record of which he is proud and of which the government as a whole is proud.

I have listened to the few feeble attempts of Senator Mackay and others in this place to question him during question time in the chamber. His answers are brilliant in quality and brilliant in outcome because they record a record of achievement. It is astonishing to me that the tacticians in the Labor Party have got together this morning and tried to create a constitutional crisis to call into account the record of achievement of Senator Macdonald. If there is one minister whose record we are more than happy to have on the table in terms of outcomes of benefit to the regions, it is of course Senator Macdonald. Contrast the Australian Labor Party. What have they ever done for the bush? What has the Australian Labor Party ever done for regional Australia? Nothing at all. They have no interest. They do not hold the seats and they have no interest in regional Australia.

Progress reported.

FISHERIES LEGISLATION AMENDMENT BILL (No. 2) 1999

Second Reading

Debate resumed from 16 March, on motion by Senator Alston:

That this bill be now read a second time.

Senator FORSHAW (New South Wales) (12.45 p.m.)—I rise to speak on the Fisheries Legislation Amendment Bill (No. 2) 1999. In doing so, I have to express my gratitude at the outset that this area of government policy
is not within the control of Senator MacDonald. If it were I would be very concerned about the state of our fisheries into the future. But, having said that, I indicate that the opposition is prepared to support the passage of the Fisheries Legislation Amendment Bill (No. 2) 1999. It is a very important bill in that it introduces further new measures for the monitoring and control of foreign and domestic fishing operations. Indeed, this bill follows on from changes which have been implemented in previous legislation, including the Fisheries Legislation Amendment Act 1999 and the Border Protection Legislation Amendment Bill (No. 1) 1999.

There is, of course, a significant problem with respect to ensuring that any operations carried out by either foreign fishing vessels or domestic fishing vessels within our territorial waters are conducted legally. Unfortunately, as has been highlighted over more recent years, there has been an increase in illegal foreign fishing activity in our fishing zone. Australia has therefore had to take action to protect this vital industry and also to ensure our rights under international obligations, particularly the Fish Stocks Agreement, are protected. This legislation has a number of provisions directed towards that end. Firstly, it will enable observers to be placed on foreign fishing vessels operating in international waters where such observers are authorised by a treaty or agreement to which Australia is a party. That, of course, is an important measure. It will enable Australian observers to be in a position to check on the activities of foreign fishing vessels and ensure that they are not illegally fishing or, particularly, overfishing the stocks outside our fishing zone.

Another provision is to extend the definition of foreign fishing boats so that that includes support vessels and vessels not originally designed for fishing. There has been a growing practice of using mother ships as a means of ensuring that fishing boats can stay in a fishing zone for longer periods and boats that were not originally designed as fishing vessels being subsequently altered to enable fishing to occur. It is important, therefore, that the definition of a foreign fishing boat in the legislation is broadened to incorporate those changes. Otherwise, those sorts of vessels may, after they have been converted or used in that way, be acting illegally but may not necessarily be caught by the appropriate legislation. The legislation also provides for an increase in the penalty for providing false or misleading information about how much fish has been taken. There is a substantial increase from the current figure of $6,600 to $27,500. The legislation will require fishers to collect data on bycatch of fish and non-fish species, including sea birds. This issue of bycatch is one that is prominent in the whole debate about fishery sustainability. The legislation will require appropriate data to be collected to ensure that the fishing industry itself and AFMA—the Australian Fisheries Management Authority—have the appropriate data to develop their management plans to minimise incidental catch and to ensure sustainability.

We discussed yesterday some issues regarding the fishing industry with respect to the Northern Prawn Fishery. As was demonstrated yesterday—indeed, as we are all aware—this is a vitally important industry to our economy. It is an industry that has great potential if it is managed properly. It is therefore one which all of us could debate at some length in this chamber. However, time is short today and I indicate on behalf of the opposition that we will be supporting the passage of this bill. I understand that the Democrats will be moving an amendment. The opposition will not be supporting that amendment, but I will leave any further remarks to that part of the debate.

Senator GREIG (Western Australia) (12.52 p.m.)—The Fisheries Legislation Amendment Bill (No. 2) 1999 encompasses a range of measures that will improve and tighten regulations in relation to the operation of foreign fishing boats, requirements for sustainable fishing management plans, record keeping and increased penalties for a range of offences. They complement measures introduced in the Fisheries Legislation Amendment Act (No. 1) and the Border Protection Legislation Amendment Bill 1999. These measures have been well and truly outlined in the House of Representatives Hansard and I do not propose to comprehen-
The one bone of contention in this bill seems to have been in relation to the new measures that the bill introduces with regard to bycatch data collection. As indicated in the Bills Digest, the bill contains a proposed change to section 17(6D) of the Fisheries Management Act 1991 relating to the incidental catch of fish and non-fish species:

The problem with the proposed new section 17(6D) is that, due to definitional issues, it doesn't appear to reflect at least the spirit of the 1999 National Policy on Fisheries By-catch, The By-catch policy, which has been agreed to by all Governments, including the Commonwealth, provides that implementation actions should aim to 'ensure the widest adoption of by-catch mitigation measures'. While the Commonwealth has yet to release its detailed implementation plan, there seems no reason why section 17(6D) shouldn't be fully consistent with the definitional terms used in the By-catch policy in relation to 'incidental catch' and 'by-catch'.

The Democrats remain concerned that this bill does not seek or try to water down in any way or back away from the commitments of the 1999 National Policy on Fisheries By-catch. The bill departs from the definition of ‘bycatch’ from that of the draft Commonwealth bycatch policy and the national bycatch policy. The term ‘incidental catch’ is defined very narrowly in the bycatch policy as having commercial value, whereas ‘bycatch’ is defined more broadly. We believe the Commonwealth one—that is, the national definition—ought to be used as it is both a good definition and provides for consistency in definitions, ensuring maximum clarity for the industry.

I also note that is also the position of Humane Society International, HSI, a tremendous, reputable environmental organisation with a particular focus on marine life. It too argues that the Commonwealth/national definitions of bycatch ought to be used as they are better definitions and provide the consistency and clarity of which I spoke. To that end, I propose that when we are in the committee stage I will present my amendment. I understand at this late stage that it has not attracted the support of the government or the opposition, which is disappointing. I want to put on the record that the effect of this amendment is clearly in accord with what the Democrats believe would make this bill better. So I shall move that amendment at the appropriate time.

In summary, the bill in general has the Democrats’ broad support. It continues with what appears to be a range of fisheries related legislation that has appeared of late and which is indicative of an increasingly healthy industry. It is an industry which I have some experience of and a keen interest in.
cess regulation. I understand that in this context the minister, the Hon. Warren Truss, issued today a press release detailing the fact that two Belize flag boats were denied port access because of suspect unregulated fishing activities and that in fact 15 boats have been apprehended since December 1999.

Several fisheries have moved from management involving limits on the numbers of boats, and on the fishing equipment used, to control outputs in the form of individual transferable quotas. Where these can be implemented, they are the preferred management approach, providing for economic efficiency and at the same time containing catches. Amendments are proposed in two areas to enhance enforcement of quota management that relies on accurate reporting and recording of catches. Firstly, the types of offences for which a penalty infringement notice and on-the-spot fine may be issued are widened to allow an alternative to prosecution for minor transgressions. This may well be a more efficient use of enforcement resources to secure compliance. Secondly, recognising that misreporting of catches is for the purpose of fishing without quota, it is proposed to increase the penalties for providing false and misleading information. The amendment increases fines from $6,600 to $27,500 so that this offence is comparable with unlicensed fishing by a domestic boat. If convicted, the amendment enables a court to order forfeiture of a boat, equipment, catch or the proceeds of the sale of a catch. In response to Senator Greig's proposed amendment: the government will not be supporting the amendment to the bill to be moved by the Democrats, and I will detail the reasons for that at the proper time. I commend the amendment to the committee.

Senator TROETH (Victoria—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.01 p.m.)—The government will not be supporting the amendment. Schedule 2, item 7 is a provision which clarifies an existing provision in the act which requires fishery plans of management to contain measures directed at reducing to a minimum the catch of fish and other species which are not taken under and in accordance with the plan.

It may be that the amendment proposed by the Democrats is directed at a wider issue than reduction in discarding and wastage—that is, to minimise any adverse impact on the marine environment by fishing. This issue, however, is dealt with by the objectives of the Fisheries Management Act, and I quote the objective which must be pursued by the minister and AFMA in the performance of their functions. Section 3(1)(b) states:

... ensuring that the exploitation of fisheries resources and the carrying on of any related activities are conducted in a manner consistent with the principles of ecologically sustainable development and the exercise of the precautionary principle, in particular the need to have regard to the impact of fishing activities on non-target species and the long-term sustainability of the marine environment.

This wider impact is also dealt with through the government's EPBC Act. These more general provisions require this issue to be dealt with for all fisheries, including those which do not at this stage come under a plan of management. As well, AFMA has insti-
tuted a number of by-catch action plans and the provisions in this bill, such as those relating to gathering of by-catch data and mitigation measures in plans of management, will facilitate the implementation of further measures to address by-catch.

Not only is the proposed amendment unnecessary; it also has definitional problems and leads to a peculiar outcome with the term ‘incidental catch’. The term ‘incidental catch’ in the bill may be analogous with catch which is not authorised and may be inadvertently or unintentionally taken. The Democrat amendment, however, adds ‘incidental catch’ as ‘fish and other species killed as a result of interaction with fishing gear but not landed’. These words appear to indicate that incidental catch includes something that is not caught and so potentially would cause uncertainty as to the meaning of the whole provision. There is also a definitional problem with the concept of ‘not landed’—that is, it is uncertain whether this is not landed on the deck of the fishing vessel or the more natural meaning of landing, being ‘to land on shore’. For those reasons we will not be supporting the amendment.

Senator FORSHAW (New South Wales) (1.04 p.m.)—I indicate, as I stated in my speech at the second reading stage, that the opposition will not be supporting this amendment. I think no-one objects to, or disagrees with, the need to, as far as possible, reduce incidental catch, both of fish and of other species. Indeed, that is what is required under a plan of management for a fishery by virtue of this proposed section. Indeed, as the parliamentary secretary has indicated, it is a key objective of any AFMA management plan.

Firstly, we do not agree that the change the Democrats propose is necessary. Secondly, we do not agree that it is one which would retain the specific meaning that is contained within the bill and the act at present. It could well be that definitional problems arise as a result of this proposal. For the reasons outlined by the government, we agree that it is not appropriate to amend the definition of incidental catch in this way.

Amendment not agreed to.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by Senator Troeth) read a third time.

TELECOMMUNICATIONS
(NUMBERING CHARGES)
AMENDMENT BILL 1999

Second Reading

Debate resumed from 3 April, on motion by Senator Ellison:

That this bill be now read a second time.

Senator MARK BISHOP (Western Australia) (1.07 p.m.)—The opposition will not be opposing this bill.

Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (1.07 p.m.)—The Telecommunications (Numbering Charges) Amendment Bill 1999 will facilitate minor amendments to the Telecommunications (Numbering Charges) Act 1997. The amendments will improve the efficiency of the Australian Communications Authority—ACA—in its administration of the act as well as provide some carriage service providers with some administrative efficiencies.

The Telecommunications (Numbering Charges) Act 1997 provides for imposition of charges in relation to certain telephone numbers allocated to carriage service providers. The amendments contained in this bill concern the definition of a transferred number for the purposes of the act and the date on which the numbering charges are imposed.

As the act stands, carriage service providers who are resellers are liable for annual numbering charges in relation to allocated numbers they hold on the charging date. These resellers, or secondary providers, have usually obtained their numbers from a provider who was allocated the numbers by the ACA, a primary provider. The large number of transfers of numbers from primary to secondary providers greatly adds to the administrative complexity of collecting the charges.

This bill will explicitly define a transfer for the purposes of the act. The effect of this
will be that certain number movements from primary to secondary providers will not be classed as transfers for the purposes of the act and will not therefore cause the numbering charge liability to be transferred. This will significantly reduce the number of invoices the ACA has to prepare.

The effect of the act as it currently stands is that number charges are imposed on 22 May each financial year. Carriage service providers have to pay these by 15 June to ensure that they are processed prior to the end of the financial year. Between these two dates, carriage service providers have to provide details to the ACA of the numbers they hold. The ACA then has to calculate the charges and dispatch the invoices. Then the carriage service providers have to make the payment. These time frames are unnecessarily tight and can increase the risks of miscalculations or errors.

This bill will move the charging date to a day in April which will be determined by the ACA. The ACA will be required to determine the date before 16 February each financial year. This arrangement will provide the ACA with a limited degree of flexibility in setting the date while providing the carriage service providers with a certainty of the date being in April. It is not intended that the ACA will use this flexibility to alter the date arbitrarily. Rather, should it be necessary, it will allow the ACA to determine a date in order to address exceptional circumstances.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

ROAD TRANSPORT CHARGES (AUSTRALIAN CAPITAL TERRITORY) AMENDMENT BILL 2000
INTERSTATE ROAD TRANSPORT CHARGE AMENDMENT BILL 2000
INTERSTATE ROAD TRANSPORT AMENDMENT BILL 2000

Second Reading
Debate resumed from 16 March, on motion by Senator Troeth:
That these bills be now read a second time.
the intergovernmental heavy vehicles agreement in 1991 and then the light vehicles agreement in 1992 and also through the formation in 1991 of the National Road Transport Commission and the valuable work it does to drive reform and keep the industry informed and consulted.

Labor retains a commitment to achieving a consistent national regulatory framework aimed at improving transport efficiency, improving road safety and reducing the compliance cost of regulation. The current charges were calculated by the NRTC back in 1992, and between 1995 and 1996 were put in place in the various jurisdictions. The updated charges contained in the bill are the first since that time. It appears that there is fairly consistent support for these charges across the states and within the transport industry. I think that is in no small part a result of the consultations that were undertaken by the NRTC and, importantly, an acknowledgment by the heavy vehicle industry of the impact of their vehicles and a preparedness to take responsibility for that damage.

What we see in the road transport industry associations is some leadership on some of the hard issues—environment, accessible transport and road user charges. However, it is a pity that the responsible minister is not reciprocating on the leadership front. In the House of Representatives, the minister in his second reading speech raised the issue of the Diesel and Alternative Fuels Grant Scheme. This grant scheme arose out of the deal with the Democrats on the tax package. In the House of Representatives, Labor’s shadow minister, Mr Martin Ferguson, went into some detail about the shortcomings of that scheme resulting from the lack of detail and thought about how it would operate in practice. Lack of definition about where the metropolitan or conurbation boundaries would begin and end is a problem. The minister handballed these issues to the Commissioner of Taxation and here we are, five months after the administration and compliance aspects for the scheme were tabled in the House of Representatives and almost 10 months after the government did the original deal with the Democrats on this scheme, and, might I say, the industry is still uncertain about how the scheme will operate and what the boundaries are.

Having said that, as I said earlier, the opposition will be pleased to support these bills and is prepared to cooperate in their speedy passage through this chamber.

Senator HUTCHINS (New South Wales) (1.16 p.m.)—Yesterday, I had an opportunity to speak about two aspects of charges in relation to road transport and to talk about usage, and today we are talking about access charges which, essentially, are the registration costs. All I want to speak about briefly are some of the anomalies that I see in this legislation. The minister may wish to reply to them. The first one is that throughout the bill and the summary of the bill there is reference to the need for recovery costs to be consistent with articulated vehicles, B-doubles and road trains. It is taken as a fact that at the moment they do not provide the full cost recovery for the damage that they do to our road structure, the roads and bridges and pavements. The NRTC says in the document that it believes that at the moment articulated vehicles are not recovering up to 10 per cent of their costs and road trains and B-doubles up to 20 per cent of their costs. However, under this proposed charging system that is about to be introduced, two- and three-axle trailers will have their costs increased by only two per cent to four per cent, B-doubles will be going up 15 per cent, and road trains will be going up 30 per cent. So there is a significant difference between the heavy vehicle end, where it is acknowledged that 10 per cent is not being recovered now and it is going up 15 per cent, 20 per cent for B-doubles and it is going up 15 per cent, and 20 per cent for road trains and it is going up 30 per cent. Those larger vehicles, particularly in regional and rural Australia, are moving the freight. So I see that some additional costs are going to be incurred by people who want to move goods in that part of the country.

The second anomaly I see is that, as acknowledged in the report, 80 per cent of vehicles will not have their charges increased. Essentially, those are the rigid vehicles. Essentially again, most of those vehicles operate in the suburban and outer urban areas of Australia. They carry goods to consumers in
those areas. It is acknowledged by the NRTC that, at the moment, rigid vehicles are paying too much registration. However, because of some real ‘bureaucratese’ in the legislation, it says on page 51 or 52 that, if we decided to reduce these costs to be consistent with the fact that they are overrecovering in their costs, it would send a perverse message if we actually reduced the costs of registration of rigid vehicles. I think that is a strange term to use. Nevertheless, that is what is used in the summary of the legislation.

At the moment, between 18 per cent and 23 per cent of the cost of a good that you receive is related to road transport costs. As a result of these changes—particularly since, over the last few years, there has been a steady increase in articulated vehicles and up to a 21 per cent decrease in rigid vehicles—the costs will keep being incurred at the higher end where there is more and more freight moved. Equally, people will be penalised in suburban areas, because up to 51 per cent of the freight task is in urban areas. Forty-nine per cent obviously is in non-urban areas. There is going to be no relief for consumers, because rigid vehicle charges are not going down. Because higher vehicles are being more heavily taxed now, there will be increased burdens on consumers and operators.

Equally, something that the federal government and the ministers have agreed to recently was tying the charges to the CPI. I understand that that may increasingly overcompensate or overrecover costs for the use of roads. Once again, I can see that that will flow through to consumers and operators. Those are some of the anomalies that I think are in the legislation. Maybe the minister may wish to reply to them.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (1.20 p.m.)—I thank the previous speaker for his contribution. I know his interest and, dare I say, even expertise in the transport area. What he says he says obviously with the backing of wide experience in the industry. Senator, I am pleased to take your comments on board. Certainly, in our ongoing reform of road transport, what you have said will be considered. You have indicated that the recovery cost by this increase is only to be a small part of the actual cost. I then got a little confused in respect of your third point when you were saying that a CPI increase would overcompensate, and I do not know whether they are contradictory thoughts.

I am advised in relation to your first point that the large rises for B-doubles and road trains are due to inadequate information being available in 1992 when these were last looked at. Data from the ABS survey of motor vehicle usage in updated calculations shows usage underestimated for the heaviest vehicles. This caused the higher increase in the first lot you mentioned. However, lower road costs on remote roads were taken into account for road trains. These charges are acknowledged by the industry—as you would be aware—as being reasonably fair. Certainly, they have been accepted by all of the state transport ministers. I take your point—and I have no reason to doubt you—that 80 per cent of vehicles are basically those rigid vehicles running around in metropolitan areas. Certainly, I will pass on your comments on that to Minister Anderson. Perhaps that is something that could be discussed at future meetings of the road transport ministers.

Senator, you said that 18 per cent to 23 per cent of the cost of goods is in transport. For that reason, I cannot help but ask why you are then not supporting the goods and services tax. But, of course, we know now that your party is, and you are just going to roll it back at the edges. No doubt one of the reasons why you are is that, whilst the fuel concessions do not apply in metropolitan areas, certainly the reductions to transport costs will apply. I hesitate to use the terminology 'big trucks', so I will not. You are not talking about big trucks; you are talking about medium sized trucks. Their capital costs will go
down by 22 per cent of the wholesale price. There will be a 10 per cent GST added to the retail price. But, because it is always in a business, that 10 per cent will be refunded. So there will be a saving in the capital costs, but not just in the capital costs. From your interest in road transport, you would know that tyres are a huge cost in running a vehicle. Spare parts are also a very significant cost. The cost of most of those, again, should fall by the wholesale sales tax component of the wholesale price. Again, a 10 per cent GST will be added but, because it is a business usage, the 10 per cent will be refunded. So again there should be substantial savings on the cost of tyres, parts and things that currently have a wholesale sales tax. But notwithstanding that, I will make sure that Minister Anderson is aware of your comments. We, of course, always will look forward to contributions from the opposition on ways of getting a better, more efficient and fairer system for our road transport industry.

Again, I thank senators for their contribution. I commend these bills to the Senate. In doing so, I also extend appreciation to state and territory transport ministers for their contribution and cooperation, and also to the road transport industry as a whole.

Question resolved in the affirmative.

Bills agreed to.

Bills reported without amendments or requests; report adopted.

**Third Reading**

Bills (on motion by Senator Ian Macdonald) read a third time.

**ALBURY-WODONGA DEVELOPMENT AMENDMENT BILL 1999**

**Second Reading**

Debate resumed from 6 March, on motion by Senator Ian Campbell:

That this bill be now read a second time.

**Senator COONEY (Victoria)** (1.30 p.m.)—The second reading speech sums up well in its first three paragraphs what this bill is about, and perhaps I will just read them into Hansard:

The Albury-Wodonga Development Act 1973 established the Albury-Wodonga Development Corporation—AWDC—to acquire and develop land and other real estate in and around the Albury-Wodonga region. Those states each established a state corporation to operate in conjunction with the Commonwealth corporation. An agreement was also signed at that time between the Commonwealth and the states of New South Wales and Victoria which provided for a new integrated urban complex to be developed in the Albury-Wodonga region.

Those states each established a state corporation to operate in conjunction with the Commonwealth corporation. The Albury-Wodonga Ministerial Council, comprising the Commonwealth, New South Wales and Victorian ministers with regional and development responsibilities, was established to provide general oversight and direction to the three corporations and the development scheme in general.

The Commonwealth and the states of New South Wales and Victoria now consider that this approach to regional development in Albury-Wodonga is no longer appropriate. The Albury-Wodonga Ministerial Council decided at its 1995
and 1997 meetings to wind up the Albury-Wodonga Development Corporation and to dispose of all its land and assets, in an orderly manner and without distorting the market. The Albury-Wodonga Development Amendment Bill 1999, which I am introducing—

this is the minister speaking—

into the House today, puts into effect those decisions.

The opposition supports that. There is an amendment to which Senator Allison will be speaking shortly. I would now like to talk about the fact that this was a great scheme. I would hate this bill to be passed into law and for any implication to be left that the Albury-Wodonga development plan was not a great plan. It was a plan from the Whitlam years, those years when I think people of great vision were ruling the country. I think Mr Whitlam himself was a great visionary and so were his ministers.

Mr Acting Deputy President, you will remember that the minister who was in charge of this was Tom Uren. He has since written a book called Straight Left, and I can confirm that he was both a very straight and a very Left man. Along with the Prime Minister at that time, he was a great visionary. In fact, he came back as a minister under the Hawke government, as you will well remember, Mr Acting Deputy President. Great tribute is paid, as it should be, to Mr Whitlam. I think he was the great visionary amongst the Prime Ministers we have had this century—and not only in this century but in the last century as well. He was joined by some great figures—Moss Cass, for example. Tom Uren was one of these. Tom had an interesting history. I think I am correct in saying that he was the last member of this parliament to have fought in the Second World War. Gough Whitlam certainly fought in the Second World War and he left parliament before Tom Uren left. I think Tom Uren was the last member. That can be checked, but I think I am right in saying that.

I want to pay tribute to Tom Uren and to the government that got this scheme going. That was not the only government to have tried to regionalise Australia, as it should be. This government has plans for that; the opposition has plans for that. The areas of Australia outside the capital cities are now very much on the agenda and have been for many years. All I want to say about this scheme is that it came from the magic era. A great friend of Tom Uren’s was Lloyd Rees, whose paintings contained a sort of timeless magic. Tom Uren, who was a great friend of his, had a bit of that about him himself. I simply want to note that, as we agree to wind up that plan, it was not a plan that was mindless; it was not a plan that was recklessly visionary; it was a good plan. It was a plan that is another example of how governments quite properly try to develop the regions, but this was a plan that came from a great and practical visionary.

Senator ALLISON (Victoria) (1.35 p.m.)—I want to speak about two of the recommendations that the committee made when it was looking into this legislation and to propose in my second reading amendment that a message be given to the government in line with the recommendations of the report. The committee recognised the inequity that has existed since the establishment of the AWDC by ex gratia payment of rates to local government authorities in Victoria but that there was no similar treatment for the Albury City Council and Hume Shire Council in New South Wales. The committee recommended:

a) that the responsible NSW Minister consider ex-gratia payments equivalent to rates on AWDC (NSW) Land since 1992;

b) that, once the Commonwealth’s amending legislation commences and the land assets pass to the Commonwealth, the Commonwealth address this inequitable treatment of local government authorities by instituting ex-gratia payments equivalent to rates for Corporation land in both NSW and Victoria.

The committee also noted that the AWDC held assets of $138.4 million as at 30 June last year, the sale of which will continue over the next 10 years and, accordingly, the committee recommended that the Commonwealth consider reinvesting the interest-free payments made by the AWDC to the Commonwealth into infrastructure projects in Albury-Wodonga.

This leads me to the very contentious issue of the so-called internal bypass which is be-
ing proposed for Albury. It is very contentious and survey after survey of the residents of Albury have shown that 75 per cent would prefer this so-called bypass to be not internal but external. Only a slightly smaller number, 60 per cent of Wodonga residents, say they too would like to see an external bypass just like every other major town along the Hume Highway. The sticking point in all of this has appeared to be the second river crossing, that the internal bypass was an opportunity for there to be a second river crossing where the Victorian highway reaches the river. That is much needed and has been much talked about in the Albury-Wodonga area for some time. The argument was that, if we go the internal route, we get the second river crossing and we still get a so-called bypass. However, the internal route has been promoted because of this supposed advantage. It has been said for some time that it is also the cheaper option.

That opposition, as I said, goes right back to the 1970s. Residents in Albury and Wodonga have been, I suppose, in a situation in which they have had no-one to turn to. The local council and the state government in New South Wales have said over and over again that they want to see the internal route proceeded with—for that second river crossing problem. This is an opportunity to feed back into the community some of that money which was not paid in rates during the life of the AWDC, to use it for infrastructure that, as I understand it, was the purpose behind the whole AWDC—that is, to see infrastructure developed in this region for the economic development of the area. That has been very successful. The money which was forgone in rates throughout the time of the AWDC could be returned in this way and allow a much more sensible solution to this problem to be found.

I want to draw on some of the arguments for going external as opposed to internal. Right now there are 3,000 to 4,000 semitrailers and tankers going through Albury-Wodonga every day. That is expected to double over the next 10 years. Most of those go through at night. At least 82 per cent, according to Environment Australia, and 76 per cent, according to the EIS, are externally by-passable. So the noise, pollution and risks of spills are ever-increasing problems that affect the majority of residents in both towns. The Road Transport Authority in New South Wales openly acknowledges that they will have to soundproof homes in order to achieve the EPA noise levels.

We need to take another look at the figures that were put together. There is certainly some evidence that the cost estimates for the so-called internal bypass have been constructed in a way which would suggest that that option is still cheaper than the external route, but I think this has been very satisfactorily and completely dispelled by other cost assessments of the figures that have been put up. In fact, the residents in Albury-Wodonga say that the RTA has consistently understated the costs for the internal solution, even though there are obvious extras and difficulties of building through an urban area. They left out bridges. They left out overpasses and underpasses—or undervalued them—on and off ramps, sections of the road surface, noise barriers and many other things. In recent times when they had to admit to those omissions, they inflated the cost of the external bypass without doing any further design, I might add, or having any further information to hand. So the benefits of the internal solution have been overstated and the benefits of the external solution have been understated.

I propose my second reading amendment as a way forward, a way in which we can take a proper, objective look at the solution to the bypass problem in Albury-Wodonga. The external solution would certainly meet the needs of the residents who very much fear having their city divided in two by a very noisy corridor of constant traffic and the sorts of noise barriers that need to be erected. It could allow us to go forward with a solution which, as I say, overcomes the problems associated with putting very heavy traffic through a highly urbanised area. I move:

At the end of the motion, add “but the Senate calls on the Government to address the inequities identified in the report of the Rural and Regional Affairs and Transport Legislation Committee on the bill in relation to local government rates foregone by Albury City Council and Hume Shire Council since 1973, by granting an amount of money equivalent to repayments made by the Corporation
to the Commonwealth since 1989, plus interest, for infrastructure investment to enable a second road link across the Murray River to be built, thereby obviating the need for the highly unpopular internal Hume Highway by-pass”.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (1.43 p.m.)—

Essentially, this bill will simplify the structure and streamline the functions of the Albury-Wodonga Development Corporation in preparation for its abolition by a future act of this parliament once its duties have been finalised in many years to come. The bill will also facilitate the withdrawal of the states of Victoria and New South Wales from the 1973 joint Commonwealth-state scheme to develop the Albury-Wodonga region. I pause there and refer to Senator Cooney’s comments about some of the architects of this bill. I acknowledge, as Senator Cooney does, Mr Whitlam and certainly Mr Tom Uren. I agree with Senator Cooney. Whilst I would never be caught commenting favourably on Mr Uren’s political philosophy or view on life, he certainly is a great Australian. I recently had the real pleasure of sitting near him at a function in Sydney. It was a pleasure to talk to him and hear of his vision and views. He certainly has not abated his particular philosophy on life and philosophy on politics. He is a great Australian and one who will be remembered for many things. Senator Cooney, not only was he a member of the armed forces who fought in the war; he was a prisoner of war at Changi, as I understand—

Senator Quirke—He was captured in East Timor.

Senator IAN MACDONALD—Captured in East Timor? That also has a resonance in this day and age. He is certainly a great Australian.

The bill before us implements the decisions of successive federal governments and the Albury-Wodonga Ministerial Council to wind up the corporation and the Commonwealth-state scheme that first started, as I said, in 1973. The bill provides for the negotiation of a complementary winding-up agreement to detail the arrangements of the withdrawal of the states from the scheme. That will be tabled later, as I understand, and will be a document that can be set aside by this parliament. The bill also provides for the repeal of the Albury-Wodonga Development (Financial Assistance) Act. That act will no longer be relevant with the withdrawal of the states from the scheme.

I understand what Senator Cooney has said, and I thank him for his comments. I acknowledge that Senator Allison has a deep and ongoing commitment to the external route around Albury. Whilst I am advised that she is wrong—I do not have a personal view; it is a bit outside my expertise—the New South Wales government, which does a lot of the planning and management work of the highway on behalf of the Commonwealth, and the Commonwealth’s experts themselves still say that the internal route is the way to go. You may or may not be surprised to know, Senator, that we will not be supporting your second reading amendment, but I accept your interest in the matter.

Both Senator Cooney and Senator Allison spoke about the recommendations of the Senate committee looking into the bill, the principal recommendation of which was that the bill be passed, which we accept. There was a recommendation, too, which talked about the question of payment of rates to the three councils that really comprise that Albury-Wodonga corporation area. By decision of the Victorian government some years ago, I understand, the Victorian government decided to pay rates in Wodonga and has been doing that for some years. Many years ago the New South Wales government made a decision that it would not do that for, I understand, reasons of uniformity across the whole of the state. I was not around then and can only indicate my understanding of what the reasons were at the time.

The committee has said in its report that we should ask the New South Wales minister to consider ex gratia payments equivalent to rates back from 1992. I think the New South Wales government has made a decision on that, Senator. I will certainly make the minister aware of the recommendation of the committee, but I could not urge the adoption of the recommendation with any great enthusiasm.
There is also a suggestion by the committee in recommendation 2 that, once the Commonwealth amending legislation commences and the land assets pass to the Commonwealth, the Commonwealth address this inequitable treatment for local government authorities by instituting ex gratia payments equivalent to rates for the corporation land in both New South Wales and Victoria. That is a matter that was raised with me by the Albury City Council some time ago.

The payment of rates on land-holdings to shire councils is at the present time a matter for state corporations. The request by the Albury City Council is something I am currently giving some consideration to and currently getting some advice about. As I say, I cannot speak for the New South Wales government for the past, but I am considering the second element, that is, what the Commonwealth’s attitude should be for the future. As soon as I have come to a conclusion, I will let all of the relevant parties know and let them know of our decision. I thank the committee for considering that and for its recommendation.

The third recommendation—I guess this goes to Senator Allison’s amendment—does talk about reinvesting some of the proceeds of sale that the Commonwealth will receive from the AWDC into infrastructure projects in the Albury-Wodonga area. I have said that we do not support the senator’s amendment, which is a specific reference to that general recommendation.

In relation to the recommendation generally, we have to be careful in hypothecating moneys from a particular area of Commonwealth government investment. The original investment, made of course in Albury-Wodonga, was made by Australian taxpayers as a whole. It was not made just by the people of Albury-Wodonga. Commonsense and basic fairness would suggest that, if all of the Australian taxpayers made the investment, then any return on the investment should really go back to all of the Australian taxpayers. Of course, that means putting it back into general revenue. That has been the general approach over the years.

That is not to say that the Commonwealth will not look at proposals that come from Albury-Wodonga, or any other area, I might say, for infrastructure payments, but I would not want to start the precedent of hypothecating payments, because it is simply unfair. There are many parts of Australia in which the Commonwealth in 1973 or subsequently has not made that investment. Of course, there are no returns from those other places that could be hypothecated, even if we thought that was a good idea, which we do not. While I understand some of the sentiments behind recommendation 3, it is not really one I could endorse wholeheartedly.

I thank those senators who spoke for their contributions. I thank all of the current and past members of the Albury-Wodonga Development Corporation and colleagues in the New South Wales and Victorian governments—the ministers over the years who have joined with the Commonwealth minister as the Albury-Wodonga ministerial council—for their contributions and hard work over a long number of years. Time has moved on. It is time to change, as the states are interested and anxious to withdraw. Now is the time to do it. That is what this bill does and I commend it to the Senate.

Amendment negatived. Original question resolved in the affirmative. Bill read a second time, and passed through its remaining stages without amendment or debate.

Sitting suspended from 1.55 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Solar Energy: Photovoltaic Rebate Program

Senator ROBERT RAY (2.00 p.m.)—My question is directed to the Minister for the Environment and Heritage, Senator Hill. Is the minister aware that the cutting-edge solar energy solutions developed by Solar Systems Pty Ltd are not currently eligible to access the Photovoltaic Rebate Program on the basis that their development post-dates the program? Is the minister aware that this ineligibility will result in a financial advantage to more outdated technology? Is the minister further aware that Solar Systems Pty Ltd has recently been contracted to supply solar gen-
erated electric power to a major project—namely, a $400 million multistorey residential building in Victoria? And is the minister aware that both the Commonwealth and the Victorian governments seem to have no objections to Solar Systems Pty Ltd accessing the PVRP but that this issue remains unresolved at a bureaucratic level?

Senator HILL— I do not recall the issue. If I understand what Senator Ray—

Senator Schacht—He’s on a roll.

Senator HILL—I certainly recall the enlightened and constructive government policy which supports the community in taking on photovoltaic power by considerably subsidising them to do so to the extent of about—

Senator Carr—What is the supplementary?

Senator HILL—I got an interjection. It subsidises them to the extent of about 50 per cent of the cost of a normal system for a house. It is an opportunity that we are giving to the community to contribute to a better greenhouse outcome for Australia, and it is something which I would like to think all Australians would applaud. What Senator Ray is suggesting, as I understand his question, is that we have in some way restricted the equipment to that which was available at the time the policy was first implemented, which was only a couple of months ago. That seems to me to be somewhat surprising because this scheme is going to continue for a number of years. I cannot immediately see why we would limit it to equipment that might be overtaken by alternatives that are more efficient or less costly or have some other advantage. I will examine the criteria and see if in fact that is a problem. On the face of the information contained in the question, it might well be that the conditions need to be improved, and if they need to be improved, they will be.

Senator ROBERT RAY—Madam President, I ask a supplementary question. I appreciate the minister’s answer. If he finds that this latest technology is not involved, will he take it up with his counterpart in the Victorian government?

Senator HILL—I will certainly do that. When we launched this program a month or so ago, three suppliers of equipment were present at the launch, and each of those suppliers had forged partnerships with installers and other associated equipment suppliers. The industry seemed to be very enthusiastic about it. I got the impression that the broad base of what is accepted as only a small industry in Australia was having the opportunity to contribute. Certainly, on that day there was no suggestion that anyone was being excluded. But I will take up the matter in the constructive way in which the question was asked and, if there is a problem, I will fix it.

Information Technology and Telecommunications: Growth

Senator McGAURAN (2.04 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Will the minister inform the Senate of the importance of the growing IT&T sector to the Australian economy? What is the government doing to assist this growth? Is the minister aware of any alternative policy approaches, and what would be the impact if they were implemented?

Senator ALSTON—It is a very important sector—in fact, it is going ahead in leaps and bounds. Last year, I think, employment in the communications sector grew by about 12 per cent. We now have an IT&T sector that is larger than those of all the ASEAN countries combined. Quite clearly, it is in the process of transforming our economy. Apart from some of the great success stories like LookSmart, Quokka and ResMed, you are seeing a number of traditional companies dramatically transforming their cost structures by introducing IT&T solutions. The latest predictions suggest that business to business commerce and e-commerce alone are likely to see us going from about $1,500 billion to about $20 billion-plus within the next four years. So quite clearly, as Senator McGaurnan rightly identifies, this is a sector of huge importance to the Australian economy.

It should also be of huge importance to the Australian body politic. But, unfortunately, there is only one side of politics that is really interested in these issues. That became dramatically apparent to me when I attended the Internet Industry Association dinner some
weeks ago. Six hundred and fifty people were there—the cream of the industry, as always is the case. They introduced people from all sides of the political spectrum—Senator Stott Despoja was there, for example. I was introduced as the minister. Then, of course, Senator Lundy was introduced. She was introduced in her capacity as shadow minister for youth and sport and shadow minister assisting the shadow minister for industry and technology in relation to information technology issues. Before the compere had even got three-quarters of the way through that, there was an embarrassed silence, followed by absolute howls of amazement when the penny dropped that Labor did not have a shadow minister for information technology. I felt very embarrassed, I have to say, because it seemed to me that this might have just been an oversight. I pointed out that it was not just the federal Labor Party—in fact, the Victorian Labor Party in government still does not have a minister for information technology. There seems to be a very serious disconnect between what is going on in the real economy and what is going on on one side of the political fence.

This was again dramatically underlined recently. Remember when the unions flexed their muscles in Victoria and the place basically came to a halt? They tried that famous old Bob Hawke card—they thought they would convene a summit. What did they do? They got along there about 102 people. There were something like 28 of them from industry and there were about 40 of the usual suspects: Labor, the trade unions and the like. What happened as a result of all that? There was the usual smoothing over of the rough edges and papering over the cracks, but a spokesman went out and claimed that IT&T had been a major focus of the summit. The only problem was that there was not one single person there to represent the industry. Once again it was a huge snub. These people do not seem to understand what is going on. I very much hope that people like Senator Conroy who claim to have enormous influence over the Labor government in Victoria will bring it to their attention. When Mr Kennett was there, he had an advisory committee which used to meet mornings on a monthly basis, and I remember attending several of those meetings. He got the cream of the industry. All of this has been deferred basically indefinitely because the Labor Party does not seem to recognise the importance of this sector. In fact, John Brumby, who was supposed to form an advisory body last November, is now talking about bringing it together next year. (Time expired)

Goods and Services Tax: Non-government Schools

Senator CARR (2.08 p.m.)—My question without notice is to Senator Kemp in his capacity as Assistant Treasurer. Can the minister clarify whether the states will pay GST on grants to non-government schools? Can the minister confirm that a motion was moved by the Minister for Education, Training and Youth Affairs, Dr Kemp, at the MCEETYA meeting last Friday calling on the Australian Taxation Office to expedite the speedy finalisation and release of rulings on GST and education matters? Why is the minister leaving state governments and education circles in such uncertainty about such a crucial issue?

Senator KEMP—The point is that education is one of the big winners under the GST package. In fact, I think you will find that, as a result of education being largely GST free, in many areas the costs of education will come down, and that is particularly good news. In relation to the Minister for Education, Training and Youth Affairs and his role, I do not normally speak on behalf of my brother in this chamber; that is actually the role of my colleague beside me, Senator Ellis-son. But I think I can say that Dr Kemp always takes a very close interest in these issues and undoubtedly Dr Kemp is watching very closely the implementation of the GST as it applies to schools. I make that point.

In relation to government grants, let me make it clear that the GST is not going to adversely affect government grants. Where a grant by a government constitutes consideration for supply to a GST registered organisation, it will generally be taxable. Where the organisation in receipt of the grant is not registered, it will not be required to charge GST, so there will be no GST consequences. If a government providing a taxable grant wishes to maintain the level of funding to a
that Senator Carr requested about the timing of the ruling and I will provide the information to him as soon as practicable.

**Rural and Regional Australia: Fuel Costs**

**Senator LIGHTFOOT** (2.14 p.m.)—My question is addressed to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister explain to the Senate how the government’s changes to the current fuel excise arrangements will benefit rural and regional Australia?

**Senator IAN MACDONALD**—I thank Senator Lightfoot for that question. He continues to show an interest in rural and regional Australia. In legislation which I have just taken through the Senate, we were talking about the costs of transport to Australia generally and, of course, importantly, to rural and regional Australia. I think it was Senator Hutchins from the Labor Party who indicated during the debate that some 18 to 24 per cent of the cost of any good is tied up in transport costs. The government recognises that; that is why we are delivering on our promise to have cheaper transport for rural and regional Australia—in fact, cheaper transport right across Australia. We are doing that by the removal of Labor’s wholesale sales tax, which adds 12, 22 and 32 per cent to goods generally, but specifically 22 per cent to trucks and tyres which deliver the goods to rural and regional Australia. Senator Hutchins from the Labor Party actually pointed that out.

The new tax system will lead to massive benefits for road, rail and marine operators. After first deciding to oppose the GST, I guess the Labor Party now support the GST because they understand what a great package it is for the transport industry. As a former member and secretary of the Transport Workers Union, Senator Hutchins understands this. We are doing that by reducing excise on diesel used for transport in country areas by some 24c a litre. For off-road use, for maritime and rail use, diesel will cost some 44c a litre less. All of that brings down costs in rural and regional Australia. That is what this government is all about.
Labor has no answer whatsoever to this particular problem. I am searching in vain for any policy from the Labor Party on how they would get cheaper transport costs to rural and regional Australia. After all, Labor were in power for some 13 years. What happened to the cost of petrol during that time? It went up from about eight cents per litre to something like 40 cents a litre. Can you imagine what that has done to costs in rural and regional Australia, not only on road transport but on rail transport as well? This government is getting 44 cents a litre off the cost of fuel for railways. That is a good news story. That is delivering the goods for rural and regional Australia. But what are the Labor Party doing? We have not heard. They do not have a policy. Their policy, I suggest, will be to roll back the GST; to increase income tax but keep the GST. Senator Hutchins understands why you have to keep the GST—because it brings lower costs to the transport industry. I thank Senator Hutchins for his support and recognition of that impact in the bill we have just debated in the Senate.

Senator LIGHTFOOT—Madam President, I have an additional question for the minister.

The PRESIDENT—It should be a supplementary question, not an additional question, Senator.

Senator LIGHTFOOT—I have a supplementary question, not an additional question, Senator.

Senator LIGHTFOOT—I have a supplementary question, Madam President. I ask the minister: is he aware of any alternative proposals that would impact upon regional or rural Australia?

The PRESIDENT—That is not really in order as a supplementary question, Senator.

Senator Ian Macdonald—On a point of order, Madam President: it is relevant. I spoke about other issues, other ideas. Senator Lightfoot is now simply asking me what I know about those other ideas.

The PRESIDENT—Senator Lightfoot.

Senator LIGHTFOOT—I am happy to rearrange the question.

The PRESIDENT—It should be supplementary to the answer that was given, Senator.

Senator LIGHTFOOT—Madam President. Could the minister continue to outline to the Senate anything of a supplementary nature that may have an impact on rural or regional Australia?

Senator IAN MACDONALD—I thank Senator Lightfoot for an excellent question. I have heard of some other proposals. Recently, the shadow Treasurer, Simon Crean, was asked on radio in Rockhampton about Labor’s policy on diesel fuel excise.

The PRESIDENT—Senator, it should be ‘Mr Simon Crean’.

Senator IAN MACDONALD—Mr Simon Crean was asked by the compere, ‘So you’ve sat down and done your own sums, worked out your own formula. Can Labor make some promise on the commitment about petrol prices?’

Senator Forshaw—On a point of order, Madam President: as I understand the supplementary question from Senator Lightfoot, he was asking the minister about alternative policies. Obviously, that refers to the alternative policies of the member for Herbert, Mr Katter. I would think that the minister should address those alternative policies of Mr Katter, because that is obviously what he was asked about.

The PRESIDENT—There is no point of order.

Senator IAN MACDONALD—Mr Crean would not answer the question: can Labor make some promise on commitment about petrol prices? But then it got better. He was asked by the compere, ‘What about fuel excise, Mr Crean? That causes a lot of problems too. What sort of commitment can Labor make regarding fuel excise?’ Mr Crean, from the Labor Party, responded, ‘Well we’ve—basically our position has been that there needs to be a mix between indirect and direct taxes. We always had fuel excise in the mix. We are not proposing to make any changes to the fuel excise regime.’

Aboriginals: Stolen Generation

Senator FAULKNER (2.21 p.m.)—My question is directed to Senator Herron, the Minister for Aboriginal and Torres Strait Islander Affairs. Does the minister still stand by his repeated statements that the 1997
Bringing them home report does not employ the term 'stolen generation'—for example, in his article in the Australian yesterday, ‘The HREOC report does not employ the term stolen generation’; in parliament yesterday, ‘the report doesn’t mention it’; and, in parliament on Tuesday, ‘It is a construct that does not appear in the … report’? Why does the minister persist in denying the numerous references to ‘stolen generation’ in the HREOC report—at least 19 by my own count? How can this minister be so ignorant of the report and so badly briefed by his own officials?

Senator HERRON—Madam President, I thank Senator Faulkner for the question because I need to clarify that for Senator Faulkner’s benefit.

Honourable senators interjecting—

Senator HERRON—No, it is not meant to be in any way flippant. I have before me a photocopies of the relevant pages that Senator Faulkner is referring to in the Bringing them home report. Madam President, the dedication in the report is:

This report is a tribute to the strength and struggles of the many thousands of Aboriginal and Torres Strait Islander people affected by forcible removal. We acknowledge the hardships they endured and the sacrifices they made. We remember and lament all the children who will never come home.

We dedicate this report with thanks and admiration to those who found the strength to tell their stories to the Inquiry and to the generations of Aboriginal and Torres Strait Islander people separated from their families and communities.

As I have correctly said all along, and I restate again today, the HREOC report did not employ the words ‘stolen generation’ as part of the report. It appears many times, as Senator Faulkner correctly said, in relation to organisations that were formed called the ‘stolen generation’, whatever that organisation might be in submissions that they made to the Human Rights and Equal Opportunity Commission report.

Madam President, I could say, as I understand there are members of the stolen generation in the gallery, that there are people here from ‘stolen generation’ organisations by the nomenclature of those organisations as they appear in the report. If have offended any of them, I am sorry for that offence. I am sorry—

An incident having occurred in the gallery—

The PRESIDENT—Order! I would ask members of the gallery to refrain from shouting and to take their seats and listen to question time. If you are not prepared to remain silent, I would ask you to leave the chamber.

A further incident having occurred in the gallery—

The PRESIDENT—I would ask those who are shouting and talking to leave the gallery.

A further incident having occurred in the gallery—

The PRESIDENT—I would ask those who are disrupting the Senate to leave the gallery or to resume their seats.

Senator HERRON—Madam President, I repeat: I appreciate and I understand the feelings of the people in the gallery and anybody else that may be offended by the statement I put to the constitutional and legal affairs committee. It was not my intent to offend. I have never, at any stage, either in that report or before the Senate, done anything else than recognise that the period of family separations is a tragic phase in the history of indigenous and non-indigenous relations in this country. The human legacy of these past policies remains a living reality, obviously, for many Australians today. You cannot go back and change the past, but we must acknowledge it—and we do. As a society we must live in the present and look to the future. We have an obligation to address the consequences of those past actions and to try to address those wrongs. That is what most Australians want, indigenous and non-indigenous. In doing this, we move towards lasting reconciliation which can only be achieved in the hearts and minds of individuals. The Prime Minister and I and the government acknowledge the real and existing hurt that is evident today.

Senator Schacht—Just say you’re sorry. Just say, ‘I’m sorry.’
Senator HERRON—I am sorry if I have offended anybody; it was not my intent. We have never said that these people do not exist—they obviously do. We have never said their suffering is not real—it is. Their stories are heart-wrenching, and many are documented in the Human Rights and Equal Opportunity Commission *Bringing them home* report. We responded with a significant, compassionate response. We are in the process of instigating the expenditure of $63 million in initiatives to assist in a practical way. In developing these initiatives, our primary aim was to address the fundamental concern that lies at the heart of this issue: family separation and its consequences. I will refer to the Human Rights and Equal Opportunity Commission *Assisting family reunions* recommendations as most significant and urgently needed for separated families. (Time expired)

Senator FAULKNER—Madam President, I have a supplementary question. I do note that the minister is expressing some contrition for events over the past few days. I ask, as a supplementary question, given that he has done that, can the minister now explain to the Senate and the Australian people, and particularly to the stolen generations, why he cannot apologise to the stolen generations on behalf of the government?

Senator HERRON—Madam President, I have repeatedly stated that we must acknowledge the past. There is no question about that, as I just said previously to you. The past, we cannot change. But the past actions that occurred were the actions of our predecessors. Though there were exceptions, there is no question that those people and the churches and the non-government organisations believed in most cases—in the overwhelming majority of cases—that what they were doing was in the best interests of the people concerned. Nobody on the other side, and I am sure very few people on the floor of this chamber, understood Aboriginal culture in particular. They did not understand the enormous wrong that this was and the disruption that occurred. (Time expired)

Aboriginals: Stolen Generation

Senator RIDGEWAY (2.30 p.m.)—My question is also to the Minister for Aboriginal and Torres Strait Islander Affairs, Senator Herron. Minister, yesterday in question time you led the Senate to believe that funding of $63 million to implement the recommendations of that *Bringing them home* report was ‘handed to ATSIC as it was obviously their responsibility to handle.’ Is it not the case that ATSIC never received anything like $63 million to carry out this responsibility? Is it not also the case that the first $9 million of the $63 million was to come out of ATSIC’s existing budget or, more precisely, from ATSIC’s culture and language maintenance program? Would it not therefore be more honest for you to admit that your government only ever intended to allocate $54 million to implement the recommendations of the *Bringing them home* report?

Senator HERRON—Our $63 million response to the *Bringing them home* report came from a number of areas, in particular from the health department. In fact, the majority of it is being expended on the health aspects of the matter in relation to the establishment of centres around Australia. It is split into a number of avenues, some of which, as Senator Ridgeway quite rightly said, came from ATSIC’s allocation. But, if I can detail it further as that was the content of Senator Ridgeway’s question, the whole structure of the $63 million was to support family reunions, as I said earlier. There was $11.25 million over four years for expansion of the Link Up family reunion service across Australia through ATSIC. However, the Human Rights and Equal Opportunity Commission failed to evaluate whether existing Link Up services on which the expansion was to be based met the needs of families affected by past separation practices. This meant that, before the expansion took place, ATSIC had to evaluate the existing services, which took up most of the 1998-99 financial year, and develop best-practice models. While there have been some delays in implementations, projects are gathering momentum and all the allocated money will be spent. I tabled in the Senate the other day the progress report which provides information on implementation of government initiatives to 31 December last year. That marks a point just over a third of the way through the four-year cycle that we envisaged. Around a third of the Link
Up program’s expansion funding has now been spent and significant progress is expected over the coming year. For example, South Australians now have access to a Link Up service which is a direct result of the government’s initiative.

Another set of key needs identified in the Bringing them home report was in relation to mental health and counselling and wellbeing programs. Accordingly, $39 million has been allocated to such programs, to be administered by the Office for Aboriginal and Torres Strait Islander Health. In addition, I do not think we should focus totally on that. As I also mentioned, my colleague Senator Newman has very generously allocated a quarter—24 per cent—of the total budget for the whole of Australia for addressing family violence, bearing in mind that the Aboriginal community makes up 3 per cent or less. She has allocated $6 million of that budget. I am happy to tell you today that six remote communities in the Pilbara and Kimberley region of Western Australia will receive funding of $230,000 a year for three years to establish services addressing family violence. The federal government will provide $140,000 a year under the domestic violence rural and remote initiative and the Western Australian government will provide an additional $90,000 a year from state funds.

These small, traditional and isolated Aboriginal communities have clearly stated that they want solutions which will involve the whole family and the community. This funding is a significant factor in helping Aboriginal people in these remote areas develop and maintain stronger communities. It will take time, because of the difficulties in using some of the funds to train Aboriginal people in social and welfare areas to go into those communities. Eleven services have already been established and there are many others on the way. There have obviously been delays in initiating this program. However, I am advised that there are sensitivities relating to the provision of culturally appropriate counselling services. There is also the need for community consultation. (Time expired)

Senator RIDGEWAY—Madam President, I ask a supplementary question. I note the comments of the minister and I am glad the minister has acknowledged the $39 million going to the department of health. Minister, could you explain why you have misled the Senate on this matter and tried to blame ATSIC for the failure of your own government to ease the hurt and trauma of the stolen generations. Can you also outline how and why the department of health has been spending what you allege is ATSIC’s $39 million.

Senator HERRON—I certainly did not mislead the Senate, if you look at the answer that I gave. I have it before me, Senator Ridgeway. I did table the full documentation in relation to the implementation of the program which we have put forward. It is all in those tables. I did not mislead the Senate. In fact, it was the very reverse: I provided the full documentation substantiating everything that is occurring. I would refer Senator Ridgeway to that full documentation.

Aboriginals: Interpreter Service

Senator JACINTA COLLINS (2.36 p.m.)—My question is to Senator Herron, as Minister for Aboriginal and Torres Strait Islander Affairs. Is the minister aware of the views of the Northern Territory Chief Minister in relation to Aboriginal interpreter services? Is he aware that Mr Burke has stated in the Northern Territory parliament:

It is a disgrace to my mind that Aboriginal people in the Northern Territory who have been exposed to ... the opportunity of ten years of schooling ... are in a situation ... where an interpreter service is ... required.

and that

To come up with ... an interpreter service, in the Northern Territory or elsewhere, ... is akin to providing a wheelchair for someone who should be able to walk.

Will the minister publicly repudiate Mr Burke’s disgraceful comments?

Senator HERRON—I am not aware of Mr Burke’s comments and I certainly would not accept anything from the other side as being an accurate representation.

Senator Forshaw—Oh!

Senator HERRON—How can I if I have not seen them or heard them? But I am happy to say that there is progress in that regard. All of us would recognise that there is a need for
an interpreter service. We do it for all other language groups in the community. Certainly in hospitals we provide interpreter services for many language groups across the whole community. The provision of interpreter services in the health and criminal justice systems is a matter for state and territory governments, which have the primary responsibility in those areas. The Commonwealth has previously provided some funding for the development of interpreter services largely in response to the recommendations of the Royal Commission into Aboriginal Deaths in Custody.

The Commonwealth provided funds over a five-year period until 1997 to assist with implementation of the recommendations. This funding was provided with the expectation that states and territories would build upon the opportunities afforded by it to establish longer term programs. For example, the Commonwealth funded a six-month pilot Aboriginal language technical interpreter service in Darwin, which commenced in February 1997. There are discussions going on with the Northern Territory government to see if that can be developed further. I certainly believe in and support—and I know ATSIC does too—the necessity for interpreter services both in the legal justice system and in health care. It is an absolute necessity; there is no question.

I am obviously not responsible for comments that Mr Burke made, nor has the Commonwealth the responsibility for the provision of acute health care in the Northern Territory. That is the responsibility of that government. So, as I mentioned previously, I think there will be further progress in regard to the provision of interpreter services in the Northern Territory.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. Let me inform the minister that he will find Mr Burke’s comments in the parliamentary record of the Northern Territory Assembly of 24 November last year. Let me remind the minister that I asked him: will he publicly repudiate Mr Burke’s disgraceful comments? As a supplementary, I ask the minister to confirm that he repudiates the view, wherever it may be held, by Mr Burke or anyone else, that providing an Aboriginal interpreter service is akin to providing a wheelchair for someone who should be able to walk.

Senator HERRON—As I said previously, the interpreter service is a vital service. I am also aware that the Northern Territory Anti-Discrimination Commissioner released a report on the inquiry into the provision of an interpreter service in Aboriginal languages by the Northern Territory government. He found that there was overwhelming evidence demonstrating the need for an Aboriginal interpreter service to be established as a matter of urgency. As I said, that is the responsibility of the Northern Territory government. I am looking forward to their cooperation with the Commonwealth where we can assist in that regard. I think it is important that that continue.

Aboriginals: Health and Welfare

Senator RIDGEWAY (2.41 p.m.)—My question is to the Minister representing the Minister for Health and Aged Care, Senator Herron. Minister, yesterday in answer to my question you referred to your ‘Bancroft oration’ to suggest that government spending on health is eight per cent higher for indigenous Australians than for the rest of the population. I refer the minister to page 13 of the oration, and I thank him for providing a copy. He said that per capita levels of direct Commonwealth expenditure on indigenous people were 63 per cent of the per capita expenditure on all other Australians. In other words, minister, isn’t it the case that this government spends significantly less on indigenous health compared to others? Minister, will you now acknowledge that you did not provide the Senate with a truthful account of the facts?

Senator HERRON—in relation to the last part of the question, I did provide a truthful account of the facts as recorded in that oration. As I said yesterday, once you get to the stage of definitions—I also said that I may not have used those precise words in relation to Senator Ridgeway—of the terminology of the expenditure, the difficulty arises that two different programs were prepared, both by Dr Deeble, one for the health department, which I told you about yesterday and which was mentioned in my Bancroft oration, and the other that was prepared by the AMA,
which was a scoping survey. So with respect to Senator Ridgeway’s unique position in this parliament, I think it is important to put on the record that there is absolutely no foundation for the myth that spending on Aboriginal and Torres Strait Islander health is disproportionately high. If we take into account spending from all sources, in 1995-96 expenditure on health for the indigenous population was only—

**Senator Lees**—Madam President, I take a point of order. My point of order is on the issue of relevance. Senator Ridgeway is specifically asking the question about the Commonwealth’s expenditure on primary health care services through all of its avenues, whether it is Medicare, the pharmaceutical benefits scheme, Aboriginal health clinics, whatever. He is not asking about the states’ expenditure at the critical end in their hospitals. Can you please ask the minister to answer Senator Ridgeway’s question of yesterday and again today? We are asking about Commonwealth expenditure on Aboriginal health and the fact that it is so low, as he has put in his own oration.

**The President**—I draw your attention to the question, Senator Herron.

**Senator Herron**—Senator Lees should have waited for just one more sentence. The next sentence is that Professor Deeble makes the point that spending needs to increase. He suggests that an increase of 27 per cent is justified. If Senator Lees had bothered to listen to what I was saying, she would have heard that that was the preamble—

**Senator Lees**—Twenty-seven cents in the dollar.

**Senator Herron**—Senator Lees does not understand that there are two Deeble reports. There is the Deeble report that I referred to in the oration last year. There is a scoping survey that he did for the Australian Medical Association, which is the one that she is referring to. So I am not misleading.

Professor Deeble makes the point in the most recent report that spending needs to increase, and he suggests an increase of 27 per cent is justified. I welcome his contribution to the debate on this issue. In fact, we have already recognised there is a shortfall in funding and are working to increase overall funding levels. Since 1996 this government has increased funding for Aboriginal health each year. Funding through the Office for Aboriginal and Torres Strait Islander Health Services has increased to $187 million per year, an increase of 51 per cent in real terms since 1996-97 when the Labor Party was in power. We know that more needs to be done. There is an enormous backlog. I have said it before—13 years of wasted opportunity. This government is committed to expanding its efforts in this area over time. Specific Commonwealth health funding is expected to grow by another $100 million over the next five years. When increasing funding we must do this strategically: that is why we are increasing access to comprehensive primary health care services; increasing the size and skills of the workforce; working cooperatively with communities and state governments, particularly on planning and provision of services; addressing the specific health issues that cause the greatest burden of illness to Aboriginal people and putting in place systems to collect data to show where the needs are and to monitor progress in addressing these needs.

We cannot do the job properly by just pushing money out the door without regard to these constraints. The rate of funding increase has to be consistent with the community’s and the health system’s ability to effectively utilise funds in a way that meets indigenous peoples’ health needs. It takes time to plan and consult, to recruit and train the skilled workforce and build infrastructure. We know from the experience in New Zealand and North America that improvements in indigenous health come about by establishing and maintaining a level of targeted health care services over many decades. In Australia we are still in the early stages of getting the health care infrastructure and services for indigenous people established. (*Time expired*)

**Senator Ridgeway**—Madam President, I ask a supplementary question. Minister, your oration comments are directly attributable to the health department. When will this government allocate the necessary resources and funding to indigenous health
care in this country? Surely spending on basic health care for indigenous Australians is fundamental to your commitment to the so-called 'primary reconciliation' process?

Senator HERRON—I have stated the answer to part of that question in my previous remarks. As I said previously, it will take a long time: there is no magic wand. But there are many marvellous things occurring—new initiatives. For example, I have seen in Broome, through an Aboriginal medical service, Aboriginal people being trained to use CD-ROMs in their own language, with laptops to take out to the communities to educate people on primary health care. We are using local languages. These are new initiatives instigated by this government. For the first time, we are using the virtues of modern technology to go into communities because, as I said previously, throwing money at it will not fix the problem. We need trained Aboriginal people; we need opportunities to get to communities, and it has to be under Aboriginal culture and at the invitation of the people in the communities so that it can be taken to them. It will take time. (Time expired)

Goods and Services Tax: Fundraising

Senator CROWLEY (2.48 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware of the concerns raised by the New Children’s Hospital at Westmead about the impact of the GST on its major fundraising activity, the annual Bandaged Bear Day Appeal? Minister, it is this little thing. Sorry, Madam President—I should ask the minister through you whether he is aware of this little bear. Is he aware that the fundraisers face a choice of increasing the donation for a clip-on bear to $3.30, which is hardly practicable—indeed barely practicable—or absorbing the GST cost which will amount to a loss of 30 cents on each bear? What is the minister’s advice to the organisers of the Bandaged Bear Day Appeal?

Senator KEMP—I will check whether there is a ruling on that particular issue and whether one could be obtained.

Youth: National Youth Week

Senator TIERNEY (2.51 p.m.)—My question is to the Special Minister of State representing the Minister for Education, Training and Youth Affairs. This week is the first National Youth Week. Will the minister outline for the Senate the activities that will celebrate the spirit, diversity and achievements of Australia’s youth? Will the minister inform the Senate of the government’s success in expanding the opportunities for young people, particularly in rural and regional Australia?

Senator ELLISON—And it is great news indeed because we have, for the first time, a
National Youth Week which is an initiative of the Commonwealth. It has the theme of ‘Count me in’—‘Count me in’ being a very positive theme for a national youth week. The week is running from 2 April to 8 April.

There is a lot of good news in Australia today for young people. I might just start with this—

Senator Stott Despoja interjecting—

Senator Abetz—Madam President, I rise on a point of order. The most precious senator in this chamber, who objects to interjections, is interjecting so loudly that I cannot hear the minister’s answer. I would ask you to invite Senator Stott Despoja to stop interjecting.

The PRESIDENT—Interjections are disorderly, as is known by all senators. I would ask all senators to refrain from making as much noise as they have been and from interjecting.

Senator ELLISON—Madam President, I was just dealing with what great things there are in this country today for Australia’s young people. I refer to the National Youth Roundtable, which has been a great success. Another initiative of the Howard government in relation to Australia’s youth is the Voices of Youth initiative. But there is much more. This inaugural Youth Week 2000 will expand on the events that I have mentioned and it will include, among other things, a youth expo in Melbourne; an indigenous youth conference—which is a very good initiative—in Queensland; and the continuation of state based youth awards. This week is all about finding out what young people think and what their concerns are, and also giving them an opportunity to put those concerns to the state governments and the federal government of this country.

Senator George Campbell—And you just ignore them.

Senator ELLISON—These concerns will not be ignored. In fact, through our National Youth Roundtable, as Senator George Campbell might want to know, we have taken a lot of those concerns on board. In fact, I think we had over 1,000 applications from young people who wanted to become part of that National Youth Roundtable. Young people who are interested in wanting to find out what events are being held in their local communities can do so through the web—

Senator George Campbell interjecting—

The PRESIDENT—Order! Senator Campbell, if you have a question to ask, there is an appropriate way to go about doing it.

Senator ELLISON—Senator Campbell might want to know about this web site because it is very good. Through you, Madam President, to Senator Campbell, it is www.youthweek.com. That is a great web site for young people who want to find out what is going on this week in this inaugural Youth Week 2000.

Senator Stott Despoja interjecting—

The PRESIDENT—Senator Stott Despoja, cease interjecting.

Senator ELLISON—Senator Stott Despoja should also recognise what this government has done in relation to youth affairs. I would point Senator Stott Despoja in the direction of training, because just under 68 per cent of new apprenticeships involve young people—people under the age of 25. We have a record amount of people in training. This is especially so in regional Australia. In December last year, there were just over 87,000 new apprentices in training in regional Australia. That is twice as many as there were under Labor. Of those national figures, you have to remember that just under 68 per cent of the new apprenticeships are young people, and that is great news for Australia’s young people. Since 1996, the number of young people in training has increased by 30 per cent. That means more young people having greater opportunities and greater training for the future. We also have the government’s youth allowance, which enables young people to get rent assistance and which encourages them to continue their studies. Under the new tax system, this of course will go up by four per cent—another piece of good news for young people in Australia.

Senator Stott Despoja—What about farming families? Do something.

Senator ELLISON—This government is directly concerned with youth affairs and expanding opportunities for the young people
of this nation. It is great to hear Senator Stott Despoja interjecting. She should listen and take note of what is being done and support the government in what it is doing, especially in relation to the Youth Roundtable.

**Goods and Services Tax: Electrical Goods**

Senator HUTCHINS (2.56 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware that one of Australia’s largest retailers, Harvey Norman, has warned that the price of televisions and other electrical goods will not fall after the introduction of the GST, even though sales tax will be abolished? Is Harvey Norman correct? Is it true that the cost of televisions will not in fact fall with the introduction of the GST?

Senator KEMP—The costs of many goods have already fallen as a result of the changes in the GST. I am not quite sure what point you are on about. In fact, my memory of Mr Harvey Norman’s comments in relation to the GST—

Opposition senators interjecting—

Senator KEMP—Mr Gerry Norman in relation to the GST. The comments that the gentleman has made in relation to the GST have been to welcome the system and to make the comment and suggest that a lot of the scare campaigns which we are seeing from the Labor Party are completely overstated.

Senator George Campbell interjecting—

Senator KEMP—Senator, we are taking off the unjust wholesale sales tax which was confined to the manufacturing sector, which, I would have thought, you with your union background would have above all noted was singularly unfair. We are removing that, Senator, and we are instituting a broad based goods and services tax. This will have a beneficial effect, Senator, on prices. And many people, as I have already said, as a result of changes we have brought in, are already able to benefit from lower prices. Let me make the point that this tax reform is going to be of great benefit to the economy. We are bringing in major tax cuts from 1 July, and of course those tax cuts will enable many people to buy additional products and additional purchases. Many families will benefit in the order of $40 to $50 per week as a result of these tax cuts.

The final point I would make is that I do not know whether Senator Hutchins has been kept in the loop on Labor Party policy, but, Senator, you will be going to the next election with the GST as part of your election package. I do not know whether that has come through to you yet. Let me make the obvious point in relation to the question: as a result of the government’s tax changes, many goods will come down in price because of the removal of the unjust and unfair wholesale sales tax.

Senator HUTCHINS—Madam President, I ask a supplementary question. Didn’t the Howard government’s ANTS tax package forecast that the change from sales tax to a GST would mean that electronic equipment would fall in price by 5.5 per cent? Does the minister stand by that forecast? Will the price of electronic equipment fall by 5.5 per cent? Is Gerry Harvey wrong?

Senator KEMP—The point is that we are removing wholesale sales tax and the prices of many products will fall.

Opposition senators interjecting—

The PRESIDENT—Order! Senators on my left are persistently shouting and making so much noise that it is very difficult to hear. Your behaviour is quite disorderly.

Senator Forshaw—We were just trying to help.

The PRESIDENT—Senator Forshaw, when I have just drawn the attention of senators’ behaviour to them, I do not expect you to immediately shout in response.

Senator KEMP—Let me make it quite clear that, as a result of the beneficial tax changes we are bringing in, the prices of many electronic goods will fall. They will come down. This is good news for consumers. When you ally those price falls with the tax cuts, this is particularly good news. Why we are faced with this carping attack from the Labor Party on a move which is of benefit to consumers, I find quite extraordinary.
Senator Hill—Madam President, I ask that further questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Nursing Homes: Riverside

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs) (3.01 p.m.)—Madam President, yesterday Senator West asked me a question in relation to the Riverside Nursing Home, and I undertook to provide further advice to her in relation to that question. I seek leave to incorporate the answer in Hansard.

Leave granted.

The question and answer read as follows—

Senator WEST - Can he (Senator Herron) also confirm or advise how many letters have been sent to the families of the residents, apart from the one on 6 March? Is it true that they have received no further advice from the department on the matter, since that particular day?

SENATOR HERRON - The Minister for Aged Care has provided the following answer to the Honourable Senator's question, in accordance with advice provided to her:

There has been consistent and ongoing communication with residents of the former Riverside residential facility who moved to St Vincent's Hospital, and with their family members or representatives.

A meeting was held at St Vincent's with relatives and representatives on Wednesday 8 March to discuss their relative's stay in St Vincent's. A letter was handed out outlining arrangements for handling laundry, storage of personal possessions and transport arrangements for family members. A process was commenced to develop profiles for each resident regarding their preference for suitable long term accommodation.

Case managers were appointed who, starting on 9 March, made contact by telephone with relatives and had direct discussions with residents at St Vincent's. A further letter confirmed case management arrangements.

The case managers have continued to work closely with each resident and family on a one on one basis to work towards the outcome that best meets the need of each individual resident and their family, and to deal with any issues or concerns. They are in constant contact with families and residents and are available 24 hours a day.

This arrangement will stay in place until all residents find suitable accommodation and all outstanding concerns have been addressed.

A hot line has also been maintained since early March 2000. However, use of this service has now markedly decreased as the case manager arrangements have proved to be so comprehensive.

Additionally, St Vincent's has issued several newsletters containing information provided by the Department.

Goods and Services Tax

Senator CONROY (Victoria) (3.01 p.m.)—I move:

That the Senate take note of the answers given by the Assistant Treasurer (Senator Kemp), to questions without notice asked today, relating to the goods and services tax.

It can be seen from today that Senator Kemp continues to try to pretend that the cost savings we were promised in ANTS are going to happen. He continues to try to justify his position. What does Mr David Vos say? What we have seen today, and on the weekend on the Channel 7 Sunday Sunrise program, is Mr Gerry Harvey blowing the whistle once again on the government's shonky forecast in its tax package. He said, 'My belief is they won't be cheaper.' That is consistent with Mr David Vos.

Many of you who have been involved in this debate, including Senator Kemp, will remember who Mr David Vos is. He is the Mr David Vos whom Senator Kemp described as a great Australian when they appointed him to review the tax package. What did Mr Vos have to say about the Treasury calculations? He told the Australasian Fleet Managers Association conference in Sydney this week that 'PRISMOD’s'—the Treasury model—'treatment of the embedded taxation on existing assets is a furphy'. It is fictitious. That is what we have argued for years now: that the Treasury model totally overstated cost savings because it made the assumption that every single price saving would occur on 1 July 2000—every forecast cost saving was instantaneous. This is a farce. The committee heard much evidence that this is a farce, yet this government have continued to try to pretend that their forecast, based on the shonkietest of assumptions—their model, with
the shonkiest of assumptions—is really what is going to happen.

Let us give the government the benefit of the doubt. They have consistently argued that their forecasts are right because transport is the big cost. It is the big ticket item. We are going to see savings all over Australia because of cheaper transport because of the savings on diesel fuel. What has happened? Just last week the revelation came that a leading trucking group, the Australian Transport Association, warned that the GST package would not deliver big cuts in freight costs, despite the 24c a litre plunge in the diesel excise. The National Association of Road Freight Operators has written—it has not just stated this—to the Deputy Prime Minister, John Anderson, warning that operators are struggling to survive, let alone to drop prices. Their association president, Doug McMillan, accused the government of raising unrealistic expectations of price falls, when diesel prices have jumped by 25 per cent in the past year.

So there we have it yet again: the government’s own expert, whom it appointed to look at the tax package, says that Treasury forecasts are ‘a furphy.’ The National Association of Road Freight Operators has written—it has not just stated this—to the Deputy Prime Minister, John Anderson, warning that operators are struggling to survive, let alone to drop prices. Their association president, Doug McMillan, accused the government of raising unrealistic expectations of price falls, when diesel prices have jumped by 25 per cent in the past year.

Senator Conroy, address the chair please.

Senator CONROY—Every six months they have to take their dog to the vet, and they will have to pay the GST. There will be no exemption. The tax office—this government—is putting the tax on guide-dogs’ dog food and vets’ visits. That is how mean and heartless this government is. That is so heartless.

Senator Ferguson interjecting—

Senator CONROY—Bring in the amendment and see how we vote on it. Bring it in.

The DEPUTY PRESIDENT—Senator Conroy, address the chair please.

Senator CONROY—Have the courage to bring it in. You know that you would be caught red-handed on this. David Vos has exposed you. The road transport officers have exposed you. (Time expired)

Senator WATSON (Tasmania) (3.07 p.m.)—It is always interesting to follow our good friend Senator Conroy because there is always a sense of humour. But on this occasion there was also a sense of error. When Senator Conroy was talking about PRISMOD models and whether people were going to be better off, he failed to mention that they were calculated prior to the decision to remove food and certain health items from the calculation. In effect, people will be a lot better off than the original calculations because, since those original calculations were made, there have been a number of very significant concessions and changes. For example, pensioners will continue to receive their four per cent. The tax cuts—which are the largest tax cuts I think in Australia’s history—will occur to the full extent. All Australians know and are looking forward to the fact that on 1 July their taxes will fall quite significantly and the amount of disposable income in their pockets will rise quite considerably. Their standard of living will go up quite considerably and they will be better off.

Australian families will be better off, and they are the people who have been neglected so shamefully by the Labor Party. Whenever we heard about tax when the Labor Party was in government, it was not about reducing tax; it was about increasing tax. Senator Conroy,
how many tax increases have occurred under the Labor Party’s jurisdiction since you have been in this parliament?

Senator Conroy—None!

Senator Watson—It was shameful, absolutely shameful. This reforming government has come in and wants to hand taxes back—wants to give money back to needy Australians who want to get on with their lives—and what do we have? Shameful attacks day after day. Attacks on the credibility, not honestly displayed. People continue to ring up and ask, ‘Why are you putting taxes on the price of goods? Why isn’t sales tax coming off?’ I ask, ‘Where did you get that information from?’ Where does it come from? From Labor Party sources.

We know you did that prior to election day, and we know you did it on election day. But, why, for goodness sake, do you continue to do that today? Everybody should know that sales taxes will be completely abolished. Only yesterday I had a phone call from a concerned citizen about taxes on taxes. I asked, ‘What sort of taxes on taxes?’ He said, ‘We’ve got to pay the wholesale sales tax and then we have to pay your GST.’ He could not believe it. I asked, ‘Where did you get that information from?’ Where does it come from? From Labor Party sources.

Senator Crowley, you would have to agree that it will be a much fairer tax system after July than before that date.

Senator Crowley (South Australia) (3.12 p.m.)—Senator Watson, it is very kind of you to finish by giving me that sort of challenge—absolutely not! I would like Senator Watson to know that I totally and utterly disagree with him. I always have on this matter. Although he is a very civil and reasonable person about taxes and what is fairer for society, he is absolutely wrong.

First of all, let me remind him: who was the man known as ‘Mr 60 per cent’? It was the then Treasurer, Mr Howard—the Prime Minister now. Mr Howard was ‘Mr 60 per cent’. You who keep saying that nothing happened under Labor should know who it was that lowered the 60 per cent top marginal rate to 49 per cent. It was Mr Keating—the Labor government—and it has never gone up. It was Mr Howard who was ‘Mr 60 per cent’, and don’t you forget it. I will be very pleased to remind them at every opportunity.

Secondly, regarding a tax on a tax. I have raised the questions in this place, and I will continue to raise the questions. In many situations, there are taxes on taxes. In my state, with the emergency levy you get a stamp duty as well, and then you will get the GST on top of that. It is actually a tax on a tax on an emergency levy. So in fact there are taxes on taxes and, no, I do not accept Senator Watson’s claim that I would be misleading anybody. Telling the truth: Mr Howard was ‘Mr 60 per cent’. There is a tax on a tax. Stamp duty is going to get a GST on it—or in some places the GST will get stamp duty on it. Today’s paper should tell you the news,
such as the headlines of the Telegraph. Interest rate rises mean all the tax cuts that you are promising will be eaten up—gone before the prices even start to rise. The tax cuts are gone. If you want to start a fracas about tax—and you did—you need to know that we will go on telling the story about tax in Australia. There is no convincing me that Australia will be better off with the removal of the wholesale sales tax and the introduction of this pernicious GST. You cannot convince me. You have got it wrong.

Today I asked a question about this little bandaged bear which had been brought to my attention and, I suspect, to the attention of lots of other people as well—but I am prepared to come in here in answer to a constituent request. I am actually in the process of doing an inquiry into public hospitals. Under this current government and the cutbacks made to public hospitals by their state colleagues in some places, it is tough out there in public hospital land. The Medicare agreements under the Howard government are cut back, and it is tough as tough in public hospitals. So what do they do? They raise funds by all sorts of devices—for example, in the Westmead Hospital, by selling a little bandaged bear. And if the GST is applied to this, they are in for a terrible drop in income.

Senator Ferguson—How do you know?

Senator CROWLEY—Because we have done the sums and because they have written—probably to you; actually, I am terribly interested in that question. Thirty cents is going on each bear. Nobody is going to put their hand in their pocket and get out $3.30—and imagine the change mess you would have. Either you charge $3, which is reasonable, and suffer the GST loss of income—

*Senator Ferguson interjecting—*

The DEPUTY PRESIDENT—Senator Ferguson, your name is on the speakers list. You will get your chance. I would appreciate it if you would hold your comments until then, thank you.

Senator Ferguson—I’m just getting a little extra.

The DEPUTY PRESIDENT—No, cease!

Senator CROWLEY—The other thing that really distressed me was to hear—I know it is a lie, but I do not want to call Senator Kemp that—Senator Kemp suggest that there was a wholesale sales tax that might come off this little bear. When he suggests that, he knows that he is getting as close to telling a porky as you can get. There is no wholesale sales tax at the moment on things that are used by charities in this country. That was very mischievous of Senator Kemp.

As Senator Watson has pleaded for some truth in these matters, let us have truth. Let us have truth about what happens now if you have a mortgage. As the Daily Telegraph says to everybody: ‘Your tax cuts are gone.’ All your tax cuts are gone but the prices are yet to rise. Welcome to 1 July 2000: when the GST arrives your prices go up. There will be a four per cent increase for pensioners, which is about $4 a week. If they bought one bear, they are down to $1 a week. The GST is going to make it extremely difficult for everybody in this country who is poor or on low incomes. The top end of town are going to be laughing all the way to the bank. That is what I hate about this GST legislation. That is why I will speak against it anywhere. It is unfair. It favours the top end of town. It duds the bottom end of town. It is inequitable, and it enshrines that inequity in law and makes Australia a divided country. That is why we called our report *The lucky country goes begging*. The GST is a terrible attack on decency, equality and fairness in this society. The bandaged bear problems will be a terrible challenge for funding for our public hospitals. *(Time expired)*

Senator FERGUSON (South Australia) *(3.17 p.m.)*—If the GST is such a terrible tax, why won’t Senator Crowley be part of a move to remove it if she wins government? If it is such a terrible tax, why don’t you guarantee that you will remove it? Because you know that it has already become part of your party’s policy.

Senator Crowley—Don’t you speak for me, Senator.

**The DEPUTY PRESIDENT**—Order!
She was quite prepared to be a part of a government which put the Australian nation through 17 per cent home loans at a time when they could least afford it.

Senator Conroy, Senator Crowley and the Labor Party are utterly confused and hopeless when it comes to a policy on taxation. They have only one platform in their taxation policy—that is, they will not repeal the GST. The GST will become part of Labor Party policy if they ever get elected. The GST is now ALP policy. Yet Senator Crowley comes into this place and tries to tell us how terrible it would be. The Labor Party has never addressed that issue—that the GST is a part of their policy. If you need any proof that they have no policy, Senator Sherry on 13 May last year admitted that Labor had no tax policy. He said, ‘I am certainly not privy to advanced copies of any tax policy. It does not exist at the present time.’ Even Senator Cook said that he believed that the tax system needed repair and renovation.

Senator Conroy and Senator Crowley come in here picking bits and pieces of the GST and the new tax system when they know that, when they get in government, they have no intention of removing the GST. Senator Conroy talked about the issue of guide-dogs; yet he would not say that the GST would be removed from the food that he was complaining about if he got into government. It is all very well to come in here and criticise the tax system that this government is putting in place, but how about the Labor Party giving the Australian people some idea of those things that they are going to keep and those things they are going to change. They say they are going to roll back some of it, but they are going to keep it as a basic policy. On top of that, although he says he is going to roll back, Mr Beazley gives no guarantee at all that the $12 billion in income tax cuts—the biggest income tax cuts in Australia’s history, which we are going to deliver on 1 July—will be maintained. It is about time the Leader of the Opposition and those who purport to represent the Labor Party give the Australian people some idea of what their tax policy is going to be.

We have heard Senator Conroy talking about transport operators who say that their margins are so small now that, come 1 July, they cannot see the cost of transport going any lower. My response to Senator Conroy is: what makes the transport operators charge the price that they do today and have such a small margin? Madam Deputy President, their prices are set today at the very level that competition will allow them to be set. After 1 July, although the transport operators may wish to keep a bigger slice of the cake, their prices will be set in exactly the same way as they are set prior to 1 July, and that is the price that competition will allow them to charge. So it is rubbish for Senator Conroy to come in here and talk about transport operators and how the cost of transport will not come down after 1 July.

Senator Conroy waved around a piece of paper about interest rates absorbing the tax cuts. Where would those people be if it were not for the tax cuts? They would have an additional burden that the rise in interest rates makes without the benefit of tax cuts, and that is exactly what the Labor Party did when they made sure that interest rates went to 17 per cent for a house loan. They made sure that every Australian paid a maximum amount of interest rate; it hurt their family budget. Labor did not deliver at that time one bit of compensation to the Australian people for the high interest rates that they imposed on this nation throughout the time of the Keating and Hawke governments. They are a high tax party and they are a high interest rate party. (Time expired)

Senator CARR (Victoria) (3.22 p.m.)—The discussion in question time today highlighted just how misguided the government has been with regard to the GST. We were told that this would be a more simple tax system. We were told that it would provide more money for the states. We were told that there would be a whole bonanza of bribes and various other devices presented by this government to make the unpalatable palatable, to sugarcoat the bitter pill. Of course, what we have seen since that time has been a very different picture emerging. What we have seen is just how complex and how confused the administration of this scheme is and, of course, how confused the public is about what the government’s intentions are.
We have heard that there is not more money available and that, in fact, there is less money available. We have heard that the so-called tax cuts that are going to be presented as the great bribe to make this whole episode digestible will be taken up, in fact, in higher interest rates as the inflationary effects of this tax work their way through the economy.

What we have really noticed, however, in regard to particular areas such as education, where we were told that there would be an exemption, is that confusion reigns supreme. There are undoubtedly hopeless levels of confusion right throughout the country, both in the government sector and in the non-government sector, in regard to what the government's policy is in regard to the GST on education. It is not good enough to simply say in a glib way that GST does not apply to schools when we know in reality that it does and that the effect of these proposals will see schools struggling under them to meet this GST burden. We have seen already the case that has been placed before this Senate by various schools right across the country that school communities are already struggling to come to grips with the policy implications and the actual implementation of these proposals when it comes to the operations of their schools. The *West Australian* of Tuesday, 4 April had a front page saying, 'Schools struggle under the GST burden,' and it detailed at some length the sorts of problems that are being faced by schools because of the fact that the government has not been able to get its position clear and spell out its policy directions.

If we needed further evidence of the obvious effect that these proposals are having within the schools, we need only look at what the minister for education himself is saying—what the minister for education, Dr Kemp, says to his brother, the minister in charge of the ATO—when he calls upon the government for action in a motion that was passed at last Friday's MCEETYA meeting, the meeting of the ministerial council for education. In the motion he notes 'the urgency attached to the issues encompassed with the grants and education rulings' and hopes that 'any available and appropriate action' will be taken to expedite the speedy finalisation and release of those findings. So we have the minister for education calling upon ministers within this government to speed up the process to ensure that the final rulings on the issues of grants and various other education rulings are in fact expedited. He went on to say in his motion that he called on the Commonwealth—the minister for education calls on his own government—to avoid the imposition of a GST on education prerequisites that are educational course related.

Of course, we have seen, in regard to the basic definition of what is an educational course, the failure of this government to come clean on what it is actually proposing. We were told last December that there would be rulings on this issue. We were told in February there would be rulings on this issue and now, of course, we have no clear indication from this minister when a final ruling will be made available on that very basic point. We have quite clearly demonstrable evidence that this government is in total confusion when it comes to the way in which this GST will affect schools. What we have is an administrative burden and a legal responsibility being placed upon school communities where school principals, from what I am told, are already spending many hours a week trying to work out what the arrangements will be and what they will involve. We have headaches for parents groups. We have headaches for the people that are trying to work in the tuckshop, just simple proposals like that, trying to do their bit to help out this school community not knowing how this proposal will affect them, what sorts of services it will apply to and what sorts of services it will not apply to.

This government is condemned by the minister’s own decision—the minister for education calling upon this government to clear up the confusion in regard to the effect of the GST on schools. What more could you ask than for the government to actually do what the minister for education himself calls on it to do? It should hurry up and get on with putting its position so that we know what is happening and so that the public can fully understand what the implications are for this dreadful tax.

Question resolved in the affirmative.
Youth: National Youth Week

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.28 p.m.)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Ellison), to a question without notice asked by Senator Tierney today, relating to National Youth Week.

I am actually responding partly because Senator Ellison, in his earlier remarks, said that Senator Stott Despoja should take note of some of the things that the government was doing. I have taken him literally and I do intend to take note of some of his extraordinary remarks. Of course, this is the inaugural National Youth Week and it is interesting that it has taken till Thursday for the government to acknowledge that in this place. Yes, it is interesting that it has, given that the Australian Democrats and the Labor Party have put forward a number of general business notices of motion in relation to issues confronting young Australians, some of their concerns, and also some of the things we could be doing to realistically assist young people in our community. Unfortunately, Dr David Kemp, the so-called architect of Youth Week, is not here to celebrate Youth Week with us. I understand that he is overseas—Singapore, I believe, was the destination—but, as one colleague interjected during the senator’s answer today, that is probably the most valid contribution he could be making to Youth Week this week. Unfortunately, there have been no other opportunities for debate of the inaugural National Youth Week, certainly not initiated by the government.

It is worth noting that $400,000 of government funding is being allocated to this week’s celebrations, which are presumably a promotion of the role of young people in our community. It is certainly valid, but I am not quite sure how much of that money, or how much of that attention, is being paid to those young people who are marginalised, those young people who are confronting difficult circumstances in Australia today. By that I include our unprecedented levels of teen suicide, homelessness, high levels of unemployment—I believe 22 per cent is the figure that came down today in relation to youth unemployment—drug and alcohol abuse, lack of access to education and training—not to mention how much education and training for young Australians costs under this government—and limited access to income support. I am not quite sure how much of the $400,000 has been dedicated to examining those issues or providing support for young people who might find themselves in those circumstances.

It is also worth noting the fate of the Australian Youth Policy and Action Coalition, that once umbrella body and peak representative body for young people in Australia. It managed to succeed and grow under many successive governments, including the Fraser government, but was de-funded by this government—another so-called contribution by Dr David Kemp, Minister for Education, Training and Youth Affairs, to youth issues in this country. AYPAC, which provided ongoing representation, youth support and advocacy, cost $225,000 per annum to run. Yet it was de-funded because the government argued that there were better ways to represent or support young people and that this was too much money. Yet Youth Week is almost costing double the amount that we had to spend to maintain AYPAC, which ensured youth representation on an annual basis. It was a shameful decision by this government—a decision that has been condemned by this chamber on a number of occasions. It is a stark example of this government’s hypocrisy when it comes to young people.

I note that Senator Ellison referred to the issue of the common youth allowance. The Democrats have discussed the common youth allowance in this place on many occasions, recognising that the streamlining of income support for young people who are unemployed or in education or training is a good thing. However, we are also aware of the many nasties in that act—nasties like the denial of benefits to 16- and 17-year-olds who are not in education, in training or in employment. We can only begin to imagine the hardship they and their families face as a consequence of being denied income support, meagre as it is under this government. If the government cared about young Australians from farming families who are in remote and rural areas, it could discount—as it promised
to do in its 1996 election platform—farming assets for Austudy and common youth allowance assessment by 75 per cent. That is an opportunity presented to the government and in particular to the National Party, who purported this afternoon in the House of Representatives to support the bush. I hope that that will be their one contribution to National Youth Week that is not token.

Another contribution to Youth Week would be to acknowledge some of the hurt and suffering of indigenous young Australians by ensuring that we do not have mandatory sentencing—that draconian law that operates not only in Western Australia but in the Northern Territory. Wouldn’t it also be nice to see a united front from ministers to acknowledge that the stolen generations exist and that the policy caused hurt to many generations, including those young people whose parents, grandparents and great grandparents suffered as a result of that institutionalised government program that forcibly removed—not simply separated—Aboriginal people from their families. (Time expired)

Question resolved in the affirmative.

MINISTERIAL STATEMENTS

Census of Population and Housing 2001

Senator ELLISON (Western Australia—Special Minister of State) (3.33 p.m.)—I table a statement on the 2001 Census of Population and Housing by the Minister for Financial Services and Regulation, together with an information paper and the government response to a House of Representatives Legal and Constitutional Affairs Committee report. I seek leave to incorporate the statement in Hansard.

Leave granted.

The statement read as follows—

I wish to inform the House that the Australian Bureau of Statistics will conduct the next national Census of Population and Housing on 7 August 2001.

Mr Speaker, many Australians will view this Census as a very significant event given that it takes place in the centenary year of Federation, and that it is the first Census of the 21st century.

Australians 100 years from now will take a similar view of this particular Census. Indeed, in 1000 years time, Australians will be able to use this Census as a snapshot of how their country looked at the dawn of the passing millennium.

We are celebrating the 2nd Millennium of one of the most famous Censuses of all time, the Roman Census, which occurred around the time of the birth of Jesus Christ.

Mr Speaker, this Census is the most wide-ranging collection ever undertaken by the Australian Bureau of Statistics, and involves contact with each and every household in the nation.

It provides a statistical snapshot of the whole population in terms of number, age, geographical distribution plus a range of other statistics.

The vast numerical output that the Census generates is used for the benefit of all Australians. Government agencies at the Federal, State and local level, social service organisations, churches, research institutions, businesses and private individuals use Census information to help in their planning, administration, policy development, program evaluation and research.

Census information also tells us about our community and about the society in which we live.

Mr Speaker, the Government acknowledges that a Census involves some intrusion and some workload for the community. However, the benefits of the Census far outweigh the inconvenience of filling out the necessary forms. In fact, it is a time-investment of less than half an hour per household every 5 years.

Australians understand these benefits and as a result, the Census has always received a very high level of public cooperation.

It is essential that this continues so that we can ensure all Australians get the benefit of only the highest-quality data.

To make sure this happens, there will be a public awareness campaign before and during the 2001 Census.

This campaign aims to maintain high-quality responses to the Census by showing the public that the statistics are useful and that they will be treated with total confidentiality.

The campaign will also promote the availability of help for any Australians who may, for language or other reasons, have difficulty completing the Census form.

Mr Speaker, the Census and Statistics Act 1905 requires that Census topics must be prescribed in regulations. So that the Parliament and the general public are fully informed about the questions in the Census, the Australian Bureau of Statistics has written an information paper entitled 2001 Census
of Population and Housing: Nature and Content which describes the topics to be included and the procedures for conducting the Census.

Mr Speaker, for the first time an Australian Census will include questions on access to computers and Internet use.

Given the growth of the new economy and the potential impact of the World Wide Web on the lives of everyday Australians, the inclusion of these questions is most timely.

Understanding just who has access to computers and who uses the Internet will be invaluable to both government and private organisations, particularly in regional and rural areas.

The 2001 Census will also repeat the 1986 question on ancestry to better identify the ethnic background of first and second-generation Australians.

Mr Speaker, the Government considers that the topics selected for the Census represent a reasonable balance between the need for information, the appropriateness of the Census as a means for collecting different data, the cost of the project and the need to ensure that it does not impose too great a burden on the public.

The Australian Bureau of Statistics will conduct final testing for the 2001 Census in the first half of this year to decide on the final definitions, the wording and the sequencing of questions.

Mr Speaker, this 2001 Census is the result of much research and public consultation. And I am happy to say the Government has decided to accept the thrust of the recommendations of the House of Representatives Standing Committee on Legal and Constitutional Affairs entitled Saving our Census and Preserving our History.

The Government agrees with the Standing Committee that saving name-identified Census information “for future research, with appropriate safeguards, will make a valuable contribution to preserving Australia’s history for future generations”.

The Government also recognises the historical value of this sort of information, particularly with the 2001 Census coinciding with the Centenary of Federation, and considers the data will be a valuable commemorative activity and a "gift" to future generations from the nation of today.

For this reason, the Government has decided to retain name-identified Census information from the 2001 Census, but only from those people who agree to their information being kept.

In other words, the Census will have an "opt-in" clause. This means Australian's will have to specifically agree to have their name-identified Census data being kept for a closed-access period of 99 years. During this time no one will have access to the information.

Mr Speaker, the Parliament has considered and accepted the necessary legislative changes to effect this one-off retention of name-identified Census data of Australians who have chosen to be part of this initiative.

For the information of members, I table the Australian Bureau of Statistics information paper and Government response to the Saving our Census and Preserving our History report. The regulations specifying the matters to be included in the 2001 Census in accordance with sections 8 and 27 of the Census and Statistics Act 1905 were tabled on 3 April 2000.

COMMITTEES

Finance and Public Administration Legislation Committee

Report: Government Response

Senator ELLISON (Western Australia—Special Minister of State) (3.33 p.m.)—I present the government’s response to the second report of the Finance and Public Administration Legislation Committee on the format of the portfolio budget statements. I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—

GOVERNMENT RESPONSE

REPORT ON FINDINGS INTO THE FORMAT OF PORTFOLIO BUDGET STATEMENTS

ATTACHMENT A

Recommendations and Government Response

1. DoFA publish and annually update a best practice outcomes/outputs framework guide on its website.

Response:

Agree – DoFA will highlight agencies who have had success with their definitions of outputs and outcomes, so that other agencies can share this information. The Committee may wish to note that DoFA has recently revised its Budget website, to make it a consolidated source of information on budget related matters.

2. In the PBS, information on appropriations should be disaggregated to the output level.

Response:

Agree – while appropriations are at the outcome level in the Appropriation Bills, providing a breakdown at the output level in PBS’s will give
Senators more information to assist their scrutiny. It is worth noting that a number of agencies provided information at the output level in 1999-2000 PBS’s. By incorporating this requirement in the guidance for agencies in preparing their 2000-01 PBS, output level information will be available for all agencies.

3. In the PBS, administered items should be itemised.

**Response:**

Agree – the itemising of administered expenses/revenues will provide greater information to Senators, particularly where large administered appropriations are involved. To minimise the additional requirements placed on agencies, it is proposed to keep itemising to a relatively high level. This requirement will be incorporated into the guidance for agencies in preparing their 2000-01 PBS.

4. Forward estimates for outcomes and outputs should be itemised.

**Response:**

Disagree – there is already extensive reporting of forward estimates information in budget documentation. For example, forward estimates information is provided at an aggregate level (cash and accrual), as well as for agency expenses, measures and on a functional basis. This information is published at both Budget and the Mid Year Economic and Fiscal Outlook update.

The introduction of an accrual based budgeting framework is in line with international best practice and provides comprehensive financial information. Accordingly, the Government does not intend to adopt this recommendation.

5. Significant differences or variations from budget predictions to actual expenses or revenues should be disclosed in a suitable publicly available document.

**Response:**

Agree – to avoid introducing more budget related documentation, it is proposed to include this information in the Final Budget Outcome document, which is published and tabled in September each year. DOFA will liaise with the Committee further, to ensure that its requirements are met in this document.

6. Notes to the financial statements should be expanded to include an explanation of the opening and closing asset values and amount and application of the capital user charge (CUC).

**Response:**

Agree – this additional information will aid the understanding of accrual presentation of financial data. This requirement will be incorporated into the guidance for agencies in preparing their 2000-01 PBS.

7. In the short term, the ANAO should consider the development of a “best practice” performance information guide and in the longer term – but not later than 2002-03 – the ANAO should consider across-the-board performance information audits.

**Response:**

ANAO has advised that:

“The ANAO proposes to update its Better Practice Guide on Performance Information as part of its 2000-01 audit program. The audit program will also increase the focus on performance information in its audit coverage generally.

Consideration will be given to including in the 2001-02 and future audit programs across-portfolio performance audits of performance information included in Portfolio Budget Statements.

In accordance with existing arrangements, the ANAO consults with the Joint Committee of Public Accounts and Audit, and relevant agencies prior to the finalisation of its annual work program.”

8. Explanatory briefing documentation given to legislation committees at pre-hearing briefings for budget estimates should be incorporated in the relevant legislation committee’s additional information volumes and published on the committee’s website, if relevant.

**Response:**

This is a recommendation for Legislation Committees themselves.

9. Legislation committees should continue to report in each budget estimates report on the adequacy of the PBS provided for their use and in each additional estimates report on the performance information examined.

**Response:**

This is a recommendation for Legislation Committees themselves.

Senator GIBSON (Tasmania) (3.34 p.m.)—by leave—I move:

That the Senate take note of the document.

I rise to speak on this response by the government to this report because, when this inquiry was carried out by the Finance and Public Administration Legislation Committee, I was chair of the committee. With the kind consent of the current chairman, Senator Mason, it was agreed that I should comment on this document on behalf of the committee.
The portfolio budget statements are the documents provided by the departments that fit in between the budget documents and the annual reports. They are a very important part of the reporting and accountability process of the government to the parliament. Why am I getting up to speak on this? Because I had a hand in persuading the government, when we were in opposition, to go for full accrual accounting and its associated reporting framework of outcomes and outputs. I am pleased to say that, as soon as the Howard government were elected in 1996, we made a decision to go ahead with full accrual accounting, and we are in the final year of adopting it. The annual reports coming out later this year will basically complete the cycle.

This particular inquiry has been one of many that the Senate has requested over the last 15 years. In fact, the Senate has requested that the Finance and Public Administration Legislation Committee—or its predecessor—look at this matter about five times. But this was the first time that the Finance and Public Administration Legislation Committee was asked to look at the PBSs, the portfolio budget statements, on a full accrual basis—as it has done for this financial year—combined with the outcomes and outputs reporting framework. In looking at that matter, the committee was concerned to balance the requirements of senators for details about what is going on with the practical realities of the departments’ preparation and compilation of the PBSs. I am pleased that the government saw fit to accept and implement all but one of the committee’s recommendations. In particular, I am pleased that the guidelines for the 2000-01 portfolio budget statements now incorporate a requirement to provide a breakdown of appropriations at output level and an itemisation of administered items. The absence of those details in the PBSs in the past has been the factor most criticised by senators in the budget estimates rounds.

I am also pleased that the government has indicated that the Department of Finance and Administration will provide information on its web site on best practice definitions of both outcomes and outputs. I might add that the experience of the ACT parliament and Victoria suggests that it will take some time for the reporting frameworks to stabilise, because it takes quite a time for the members, the people in the agencies and the senators to learn the system and to understand and make use of the system. However, I am sure it is the right way to go. Wearing my hat as a member of the Public Accounts Committee, I look forward to the Audit Office’s increased focus on performance information.

In conclusion, may I echo the words of Tony Blunn, who was the secretary to the Attorney-General’s Department, who indicated that one of the real dangers in any changed accounting and reporting framework is the tendency to romanticise what we had in the past. Do we really want to go back to the days of itemising and questioning what the department spent on paperclips or pot plants? I think not. The new system, by concentrating on outputs and outcomes and being done on a full accrual basis, which means that capital items in particular are taken into account, will lead to much better management of government.

I remind the Senate and listeners that Australia is the third country in the world to adopt full accrual accounting, after New Zealand and Iceland. We are certainly in the forefront of full reporting and full accountability to the parliament by adopting that stance. I wish the new chair of this committee and the committee itself well in monitoring the performance of the portfolio budget statements.

Question resolved in the affirmative.

Economics References Committee
Report: Government Response

Senator ELLISON (Western Australia—Special Minister of State) (3.39 p.m.)—I present the government’s response to the report of the Economic References Committee on its inquiry into a new reactor at Lucas Heights, and I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—
GOVERNMENT RESPONSE TO THE
REPORT OF THE SENATE ECONOMICS
REFERENCES COMMITTEE

‘A NEW REACTOR AT LUCAS HEIGHTS’

1. INTRODUCTION

The Reactor Proposal

It has been the intention of all Australian Governments since the 1950s that the nation should benefit from applications of nuclear science and technology. This led to the establishment of the Australian Atomic Energy Commission (AAEC) in 1953 and the construction at Lucas Heights, near Sydney, of a nuclear research reactor, the High Flux Australian Reactor (HIFAR), which commenced operations in 1958. In 1987, the AAEC was replaced with the Australian Nuclear Science and Technology Organisation (ANSTO), which has the prime functions of undertaking research and development in relation to nuclear science and technology; the production and use of radioisotopes; and the use of isotopic techniques and nuclear radiation for science, medicine, industry, commerce and agriculture.

The operation of HIFAR enables Australia to benefit from nuclear science and technology in a range of areas as diverse as medicine, industry, mining and minerals processing, energy, agriculture, the environment, science, education, and the provision of advice to the Government. HIFAR, however, has now been in operation for 41 years, and is obsolete.

On 3 September 1997, the Government announced that it had agreed, in principle, to provide ANSTO with funds of $286 million for the construction of a replacement research reactor at Lucas Heights. The new facility will replace HIFAR, which is nearing the end of its operational life and is to be closed permanently around the end of 2005. The replacement reactor will be a modern, multi-purpose reactor with the performance and facilities necessary to maintain and enhance Australia’s nuclear science and technology capabilities.

The proposed construction and operation of the replacement reactor at Lucas Heights was referred for examination under the Environment Protection (Impact of Proposals) Act 1974 (the EPIP Act) on 3 September 1997. The Minister for the Environment directed that an environmental impact statement (EIS) be prepared. The proposal was subjected to a comprehensive, 18 month public examination, and has been found to be environmentally acceptable.

In February 1999, the replacement reactor project was referred to the Parliamentary Standing Committee on Public Works (PWC), for consideration. The PWC received submissions and took evidence in public hearings. The PWC reported in August 1999, recommending unanimously that a replacement research reactor should be built at Lucas Heights.

Inquiry by Senate Economics References Committee (SERC)

On 2 October 1997, the Senate referred the matter of the proposed replacement reactor to the Senate Economics References Committee (SERC) for inquiry. The terms of reference required SERC to inquire into and report on:

a. the suitability of building a new reactor in a densely populated suburban area of Sydney and the impact on the environment of the Sutherland Shire community of a new reactor on the Lucas Heights site;

b. the availability of alternative technologies to generate neutrons for medical, scientific, mining, industrial and other uses;

c. the safety, cost, viability and effectiveness of alternative technologies such as cyclotrons and spallation sources compared with the long-term commissioning, operation and decommissioning of a new reactor; and

d. whether the issues raised by the 1993 Research Reactor Review (RRR) have been satisfactorily addressed in the context of the decision to proceed with a new reactor at Lucas Heights.

Recommendations of the SERC Report

The report of the SERC, A New Reactor at Lucas Heights, was tabled in the Senate on 1 September 1999, its reporting date having been deferred eight times. It was a majority report by the Opposition and Democrat Committee members, with a minority report by Government members, and supplementary remarks by Senator Stott-Despoja.

The section of the majority report entitled ‘Executive Summary and Recommendations’ contains a proposal and four recommendations.

The proposal is:

“Whilst the Committee notes that the Environmental Impact Statement (EIS) has approved the decision to construct the new reactor at Lucas Heights, the Committee proposes that a public inquiry, similar to the Research Reactor Review, be conducted into the Government’s decision”

From the wording of the first recommendation (below), the Government assumes that the Senators making the majority report intended this proposal to be treated as a recommendation.

The first recommendation is:
"The Committee notes that whilst the Government has nominated a site for a low level above ground nuclear waste repository, they have not resolved the issue of where the waste from Lucas Heights will ultimately be stored. The low level waste site will not be suitable for storage of the fuel rod waste from Lucas Heights even if it is reprocessed overseas and returned as intermediate level waste (which is the Government's current proposal).

The Committee believes that the finding of the Research Reactor Review that 'a solution to this problem is essential and necessary well prior to any future decision about a new reactor' is still a relevant pre-condition. Accordingly the Committee recommends (1) that this issue be further considered by the proposed public inquiry and (2) that no new reactor be constructed until a permanent site for disposal of the Lucas Heights nuclear waste is determined."1

1 The RRR concluded that the HIFAR spent nuclear fuel "can only sensibly be treated as high level waste", and that the reprocessing of the HIFAR spent fuel "inevitably involves return to Australia of by-product high level liquid wastes, making a national high level waste repository an inescapable concomitant of having any kind on nuclear reactor." A further conclusion was that "A crucial issue is final disposal of high-level wastes, which depends upon identification of a site and investigation of its characteristics. A solution to this problem is essential and necessary well prior to any future decision about a new reactor." The RRR recommended that the Government "commence work immediately to identify and establish a high level waste repository", and specified, as one of its conditions for a positive decision on a new reactor at the end of about five years, that "a high level waste site has been firmly identified and work started on proving its suitability".

The second recommendation is:

"The Committee recommends that a detailed survey of community attitudes be undertaken to more accurately reflect the views of the residents of the Lucas Heights area. Further that, in accordance with the recommendations of the Research Reactor Review, the views of local communities be taken into account when determining the location of any future reactor."

The third recommendation is:

"The Committee also recommends that the Community Right to Know Charter Relating to ANSTO be finalised as soon as possible in an effort to improve relations between ANSTO, the Sutherland Shire Council and local community groups."

A fourth recommendation, which appears in the 'Executive Summary and Recommendations' and also restated in the Chapter 3 of the Report, is:

"If Australia is to have a new reactor then alternative sites to Lucas Heights must be properly considered. Such analysis should include the potential economic benefit of locating the research reactor in a less populated regional area. This analysis be undertaken by the proposed public inquiry."

The proposal, the second paragraph of the first recommendation, and the second, third and fourth recommendations, are restated in the section of the majority report entitled “Conclusions and Recommendations” (reproduced at Appendix 1, below).

The minority report by Government Senators endorsed the Government’s decision to proceed with the construction of a replacement for HIFAR. The report supported the Government’s assessment that Lucas Heights is the most suitable location for the replacement reactor and agreed with the Government’s and other assessments that the risks to the community and the environment of building the replacement reactor in this location are minimal. It said that issues raised by the RRR have been satisfactorily addressed and that no useful purpose would be served by a further inquiry. The Government Senators nonetheless acknowledged community concerns about the ongoing presence of spent fuel rods and other nuclear waste at Lucas Heights and urged the Government to continue its pursuit of a solution to this issue as soon as possible.

In supplementary remarks, Senator Stott-Despoja noted that the Australian Democrats oppose the construction of a replacement reactor in Australia and considered that a new reactor cannot be justified on economic, scientific or national interest grounds.

Other Matters

In the section of the report entitled “Conclusions and Recommendations”, SERC’s initial comments were that it “finds that the issues raised by the 1993 Research Reactor Review have not been satisfactorily addressed…”

The Government’s Response

Given that Government Senators and Senator Stott-Despoja have not made specific recommendations, the Government’s response will focus on the recommendations of the majority report.

2. SERC’S RECOMMENDATIONS

Public Inquiry
“Whilst the Committee notes that the Environmental Impact Statement (EIS) has approved the decision to construct the new reactor at Lucas Heights, the Committee proposes that a public inquiry, similar to the Research Reactor Review, be conducted into the Government’s decision.”

Response
The Government disagrees.

Comment
For the reasons set out in the paragraphs below, the Government considers that a further public inquiry would serve no useful purpose and would be an unwarranted expenditure of taxpayers’ money.

The process that led to the Government’s decision in September 1997 to construct a replacement for the High Flux Australian Reactor (HIFAR) at Lucas Heights began in the early 1990s. It included a report from the scientific community in 1992 and a comprehensive public review in 1993. Both identified the necessity for a replacement research reactor.

The Australian Science and Technology Council’s 1992 report on Major National Research Facilities identified seven major national facilities, including a new high flux research reactor, and recommended that government funding should be provided for these important items of scientific research infrastructure.

The RRR, a major public inquiry in 1993, found that the HIFAR reactor has operated safely and that there were no safety, health or community risks associated with it. The RRR concluded that a positive decision on a new reactor would be appropriate after a period of about five years, if certain conditions were met. The Government gave careful consideration to all recommendations of the RRR, including these conditions, in reaching its decision in 1997 to provide funding support for the construction of a replacement reactor.

Following the Government’s decision, the replacement reactor proposal was subject to a comprehensive environmental assessment in accordance with the provisions of the EPIP Act. This assessment was by way of the preparation of an EIS. Draft guidelines for the document were finalised after a four week period had been set aside for public comment. The EIS process then included the preparation of a draft EIS document, a 12 week period of public review of the draft EIS, a detailed response to issues raised by the public, three independent reviews of technical information in the draft document, and a comprehensive assessment of the environmental impacts of the proposal by the Department of the Environment and Heritage.

Among other things, the Draft EIS includes a detailed examination of potential environmental impacts on the biophysical environment, hazards and risks to the community, and social and economic impacts. The EIS concluded that the construction and operation of the replacement reactor would not result in significant adverse impacts, and that a range of benefits in the areas of health care, national interest, scientific achievement and industrial capability would accrue. The three independent reviews concluded that the reactor at Lucas Heights would be safe, and posed no threat to the nearby community and environment.

After considering the EIS, the Minister for the Environment and Heritage announced on 30 March 1999 that there were no environmental reasons, including on safety, health, hazard or risk grounds to prevent construction of the replacement reactor at Lucas Heights. He also made 29 recommendations to ensure that the replacement research reactor is built and operated in accordance with best international practice. On 3 May 1999, in response, the Minister for Industry, Science and Resources issued a statement accepting all these recommendations, and wrote to the Chairman of the ANSTO Board asking that ANSTO “implement appropriate plans to give effect to the recommendations.”

In February 1999, the replacement research reactor project was referred to the Parliamentary Standing Committee on Public Works (PWC), for consideration. The PWC, which is made up of Members and Senators from both the Coalition and the Australian Labor Party, received submissions and took evidence in public hearings. In its report, the PWC endorsed the Government’s decision by unanimously recommending that a replacement research reactor be built at Lucas Heights.

In reaching its decision to construct the replacement reactor, the Government took account of the recommendations arising from the major reviews of the issue that were conducted in 1992 and 1993. The Government notes that in their consideration of the issues involved, both the RRR and the PWC were informed by submissions and evidence from members of the public. The Government also notes that, in preparing the EIS, ANSTO, the proponent, sought, and responded to, submissions from members of the public about issues of concern.

Radioactive Waste Management

“The Committee notes that whilst the Government has nominated a site for a low level above ground nuclear waste repository, they have not resolved the issue of where the waste from Lucas Heights will ultimately be stored. The low level waste site
will not be suitable for storage of the fuel rod waste from Lucas Heights even if it is reprocessed overseas and returned as intermediate level waste (which is the Government's current proposal).

The Committee believes that the finding of the Research Reactor Review that 'a solution to this problem is essential and necessary well prior to any future decision about a new reactor' is still a relevant pre-condition. Accordingly the Committee recommends (1) that this issue be further considered by the proposed public inquiry and (2) that no new reactor be constructed until a permanent site for disposal of the Lucas Heights nuclear waste is determined.”

Response

The Government disagrees with both parts of the recommendation.

Comment

This recommendation refers to a finding, recommendation and condition of the RRR about high level radioactive waste arising from the management of spent nuclear fuel (see footnote, page 2).

The Government announced its strategy for the management of the HIFAR spent nuclear fuel on 3 September 1997, and has allocated $88 million to fund it. The strategy involves the removal of all HIFAR spent nuclear fuel from Lucas Heights, and reprocessing overseas. It also involves the return to Australia, around 2015, of intermediate level waste, not high level waste. The strategy is being implemented by way of contractual arrangements with the French reprocessing company, COGEMA. The contract provides for the reprocessing of spent fuel arising from the operation of the replacement reactor on terms to be agreed once the reactor is selected and the fuel type known.

The strategy is different from that envisaged by the RRR, in that it is based on the return to Australia, and future management, of intermediate level waste, only. The strategy ensures that high level radioactive waste will not need to be managed in Australia. There is, therefore, no need to establish a high level radioactive waste repository in Australia. Hence, the RRR's recommendation and condition concerning the establishment of a high level radioactive waste repository are not relevant to Australia's present circumstances.

Since 1996, 354 spent fuel elements have been removed from Lucas Heights and shipped overseas. The Government expects that a further shipment of some 300 fuel elements will occur before the end of 1999. The small quantity of intermediate level radioactive waste that will be received in Australia around 2015 will be managed at the proposed storage facility for long-lived intermediate level waste, along with Australia's other holdings of this class of waste. It will not be stored at Lucas Heights.

The RRR's recommendations and conditions made no reference to the management of low or intermediate level wastes arising from ANSTO's activities at Lucas Heights. It should be noted that a wide range of industrial and other activities in Australia have also generated radioactive wastes that fall to these classifications, and continue to do so.

The Government is currently undertaking detailed investigations in a region in central-north South Australia to determine the site for the national radioactive waste repository. This will be a near-surface repository, and will be used to dispose of Australia's low level and short-lived intermediate level waste. The Government expects that the repository site selection process will be finalised in the first half of 2000. This will be followed by a comprehensive and transparent environmental impact assessment.

The Government considers that a national storage facility is required for effective management of Australia's long-lived intermediate level waste. A site for this store is yet to be determined. One option is to co-locate it with the national repository for low level waste. This matter will be considered further after a suitable site for the repository has been selected. The store will be suitable for the long term interim management of Australia's small inventory of this class of waste. It will also be suitable for the storage of the intermediate level radioactive waste that will be returned to Australia in due course as a result of the reprocessing of the spent nuclear fuel from Australia's research reactor operations.

The low and intermediate level radioactive waste that is to be accepted into the national repository and into the storage facility is presently located at some 50 sites around Australia. Waste from activities at Lucas Heights represents about one-third of this waste by volume. The repository and storage facility are necessary for the proper management of the national waste inventory. As has been confirmed by the RRR and by other independent reports, radioactive waste at Lucas Heights is stored safely (as is spent fuel), and in conformity with world's best practice. The repository and storage facility project, and the replacement reactor project, are driven by different imperatives, against different timetables. In the circumstances, the Government can see no grounds for linking the projects and delaying the replacement reactor project until after the establishment of the national radioactive waste reposi-
tory and the storage facility, despite the sensitivities of some members of the community near Lucas Heights concerning ANSTO’s holdings of radioactive waste. The Government will ensure that all radioactive waste is removed from Lucas Heights in a staged process, once the repository and storage facility are established.

The Government has recently established a new body, the Australian Radiation Protection and Nuclear Safety Agency (ARP ANSA), which has extensive powers to regulate activities involving radiation at Lucas Heights and other Commonwealth sites, in order to ensure the highest standards of radiation health and nuclear safety. The Government notes that ARPANSA’s regulatory controls apply to ANSTO’s holdings of radioactive waste and spent fuel and, in due course, will also apply to the repository and the storage facility. The Government also notes that construction of the replacement reactor can proceed only after the relevant licences are issued by ARPANSA, and that ANSTO will need to prepare a detailed safety analysis report as part of the licensing process.

Survey of Community Attitudes
“The Committee recommends that a detailed survey of community attitudes be undertaken to more accurately reflect the views of the residents of the Lucas Heights area. Further that, in accordance with the recommendations of the Research Reactor Review, the views of local communities be taken into account when determining the location of any future reactor.”

Response
The Government disagrees.

Comment
The Government considers that the views of residents of the area near Lucas Heights have been clearly established. In 1996, ANSTO commissioned a comprehensive community attitudes survey. The questionnaire was developed in conjunction with community organisations such as the Sutherland Shire Council and the Sutherland Shire Environment Centre. The questions it posed were aimed at determining the levels of support for a replacement research reactor at Lucas Heights. The sample population was asked a number of questions, three of which related to support for a replacement reactor. Each of these three tested support for a replacement reactor at a different location, namely, Lucas Heights, the fringes of Sydney, and a remote area. For the first question, 57 per cent of the group of Sutherland Shire residents who were surveyed were supportive of a replacement reactor being built on the current site at Lucas Heights. For the other two questions, 46 per cent of this group were supportive of it being built on the fringes of Sydney; and 83 per cent were supportive of it being built in a remote area.

The Government is aware that ANSTO undertook extensive community consultation during the environmental assessment of the replacement reactor. This included identifying the issues of interest or concern to the local community, developing appropriate information, communicating that information, consulting with the community, and seeking feedback. The consultation process was conducted through meetings, information days, displays at shopping centres, a telephone information line, the Internet, and newsletters.

The Environmental Assessment Report prepared by the Department of the Environment and Heritage commented that:

“The Department acknowledges concerns from some community groups about the need for additional consultation on the proposal, but considers that there has been sufficient opportunity for public input during the EIS process.”

The Government notes that in accordance with the recommendation of the Minister for the Environment and Heritage, ANSTO is committed to developing to the Minister’s satisfaction a specific program for ongoing community consultation and dissemination of information during the design, construction and commissioning phases of the replacement reactor. Community consultation will continue to be a priority for ANSTO in the longer term. This will include formal means of consultation, such as the local liaison working party, and informal consultation activities such as open days and briefing to local organisations.

The Government considers that community views have been adequately canvassed in regard to a replacement reactor at Lucas Heights, and that a further survey would serve no useful purpose.

Community Right to Know Charter
“The Committee also recommends that the Community Right to Know Charter Relating to ANSTO be finalised as soon as possible in an effort to improve relations between ANSTO, the Sutherland Shire Council and local community groups.

Response
The Government agrees.

Comment
The Minister for Industry, Science and Resources has accepted the recommendation of the Minister for the Environment and Heritage on 30 March that a high priority be given by ANSTO to finalising a ‘Community Right to Know Charter’ with
the community. The Minister for the Environment and Heritage also recommended that, if a charter has not been agreed by 30 March 2000, the outstanding issues of dispute should be referred to him for resolution, in consultation with the Minister for Industry, Science and Resources and the Minister for Health.

The Government recognises that there have been concerted efforts over an extended period by ANSTO and members of the community to draw up a Community Right to Know Charter. The Government notes that ANSTO has recently involved a mediator with a record of mediating successfully in such processes, to assist in concluding a practical, mutually acceptable document.

Alternative Sites for the Reactor

“If Australia is to have a new reactor then alternative sites to Lucas Heights must be properly considered. Such analysis should include the potential economic benefit of locating the research reactor in a less populated regional area. This analysis be undertaken by the proposed public inquiry.”

Response

The Government disagrees.

Comment

The Government recognises that there are other areas in Australia, near capital cities and in some regional areas, that could be suitable locations for the replacement nuclear research reactor.

When the Government was considering the question of constructing a replacement reactor, it considered a detailed study of such areas. The study showed that, at a technically suitable greenfield site, there would have been a very large additional capital cost for the project in comparison with the cost of constructing the replacement reactor at Lucas Heights - also determined to be a technically suitable site. This additional cost would have arisen from the cost of constructing and establishing the associated research, production and support facilities. These facilities would have duplicated a substantial part of the infrastructure at Lucas Heights, and their cost would have more than doubled the total cost of the project.

A further, important consideration is that the Lucas Heights site must continue to be an operational nuclear site. A radiopharmaceuticals processing facility must remain in operation at Lucas Heights to process the output of the National Medical Cyclotron (NMC), which is located at the Royal Prince Alfred Hospital, Camperdown, NSW. In addition, there will be a need for ongoing care and maintenance of HIFAR after it is closed in 2005 (pending its eventual decommissioning) and of other nuclear facilities arising from previous activities, as well as interim storage of spent HIFAR fuel holdings, pending shipment overseas. Operation of two nuclear sites in Australia would have increased the annual operating costs by several tens of millions of dollars, and would have involved the employment of a large number of additional staff.

Moreover, Lucas Heights is close to Sydney airport, and this facilitates existing arrangements for distribution of radiopharmaceuticals. It also facilitates access for visitors to the reactor facility from science, industry and commerce. In addition, construction of the replacement reactor at Lucas Heights will maximise returns from the estimated $700 million that has been invested in the site since the 1950s, primarily in support of operations associated with a research reactor.

Safety issues associated with the proposed replacement reactor, and hazards and risks to nearby communities were examined carefully in the EIS process. As noted previously, the three independent reviews found that the reactor at Lucas Heights would be safe, and would pose no threat to the community. A 1.6 km buffer zone will be maintained around the replacement reactor. The reactor will be of the pool type, where the reactor core is submerged in a permanent pool of water, thus preventing risks from fire or from damage to the cooling system. The reactor will be housed in a building designed to prevent the release of radioactive materials to the environment in the unlikely event of an accident, even including the crash of a light aircraft. The reactor must also be designed to withstand safely a one-in-ten-thousand-year earthquake event.

Lucas Heights meets all relevant technical siting criteria, based on international guidelines. As well, it is, by far, the most cost effective site in Australia because it makes use of the existing physical infrastructure and experienced personnel, and the use of a single site would minimise annual operating costs. In the circumstances, the Government has concluded that Lucas Heights is the most suitable site for the replacement reactor.

This assessment is supported by the report of the PWC, which concluded unanimously that the comparative costs of locating the replacement reactor at Lucas Heights or a greenfield site favour the former by a considerable margin.

The Government accepts that, at a regional site, the investment in the replacement reactor project would have resulted in economic benefits arising from new employment opportunities and local industry development opportunities near the site. As well, social benefits could be expected to arise
from the influx of personnel required to operate the facility. Nonetheless, these benefits must be balanced against the disadvantages that would have arisen from a regional location. Economic activity in the Sutherland region would have been adversely affected, and there would have been social costs. Many experienced staff would have been lost due to a reluctance to relocate, and some would have been forced into early retirement. It would have been necessary to establish new, more costly, distribution arrangements for radiopharmaceuticals. Depending on the site, the level of service to nuclear medicine centres across the nation could have been adversely affected. Access to the site for visitors from science, industry and commerce would have been more difficult and costly. As is discussed in section 2, above, very substantial additional capital and operating costs would have been incurred. Moreover, there would have been potential for the project to be delayed significantly in the course of selecting the new site and of characterising its environment, thus potentially leaving Australia without an indigenous source of neutrons for a period of some years.

In short, the Government considers the unavoidable disadvantages of utilising a regional site would have more than offset the potential advantages by a very substantial margin.

3. RESEARCH REACTOR REVIEW ISSUES

“The Committee finds that the issues raised by the 1993 Research Reactor Review have not been satisfactorily addressed...”

Comment

The RRR was an advisory and recommendatory body, and its recommendations were not binding on the Government. Nonetheless, in its consideration of the replacement reactor issue, the Government took into account the issues raised by the RRR and is satisfied that these issues have been addressed satisfactorily (the five conditions given by the RRR are set out in Appendix 2). The present position with regard to these conditions is discussed below.

High Level Waste Site

This issue is dealt with above (pages 5-6).

Spallation Neutron Sources and Cyclotrons

Spallation sources provide neutron performances complementary to research reactors in some scientific research applications (such as condensed matter studies, basic physics, and research into the transmutation of radioactive waste), but are neither technical nor economic alternatives to research reactors. Spallation sources usually produce intense pulses of neutrons, but the total number of neutrons produced over time is low. All countries which operate or are planning for a spallation source also have, or have ready access to, research reactors.

The capital and operating costs of spallation sources are much higher than the equivalent costs for research reactors, and operations are only possible for approximately two-thirds of any year due to maintenance requirements. A spallation system must be supported with the expensive operational and engineering infrastructure required for the operation of high intensity, high-energy particle accelerators. As a result of the high level of “down time” for maintenance, plus the low yield of neutrons produced over time, a spallation source would be unable to produce the quantity of radiopharmaceuticals necessary to meet existing or future Australian demand, nor would it be able to meet the important national interest need for expertise in nuclear fuel cycle technology. The pulsed operating characteristics of a spallation source would make it unsuitable for much of Australia’s present and future neutron-based research, such as thermal-neutron studies in magnetism and cold-neutron studies in the materials and biological sciences. Cold-neutron studies will be the major area of Australia’s future neutron-based research, and will build on our national strengths in the materials and biological sciences.

Cyclotrons are a type of particle accelerator in which protons or deuterons are accelerated to very high speeds, before being directed onto a target, resulting in new isotopes which can be extracted and used. Cyclotrons are not a source of neutrons. Both reactors and cyclotrons are needed to make the full range of radioisotopes required for medicine because of the different types of isotopes each can produce, and few medical radioisotopes can be produced in both cyclotrons and reactors. ANSTO operates the NMC in Sydney, producing a small range of specialised radioisotopes for the diagnosis, prediction and treatment of conditions such as cancer and heart diseases.

In principle, cyclotrons can be used to produce both molybdenum-99 and its daughter product, technetium-99m, which is the most widely used radioisotope in Australia. However, significant technical and commercial hurdles would first need to be overcome, and cyclotrons are not used anywhere in the world to produce these radioisotopes on a commercial basis. Cyclotron technology does not present a viable alternative to a replacement reactor, either for the production of radioisopharmaceuticals, for scientific and industrial applications, or in support of the national strategic interest.
The Government notes that, in its submission to SERC, the Australian Academy of Science, which is an expert, independent body, and one of the peak science bodies in Australia, concluded that “nothing has emerged in the intervening five years (ie, since the RRR reported in 1993) to support a view that accelerator based alternatives could meet Australia’s requirements, either for neutron based science or for the production of radiopharmaceuticals”.

The Government, also, considers that a spallation neutron source and cyclotrons, alone or together, could not satisfy the wide range of needs that Australia depends on a neutron source to satisfy. In the Government’s view, only the replacement reactor project will enable Australia to utilise nuclear science and technology to receive benefits in the future that are comparable to the wide range of benefits we receive at present from the operation of HIFAR.

Neutron Scattering in Australia

The Government considers there is good evidence of strong and diverse applications of neutron scattering capability in Australian science. The key neutron scattering instruments on HIFAR are used intensively in postgraduate training, in research, and in some industry applications. There are clear benefits, including economic benefits, for Australia to have an ongoing capacity for neutron scattering studies. The Government notes that the present capacity of HIFAR, in terms of its neutron flux, energy of neutrons, irradiation volumes and physical access, is sufficiently limited to make many applications almost impossible.

Unlike HIFAR, the replacement reactor will be equipped with a source of cold (ie slow moving) neutrons. As noted above, studies that utilise cold neutrons will be the major area of Australia’s future neutron-based research, and will build on our national strengths in the materials and biological sciences. The replacement reactor will also be able to accommodate a range of advanced industrial applications because it will have a higher neutron flux, improved irradiation facilities, better quality beams, and improved access for scientists, via a neutron guide hall.

National Interest

The operation of a research reactor helps to underpin Australia’s technical nuclear expertise, which is an essential input to policy advice to Government on a range of nuclear issues critical to the national interest. Australia’s security interest in ensuring that its strategic environment remains free of nuclear weapons depends on a reliable capacity to comprehend, analyse and influence nuclear developments. This is especially so, given the increasing use of nuclear technologies in Asia. Without that expertise, Australia’s ability to assess independently the security, economic and safety implications of nuclear programs in the region would be severely limited.

Expertise in nuclear fuel cycle matters, supported by the continued operation of a modern research reactor, has also allowed Australia to make effective and practical contributions in international fora such as the International Atomic Energy Agency (IAEA), the Conference on Disarmament, and the Review Conferences of the Nuclear Non-Proliferation Treaty. Moreover, technical knowledge of the nuclear fuel cycle enables Australia to evaluate the effectiveness of nuclear safeguards and to play a leading role in the development of a strengthened IAEA safeguards regime. This is important to our national security as well as underpinning Australia’s uranium export policy which assures that Australian uranium is not diverted from civil use.

In short, the Government considers that an ongoing research reactor capability in Australia is an integral support for the national strategic interest.

APPENDIX I

CONCLUSIONS AND RECOMMENDATIONS OF REPORT BY SENATE ECONOMICS REFERENCES COMMITTEE

The Committee finds that the issues raised by the 1993 Research Reactor Review have not been satisfactorily addressed. The Government’s decision was announced without any real attempt to address the issues raised in the Research Reactor Review. Further it ignored the properly considered findings of the Review and instead, relied largely on the vested interests of ANSTO and those involved in, and dependent on, the nuclear industry.

The Committee believes that a full public inquiry, as provided for in the EPIP Act, (and which was the basis of the Research Reactor Review), should have been conducted prior to any final decision to build a new reactor. Such an inquiry could have finalised the work undertaken by the research Reactor Review and would have given greater credibility to the eventual outcome.

Whilst the Committee notes that the Environmental Impact Statement (EIS) has approved the decision to construct the new reactor at Lucas heights, the Committee proposes that a public inquiry, similar to the Research Reactor Review, be conducted into the Government’s decision. The Committee believes that the finding of the research Reactor Review that “a solution to this problem is essential and necessary well prior to any future decision about a new reactor” is still a
relevant pre-condition. Accordingly, the Committee recommends (1) that this issue be further considered by the proposed public inquiry and (2) that no new reactor be constructed until a permanent site for disposal of the Lucas Heights nuclear waste is determined.

The Committee supports the approach adopted in the Research Reactor Review that the issues of alternative technologies need to be thoroughly investigated by an independent panel prior to any final decision.

If Australia is to have a new nuclear reactor then alternative sites to Lucas Heights must be properly considered. Such analysis should include the potential economic benefit of locating the reactor in a less populated regional area. This analysis should be undertaken by the proposed Public Inquiry.

The Committee recommends that a detailed survey of community attitudes be undertaken to more accurately reflect the views of residents of the Lucas Heights area. Further that, in accordance with the recommendations of the Research Reactor Review, the views of local communities be taken into account when determining the location of any future reactor.

The Committee also recommends that the Community Right to Know Charter Relating to ANSTO be finalised as soon as possible in an effort to improve relations between ANSTO, the Sutherland Shire Council and local community groups.

APPENDIX 2

RESEARCH REACTOR REVIEW CONDITIONS

The previous Government established the RRR under the chairmanship of Professor Ken McKinnon, to advise it on whether Australia had a need for a new nuclear research reactor. Over 400 submissions were received and the public hearings, held in six mainland states and Canberra, provided for wide ranging and detailed discussions on all relevant aspects. The Review’s report, “Future Reaction”, published in August 1993, concluded, among other things, that HIFAR operated safely by an adequate margin, well within international safety standards, and that the health of residents in Sutherland Shire was not affected by emissions from the reactor. The report recognised that the Government might want to make a positive decision about a new reactor for the same reasons and in the same way as it does for defence and other national interest issues. It also said that there was no need to make a final decision immediately, and it set out a number of conditions which it considered, if satisfied, would make it appropriate for a positive decision to be made on a new reactor after about five years. In its response to the RRR, the then Government broadly accepted its findings.

The RRR’s conditions are as follows:

“if, at the end of a further period of about five years:

a high level waste site has been firmly identified and work started on proving its suitability;

there is no evidence that spallation technology can economically offer as much as or more than a new reactor;

there has been no practical initiation of a cyclotron anywhere worldwide to produce technetium-99m;

there is good evidence of strong and diverse applications of neutron scattering capability in Australian science, including many young scientists, and a complex of industrial uses; and

the national interest remains a high priority;

it would be appropriate to make a positive decision on a new reactor. The most suitable site would need to be identified.

If any one of these onerous requirements is not met, either a negative decision, or a decision to delay further, would be indicated.”

Senator FORSHAW (New South Wales) (3.40 p.m.)—by leave—I move:

That the Senate take note of the document.

Unfortunately, I have not had sufficient time to read the government’s response in detail as it has only just been tabled in the Senate and was provided to me only a few moments ago. But, from what I have been able to ascertain from a quick scan through the report, there are a number of serious inaccuracies in the government’s response. I have to say that I am not surprised at that, because the approach of this government to the issue of the construction of a new nuclear reactor at Lucas Heights has been characterised by a refusal to come clean on all of the issues. Indeed, the government has followed a strategy throughout of seeking to keep as much information as possible from the community. They are harsh criticisms, but I do not resile from them. History demonstrates it.

The first example is that, the very day that the decision of this government to build a new reactor at Lucas Heights was announced, the government announced that it would not build an airport at Holsworthy. People could
say, ‘So what?’ Given that there was extreme outrage in the community in the Sutherland Shire at that time about the potential construction of an airport at Holsworthy, the government took the opportunity when it made a decision which the community welcomed—not to build an airport at Holsworthy—to also slip in its decision that it would give them a nuclear reactor instead. Interestingly enough, ANSTO was an opponent of any new airport at Holsworthy, the reason being that to put an airport at Holsworthy would have destroyed any possibility of a third nuclear reactor at Lucas Heights. This reactor will be the third nuclear reactor on that site; there are two there now.

Further, this government has ignored recommendations of previous reports of not only this parliament but also of independent public inquiries, particularly the Research Reactor Review in 1993. In this government response they refer inaccurately to previous reports. For instance, on page 6 of the government’s response it states:

The RRR—
That is, the Research Reactor Review of 1993—

recommendations and conditions made no reference to the management of low or intermediate level wastes arising from ANSTO’s activities at Lucas Heights.

That is just not true. This statement is the same sort of semantic nonsense that we get from Senator Herron on the issue of the stolen children. It is playing with words. If you have a look at the McKinnon report, as the Research Reactor Review is known, you will see that there was significant discussion about the issue of nuclear waste. Professor McKinnon and his team made a decision on that in that report. Despite arguments by some that the waste at Lucas Heights could be characterised as low or medium level waste, he found that it was high level waste. The major recommendation of the McKinnon review was that, before any decision was made to build a new reactor in Australia, the issue of the disposal of the waste stored at Lucas Heights had to be addressed and had to be finalised.

In this report the government tries to make out that somehow the issue of the disposal of waste at Lucas Heights was never an issue in 1993. It is a fundamental issue. It is so fundamental that, even though the member for Hughes, Mrs Danna Vale, is on the record as having opposed the construction of a new reactor at Lucas Heights when she was first elected in 1996, today she has changed her mind. She now supports the reactor but has clearly indicated that she still wants to see the waste removed from Lucas Heights. This government treats it as though it is not a problem. Furthermore, the minister, Senator Minchin, is on the record as saying that there is no requirement to resolve the site location of a waste repository prior to the construction of a new reactor at Lucas Heights. Again, that flies in the face of recommendations in previous reports. Also, it is contradictory to the requirements of the Minister for the Environment and Heritage who has laid down the conditions that are attached to any final construction of a reactor at Lucas Heights. One of those conditions is that there has to be a site determined for the nuclear waste repository. We know that even in South Australia, which is purported to be the site, the government has expressed opposition to the possibility of taking the Lucas Heights waste.

I hope I get a further chance to comment on this response in detail, but there are more inaccuracies. On page 7, the government’s response says, ‘ANSTO undertook extensive community consultation.’ That is just not true. This whole exercise is characterised by the lack of community consultation undertaken by ANSTO and by the government prior to the decision being made. The Sutherland Shire Council are on record as saying that they were basically ignored throughout the entire process. Even Liberal members of that council who previously opposed the reactor but for some reason changed their minds are on the record as acknowledging that. There was very little, if any, community consultation. I happen to be a member of the community in that area. As one who obviously has followed this exercise more closely than many other people, I make it very clear that there was very little, if any, community consultation by ANSTO.

Senator Calvert—I did not see you at the Public Works Committee hearing.
Senator FORSHAW—I was not a member of the Public Works Committee. Another falsehood in this document is that the government did a detailed study of other sites. We have asked, the community has asked and the council has asked for the information from the government as to what alternative sites were considered. Again, the McKinnon review in 1993 said that alternative sites should be considered. That is particularly because Lucas Heights—which has been renamed ‘Barden Ridge’ to somehow try to soften the fact that it has a nuclear reactor in its backyard—is now part of a thriving suburban area of Sydney. It is no longer the remote bushland that it was in the 1940s and 1950s when the decisions were made and the construction of the reactor took place. No detailed study has ever really been done. If it has been done, why won’t the government come clean and provide the information instead of claiming cabinet in confidence?

Another inaccuracy in this document is that they refer to the supposed attitude of the local community. On page 7, they refer to a survey undertaken by ANSTO. This is really the height of hypocrisy. They argue that the community is actually in support not for the replacement reactor but for the new nuclear reactor at Lucas Heights. Certainly the surveys that the Sutherland Shire Council have presented to me, and which groups like the ACF have seen, demonstrate that more than 80 per cent—in fact, I think 85 per cent was the figure—of residents in that area are vehemently opposed to the construction of a new nuclear reactor.

Senator CHAPMAN—What we have seen from Senator Forshaw today is his continuation of sensationalist scaremongering in opposing what is an important scientific resource for Australia. Is Senator Stott Despoja going to speak?

The DEPUTY PRESIDENT—I was alternating sides. You have already started, Senator Chapman. Please continue.

Senator CHAPMAN—I seek leave to continue my remarks later, Madam Deputy President.

Leave granted.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.50 p.m.)—Thank you, Senator Chapman. I begin where Senator Forshaw left off, and that is with the extraordinary claim that there is some kind of community support not for the replacement reactor but for the new nuclear reactor at Lucas Heights. Certainly the surveys that the Sutherland Shire Council have presented to me, and which groups like the ACF have seen, demonstrate that more than 80 per cent—in fact, I think 85 per cent was the figure—of residents in that area are vehemently opposed to the construction of a new nuclear reactor.

Certainly, the Democrat position on nuclear issues is very clear. Not only do we oppose the construction of a new reactor but we do not believe that it has been justified on social, economic, environmental or national interest grounds. This government response which we have waited six, seven, eight months for does nothing to provide further justification today not only as to why a new reactor should be built but also as to why we should not close down the current one. The Democrats believe that probably the greatest contribution to the non-proliferation issue would be if we were to close down the current reactor, not build a new nuclear reactor, and of course remove Australia from any engagement in the nuclear fuel cycle. That is our preferred position, but we recognise that we now have a situation where this government is pushing ahead and is determined to force this reactor through, regardless of whether or not there is broad community opposition.

Not only that, we hear rumours now that this government is keen to fast-track the approval and application process in relation to the contracts. That is certainly something that is completely inappropriate when there are so many outstanding community concerns not just in relation to safety procedures but also in relation to the environmental and health impacts on the community, the funding and, of course, the seemingly insurmountable is-
sue—an issue to which Senator Forshaw has referred—of waste disposal. Once again, this is not adequately responded to in this report except, from what I can see, for the government saying that they do not believe it is an issue. They do not believe it is an issue of concern. Not only are they dismissing recommendations from the economics committee majority report that said, ‘You have got to deal with these issues; you have got to examine these issues,’ but they are also dissing the 1993 committee recommendations of the McKinnon review, which seem to have gone right out the window in the government’s haste to construct this new reactor.

In relation to economics and funding, let us bear in mind that this roughly $300 million amount will be the largest single amount spent on science in this nation’s history—but it has occurred with minimal consultation. I do not believe even the Chief Scientist at the time was consulted in relation to the construction. The $300 million figure, although estimates suggest it is going to be well over $500 million at least by the time this is constructed, does not include the cost of waste disposal. We do not yet have a solution to the high level waste disposal problem. Clearly, the government intends to push through plans for a national radioactive waste dump in my home state of South Australia or in Western Australia, which has also been mentioned.

The issue of waste disposal must not be regarded as an afterthought when you are considering involvement in nuclear issues and putting forward proposals. We note that the McKinnon review in 1993—so it is going back a bit now—reported that a solution to high level waste disposal is essential and necessary well before any new decisions are made in relation to a new nuclear reactor. But here we are in a new decade with a contract for a new reactor being fast-tracked without appropriate consideration of high level waste disposal or without adequate community consultation or description of the new nuclear reactor project.

I note—and Senator Forshaw was there as well on Sunday two weeks ago—the residents of Sutherland shire turned out to oppose the construction of the new reactor. It was quite a diverse range of residents who turned up to protest very loudly and very clearly. Not only politicians were present but also councillors, residents, mothers, fathers and kids talking about their concerns. There were schoolchildren talking about their concerns about the inadequacy of safety procedures in their schools should there be some kind of safety issue or accident at the plant. Yes, we know, Madam Deputy President, that accidents do happen. It does not matter how many times you read this government’s blatant justification, telling us that it is safe, we know that nuclear accidents occur. It is particularly worrying that they occur at all, let alone in an urban zone such as this.

The residents of Sutherland shire would find extraordinary the claims on page 7. They would find this survey of community attitudes to which the government refers in its response quite alarming and extraordinary. That is why the Sutherland shire, along with the Australian Conservation Foundation and others, including the Australian Democrats with the support of the Greens, are proposing a commission of inquiry. What they really want is a royal commission, but they know that will not come about without government support. This is their last-ditch attempt, if you like—especially in the face of responses like this one that was presented today—to get some of the issues examined: the environmental and health impacts, the safety impacts and the national interest claims, which I have to say are extraordinarily spurious. Of course, there is the outstanding issue of waste disposal, which is not adequately addressed in this response in the same way as it was not addressed adequately in the dissenting report put forward by the Liberal senators on the economics committee.

For the people of Lucas Heights and the people of the Billa Kalina region in my home state of South Australia, and for the entire Australian population, it is worth noting that we do operate a high level nuclear waste dump in a suburb of our largest city. That is the reality. The promotion of the removal of nuclear waste to a proposed dump on the land of the Arabana people in South Australia is another proposition with which the Democrats have concerns.
Senator Lees, Leader of the Democrats, and I voiced in parliament last session the poor track record of South Australian politicians in this place, who are selling our state out. We have all these cabinet ministers from South Australia in this place and yet they are not standing up for the needs of South Australia. The South Australian nuclear waste dump proposal is a prime example of this. Senator Hill has been reported as stating that the dump should be at the location which is in the best interests of the nation. I ask that minister: how can a nuclear waste dump anywhere in Australia be in the best interests of Australians?

I congratulate the local governments on the role they have played in this debate. It has not only been the Sutherland Shire Council; there has been a united display of opposition to these waste dumps and, of course, to the new reactor. The Whyalla City Council has presented a united front against the transportation, storage and dumping of nuclear waste in South Australia. I think it is important that there is that show of support between the respective councils. I also note the Whyalla City Council’s support for a call for a royal commission into plans for a new reactor at Lucas Heights. The government might want to remember that it is not just the Sutherland Shire Council that is calling for this; they are getting support from all around Australia, especially from those regions where it has been touted that we may see nuclear waste dumps. There is strong support from South Australians for what the people of Lucas Heights are fighting for.

We should note that Whyalla is about 150 kilometres from Woomera, one of the locations in South Australia where the federal government is considering locating a low level nuclear waste dump. They oppose the transportation, the storage and the dumping of anything other than low level waste at this site. Unfortunately, though, our Premier, despite his purported claims that he opposes that kind of dumping of high level waste, has so far failed to introduce legislation that would actually prevent this from happening in South Australia.

The Democrats support the Sutherland Shire Council, the Whyalla City Council and many other Australians who are opposed to further involvement in the nuclear fuel cycle for Australia. We certainly do not believe that a new nuclear reactor has been justified on any of those grounds I mentioned: safety, health, the environment, economics or the national interest. I have given notice in this place and certainly publicly on behalf of the Democrats that we support calls for a royal commission or, failing that, a commission of inquiry that will look at these issues once and for all. And we oppose any fast-tracking of the approval and application processes in relation to the contracts for the new reactor at Lucas Heights.

Debate interrupted.

NOTICES
Presentation

Senator Faulkner, also on behalf of Senator Lees and Senator Brown, to move, on the next day of sitting:

That the Senate censures the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron) for his failure to fulfil his ministerial responsibilities and provide leadership in indigenous affairs.

COMMITTEES
Economics References Committee
Report: Government Response

Debate resumed.

Senator Chapman (South Australia) (4.01 p.m.)—I was about to respond to Senator Forshaw before I deferred to Senator Stott Despoja. I must now join her with Senator Forshaw, in terms of the comments that she has made with regard to this tabling of the government response to the Senate Economics Committee report on a new reactor at Lucas Heights. Senator Forshaw and Senator Stott Despoja are engaging in nothing more than sensationalist, scaremongering opposition to what is an important scientific resource for Australia. They do not rely on any substantial evidence to put forward their arguments in opposition to the government’s response to this report but they simply perpetuate a lot of the false and emotional claptrap that we have heard in regard to this issue not only over months but in fact over years.
Both Senator Forshaw and Senator Stott Despoja referred to the Research Reactor Review report—the so-called McKinnon report of several years ago—and claimed that the government’s response to the Senate economics committee report ignored some of the recommendations that were proposed as conditions laid down by the McKinnon report. That is simply not true. If both of them had read the government’s response very closely, they would have seen that that response in fact deals in detail with the five conditions laid down by that report. The first issue that was raised by Senator Forshaw and repeated by Senator Stott Despoja was dealing with high level radioactive waste. The fact is, as is confirmed in the government’s response, that high level radioactive waste will not be an issue with regard to the new reactor at Lucas Heights, in terms of its storage—

**Senator Forshaw**—That’s your view.

**Senator CHAPMAN**—In terms of the facts laid down by the government, Senator Forshaw. The government chose very clearly. In the policy provision it has made for the waste coming out of the new Lucas Heights reactor, the government’s strategy is that the spent fuel will be sent for processing overseas. The government has allocated some $88 million to fund its proposed management of the spent fuel from HIFAR. Indeed, it was announced as long ago as 3 September 1997 that that money had been allocated and that the spent fuel would be sent overseas for reprocessing. It then involves, in 2015, the return of intermediate level waste to Australia after that reprocessing has occurred. So there is no issue of high level waste because the high level waste is being sent overseas for reprocessing and returning here as intermediate level waste. The McKinnon report referred to the way that high level waste should be dealt with. It says quite specifically:

If at the end of a further period of five years a high level waste site has been firmly identified and work started on proving its suitability, then it would be appropriate to make a positive decision regarding a new reactor.

A method of dealing with the high level waste has been identified, so it is not true to say that the government has ignored the Research Reactor Review condition proposed with regard to that issue.

The other issue that was raised by both speakers is the issue of consultation. The fact is that there has been extensive consultation with the local community on this matter. In the first instance, there have now been three parliamentary inquiries on this issue. There was the inquiry undertaken by the Senate Select Committee on Radioactive Waste, which I chaired. I might add, in relation to the comments of Senator Stott Despoja, that this committee put down unanimous recommendations with regard to a nuclear waste storage facility in Australia. The announcements made with regard to a waste depository by Senator Minchin as the minister are consistent with those recommendations. Not only was the Labor Party represented on this committee but the Democrats through their current leader Meg Lees were also represented and supported that unanimous recommendation. There was that inquiry. Then there was the Public Works Committee inquiry which, again, unanimously recommended that the new nuclear reactor be installed at Lucas Heights—a committee that contains a number of your Labor colleagues, Senator Forshaw.

**Senator Forshaw**—They got it wrong.

**Senator CHAPMAN**—Your colleagues. ‘I am the only one in step’, says Senator Forshaw, ‘and all my colleagues are out of step.’

Next we had the Senate Economics References Committee inquiry in which a majority but not a unanimous recommendation was orchestrated by Senator Forshaw and Senator Stott Despoja, which said we should have further inquiries on this matter—further inquiries, after three parliamentary inquiries, the Research Review Reactor inquiry and a number of other investigations including an environmental impact statement. There has been quite adequate inquiry, as was determined by Senator Gibson and myself as the government members of the Senate Economics References Committee inquiry into this matter. We concluded on the basis of the evidence, not on the basis of our own prejudices, as Labor and the Democrats did, but on the basis of the evidence put before that committee, that there had been adequate in-
quiry and adequate consultation and, in fact, the benefits of a nuclear reactor, which even the opposition members of the committee acknowledged, were such that there should not be further delay with regard to the establishment of that reactor.

It is perhaps worth highlighting the benefits of a new reactor. The products of a new reactor will benefit nuclear science and technology across a wide range of areas: medicine, industry, mining and minerals processing, energy, agriculture, the environment, science, education, and the provision of advice to the government itself. Unless we replace the existing reactor, all of those benefits will be lost, including, most importantly, the benefits of nuclear medicine for people who need the treatment from the isotopes which are produced by the existing nuclear reactor and which will be produced by a new nuclear reactor.

The existing reactor is 41 years old. It has reached the end of its useful life. It has operated quite safely at Lucas Heights for 41 years. The new reactor, because of its up-to-date technology, will be even safer and even more secure than the existing facility, which has caused no problems whatsoever to the local community.

Senator Forshaw interjecting—

Senator CHAPMAN—Senator Forshaw is again saying: “Why should they have it?” I have already talked to him about the extent of local consultation. As part of the research undertaken in the decision making process for this new reactor, detailed community research was undertaken in the Sutherland Shire, and 57 per cent of those surveyed were supportive of a replacement reactor being built on the current site at Lucas Heights. Contrary to what has been said opposite, ANSTO has also undertaken extensive community consultation. Senator Forshaw would well know that the parliamentary committees that have inquired into this matter have given enormous opportunity for local community consultation to be undertaken. The benefits of this new facility far outweigh any offsetting negative aspects of it.

There are specific reasons why the facility should be at Lucas Heights. Amongst those is that it needs to be located in close proximity to the national medical cyclotron at Royal Prince Alfred Hospital, Campbelltown. Also there will be the need for ongoing maintenance of the existing HIFAR reactor. There is also a need for the facility to be close to Sydney airport to facilitate arrangements for the distribution of radio pharmaceuticals.

So against all the scaremongering that we hear from the opposition, there is no argument that this facility will be safe—indeed, safer than the existing facility—that it is needed, that it is beneficial for the Australian community and that it should certainly proceed without delay. There has been adequate study of this matter over a number of years now. The government has given detailed study to that. It has given detailed opportunity for community consultation. The evidence to support the establishment of a new nuclear facility is overwhelming. There should be no further delay with its establishment.

Question resolved in the affirmative.

DOUMENTS

Auditor-General’s Reports

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—In accordance with the provisions of the Auditor-General Act, I present the following report of the Auditor-General:

DELEGATION REPORTS
Parliamentary Delegation to Canada and the United States of America

The ACTING DEPUTY PRESIDENT—On behalf of the President, I present the report of the Australian Parliamentary Delegation to Canada and the United States of America, which took place from 25 October to 5 November 1999.

AUSTRALIA’S INTERNATIONAL EDUCATION INDUSTRY

Senator CARR (Victoria) (4.12 p.m.)—I move:

That the Senate notes the Government’s belated acknowledgment of the failure of its regulatory regime to safeguard the integrity and the
quality of Australia’s international education industry and, in particular, to:

(a) prevent the abuse of student visas; and
(b) act as gatekeeper for the quality of education provided to overseas students.

This item goes to the matter of international education and, in particular, to the government’s recent belated decision to move to introduce significant amendments to two key acts regulating Australia’s educational export industry, that is, the Migration Act 1958 and the Education Services for Overseas Students Act of 1991, known as ESOS. Scandals, rackets, frauds and business collapses are laced through this seriously undercapitalised bottom end of Australia’s international export industry. It has become increasingly clear that there is a shameful reality emerging within this industry, one of our most important, most rapidly growing export industries—in fact, our fourth largest export industry. There is an unscrupulous minority of proprietors flagrantly abusing the good name of Australia’s educational exports and using the present administrative arrangements as a cover for racketeering.

Reputable education and training providers have been watching in despair as their hard-won reputation for quality, on which the meteoric rise of this young industry depends, has been drastically threatened by the behaviour of a few. Genuine students have been ripped off, have been sold short with very few rights of appeal and protection. Genuine proprietors have been undermined by the unfair competition of unscrupulous and, I say, criminal elements operating within this industry. I should not be churlish about this. The government ought to be congratulated for recognising, finally, its own failure, for recognising that it should have the courage to admit how completely wrong it has been in its laissez-faire attitude towards international education. These attitudes have led to a minority of unscrupulous, unethical and corrupt operators, a gaggle of purveyors of student visas and tenth rate course providers who are seeking to undermine the actions of the overwhelming majority of proprietors and teachers who are trying to provide a high quality service for overseas students.

I might say that the opposition has been drawing to this parliament’s attention for two years now the problems within this industry. It has been calling upon the government to act to clean up this industry. It has been calling upon the government to use its considerable powers, which it has under existing legislation, to clamp down on the rorts and rip-offs which have been endemic to parts of this industry. It is only recently that the government abandoned its previous strategy in dealing with complaints concerning this industry. Until recently, when the opposition raised these concerns about the industry, those concerns fell on deaf ears. The government sought to ignore the concerns that have emerged within the industry and within this parliament. It has, of course, sought to prevent this issue emerging by trying to pretend it was not happening. We have noticed a disaster unfolding, but this government has failed to come to terms with this issue in a timely manner.

There have been countless cases and examples brought forward in this parliament which have highlighted the problems faced by students, by teachers and by proprietors who are seeking to provide a quality service. Up until now those concerns have been swept under the counter. The pleas of the opposition have been drowned out. They have been drowned out by the pleas of guilty by this government itself. The announcements by the government amount to no more and no less than admissions of guilt. The government is guilty of neglect, of dereliction of duty, of irresponsibility, of dishonesty, of the sins of both omission and commission in relation to the educational export industry. Most of all, it is guilty of the crime of impersonating an ostrich—seeking to stick its head in the sand. And of course it is guilty of the crime of buck-passing. It has buck-passed between departments, between levels of government, and of course it has sought to shift the blame, to dodge and to weave, and has hoped that all the trouble will simply vanish, that the campaign run by the opposition will dissipate and that these issues will just go away.

Now what are they pleading guilty to? The charges are legion. We have an industry where the abuses and the rorts are rife, yet
the complaints have not been investigated thoroughly by this government. Legislation has not been enforced by this minister. Students who complain in fact are deported. They are shifted out of the country, along with the evidence that they have. Those who can stay often end up undetected because they are obliged, as a result of the actions of these unscrupulous racketeers, to work in sweatshops, in restaurants, and are even forced into prostitution. They are exploited and placed in danger by various elements of the criminal underworld within this country. We have seen those in government prepared to allow this to go on without effective intervention. It strikes me that up to 15,000 students are dragged into these visa rackets. That is five times the number of people dragged in through the so-called people smugglers on the leaky old boats. But do we hear the minister’s outrage on this issue? No, we do not. Do we hear that those in government are serious about moving to clean up these racketeers? No, we do not.

The opposition has named 30 providers in this parliament—30 operators for whom there are serious questions about the way in which their operations are being conducted in this country. There are serious concerns about the educational, financial and ethical bona fides of those operators. There have been abuses. There have been simple cases such as the college that reported to DIMA that 200 students a year defaulted on their visa conditions—a total of 600 students. It has of course then charged them, even at the rock bottom fees that they are asking, some $3,000 per annum. So, in return for nothing, these students have been asked to pay $3,000. When you look at those calculations the returns are very simple. There is $1.8 million in return for not teaching those students. There is another college which reported 2,000 students for non-attendance. This particular proprietor has netted approximately $10 million for not teaching. Of course, then there are the other colleges that issue bodgie degrees for qualifications. They end up issuing bodgie certificates to suggest that those persons have in fact attended. What does that do for the quality of our credentials regime internationally when those persons go home but have not earned those qualifications because they have been off in the sweatshops of Sydney and Melbourne? And there are other rip-offs. There is the college in Sydney, for instance, ABTI, that went broke with up to $800,000 missing from its trust accounts. Then there are the low cost, no teaching scammers, racketeers, who have forced many law abiding providers to the wall. These shysters have forced the reputable providers out of business.

It is quite apparent that all of this makes a mockery of any principles of good and responsible government. We have seen the government standing by while dishonest providers are operating, knowing that DETYA will not prosecute them, knowing that DIMA is unlikely to seriously investigate them, and of course knowing that the states—which under these arrangements are the registering authority—will not do anything about it either because they say it is a Commonwealth responsibility. These bodgie operators operate in the gap between the ESOS Act and the Migration Act. There is a wide chasm apparent for all to see. There is a chasm, legislatively speaking, between the Commonwealth and the states which provides a happy hunting ground for these crooks and opportunists.

We have a situation where there has been neglect, which has been raised by the opposition on numerous occasions, of the health and well-being of the international education industry. Despite repeated warnings from within industry itself and of course from within this parliament, the government has chosen to leave the industry floundering and struggling to combat the destructive effects of the wrongdoers within the midst of the industry itself. The government has preferred to turn a blind eye to the troubles plaguing the industry and has instead continued to promote it overseas and at home, because it is a good news story.

**Senator Tierney**—You are a little out of date, Kim.

**Senator CARR**—It is Dr Kemp’s good news story. What he has sought to do is to act very much like Nero fiddling while the suburbs of Rome are burning. If you look at the example of the National Crime Authority—the National Colleges of Australia—
Senator McGauran interjecting—

Senator CARR—Perhaps the National Crime Authority ought to have been involved in this long ago. Perhaps they should have been having a good look at this long ago, because there has been plenty of evidence around that this government has failed to address the serious criminal issues that have been associated with it. Let me take the case of the National Colleges of Australia. The story of the international education provider known as the National Colleges of Australia illustrates the point in question. The college collapsed in June last year. It is a matter that I raised. Unfortunately, it involved the suicide of the proprietor, who was found in the store-room at the back of his George Street premises in Sydney, opposite the Town Hall. We saw that student records had been left in disarray or destroyed. Many documents had allegedly been shredded. What appears to have occurred in these circumstances is that the Commonwealth departments of education and DIMA could not tell—they did not know—how many students were actually on the premises. They still do not know how many students were on the premises. Senator Tierney says this is old news. They still do not know today how many students were on the premises. The minister has said that there were 321 definitely enrolled. The ‘321 definitely enrolled’ is a minimum number. The college had an enrolment capacity of 2,180. DIMA said that there were possibly 672 students in the college. They revised that figure later to 735. Nine months after the collapse, 133 students remain unaccounted for. The Commonwealth simply does not know how many students were present and simply does not know where at least 133 of those students are today. So you can understand that my estimate of 15,000 students being dragged into these visa scams is rather modest. We have a failure of the government: dereliction of duty. This government has failed to exercise its considerable existing powers to look into the problems that have been described here this afternoon.

Under the ESOS Act the Commonwealth may prosecute providers that have breached the conditions relating to the maintenance of trust accounts, to safeguard the tuition fees of overseas students. Despite the fact that 11 colleges have collapsed, nine of those colleges were found to have no funds or little funds in their trust accounts.

Senator Tierney—Out of how many colleges?

Senator CARR—Eleven colleges collapsed.

Senator Tierney—Out of how many?

Senator CARR—Not to mention the scores of colleges taken over shortly before their collapse and, despite the repeated acknowledgment of breaches of the law by officials, the fact that there were no prosecutions. We have of course seen that the department and the minister have failed to use their powers to investigate the cases of apparent irregularity and wrongdoing. We have seen a failure in the exercise of duty of care and attention that the government itself has noted in various instances. I instance the case of G-Quest in Sydney, although it is not really in Sydney at all, because we discovered in this particular instance that this was a college that did not exist; it had no premises. It was registered by the Commonwealth as an international educational provider, but of course it did not exist. And what happened when a student complained? The Commonwealth’s response was, ‘Oh, we had better get you a refund. We won’t look at the circumstances that surround a situation where a college can be operating in the international market but does not exist.’ It has no classrooms, no desks, no books, no computers—no nothing. But what does the Commonwealth say? It says, ‘We had better get a refund for the student. We should not be worried about the quality of education or the lessons that it brings to our attention.’

We have seen the repeated problems of buck-passing. Whenever you raise an issue—and we will no doubt hear it this afternoon—it is a problem for the states. And there is buck-passing between the states and between government departments—for instance, between Austrade, the department of immigration and of course the department of education—and we are seeing an amazing amount of money involved. For instance, over half a million dollars of taxpayers’ money was pro-
vided during the period 1998-99 in export incentive grants to international providers, but within the same period many of those colleges were removed—that is, struck off—from the CRICOS, which is the Commonwealth’s registration list. So you had one government department paying out large sums of money while another department, in the same government, was removing those colleges from the list that provided international recognition to all our embassies around the world. We have a very generous policy whereby Austrade said that it was the responsibility of DETYA to look into the bona fides, the soundness, of these educational providers. What an extraordinary admission it is that it is the department of education’s responsibility and not that of the department of trade to look at the persons that it is paying money to. The Chalmers Business College in Melbourne, I note, employs seven full-time teaching staff, 24 part-time or sessional staff, but has 893 students. Just think about the student-teacher ratios that that involves. What you see is class sizes here of some 70—

Senator McGauran—What about correspondence?

Senator CARR—But that is the point. You say, ‘What about correspondence?’ Under this act you are required to be in attendance for 80 per cent of the time, not off working and or engaged in some other industry. You are supposed to be here to study. The whole point—and Senator McGauran has revealed his ignorance on this very point—is that you are establishing that these arrangements are wide open to abuse, and this government has done nothing about it.

We are seeing colleges with up to 2,000 registered students. Even if you allow for the situation that is claimed—that is, that they work two shifts a day; I find that a remarkable proposition—you will still see that the metre space available within those colleges, and in the particular case I have here of 2,000 students with 2,000 square metres of space, indicates quite clearly that it is not possible to provide a quality education within those arrangements.

We have the situation of the St. George Institute of Professionals in Melbourne, which was suspended from the CRICOS and was re-registered within 26 days. There were deficiencies and irregularities relating to its trust account. There were questions raised about the quality of the course offerings. There were shortcomings with regard to facilities and equipment. There were deficiencies connected to its student record keeping. But, within 26 days, it was able to be re-registered. Another example is the Australian Racing Industry Training Centre, where I understand it was established that, once again, this was a situation where it was said that the facilities available for students were totally inadequate. But what does the department do? It does a check; it just asks someone in the state government department and is told that satisfactory arrangements are in place and no further inquiry is made. We have the example of the G-Quest Institute. Another example is the Australian National Aviation College, which was recruiting students from overseas on the promise that they would be issued with a work visa or a residence visa if they accepted enrolment at this particular college. There was concrete evidence, as the department itself acknowledged in evidence to the Senate estimates committee hearing, that a person was recruited on a student visa to work full time as a receptionist at the college itself. Once again, what occurred? No action was taken.

So what we have been experiencing in recent times is the government’s failure to distinguish between fair trade and free trade. This government has sought to say that a laissez-faire attitude should apply. We have seen a situation where neglect and procrastination, and in my opinion a dereliction of duty, have allowed a situation where a small minority of providers has seriously undermined the arrangements for the vast majority. Of course, they have seriously undermined our international reputation, upon which the success of this industry rests.

The government have announced some new changes, but we are yet to see the detail; we are yet to see the time lines. I understand that they will not be represented here in legislative form until the end of the year. I understand that there are still no arrangements for the funding mechanism. I understand that
there are still no arrangements for the management of the various fidelity funds being proposed. I want to know how the board that the government is seeking to establish will be structured. I presume there will be a board to manage these new arrangements. There are so many unanswered questions about the government’s new proposals. We look forward to some answers. (Time expired)

Senator TIERNEY (New South Wales) (4.32 p.m.)—Thank heavens that is over. I rise also on this matter of Australia’s international education industry. It is always a pleasure to follow Senator Carr because he makes himself such an easy target with the wild allegations that he throws about. Of course, he is pursuing a political agenda, particularly getting as much media coverage for himself as possible, without very much interest in what the truth of the matter is. He makes all sorts of allegations about shonky operators and visa factories, but he does not really back this with a great deal of evidence. There is always a problem of scale in this sort of thing. You have a massive industry. You have about a thousand colleges providing services for overseas students, and he comes up with this anecdotal evidence. But you have to realise that his claim is that there are nine colleges in trouble, or nine colleges collapsing. There is a problem of nine, but we are talking about a thousand. That is less than 1 per cent, Senator. I defy you to find any industry around the country that has a 99 per cent success record. That is the case with the overseas education industry: it has a 99 per cent success record, based on Senator Carr’s own figures.

Sure, there are ones that create problems and, sure, there are ones in difficulty. But what is needed is for the government to move in and tighten that up, and that is exactly what we have done. If Senator Carr had bothered to look on the Net before he came down to make his speech, he would have found that the whole plan of tightening up and doing the finetuning on the matters he has raised has already been agreed to by MCEETYA, the organisation of the state and federal ministers. That is all up on the Net already. That has already been done. So I want to go into the way in which we are doing that to put the record straight.

Unfortunately, again, listening to Senator Carr today, we have heard him, behind the veil of parliamentary privilege, besmirch the reputations again of colleges and individuals, and of course he has a long track record of doing this. Remember the saga of Greenwich University. We had Senator Abetz, I remember, very much involved in that debate, where we exposed the nonsense that Senator Carr was on about. He besmirched the reputation of the courses at the college and of the individuals who were teaching there. We went through and checked those records and found that it was a lot of nonsense. He is currently doing the same thing with the vocational education training inquiry. He finds a few examples here and there. Again, this is another massive industry, with huge numbers of operators. Obviously everybody is not going to be perfect. It is a matter of governments setting up procedures to pursue those very tiny numbers of cases where there are problems. That is what governments have intended to do, particularly in this area of the international education industry, ever since I arrived in this parliament. We have continually adjusted the legislation and the way in which we handle a very rapidly growing and dynamic industry. We are currently making further adjustments at this stage.

My long association with the overseas education industry goes back to the very first weeks I was in this parliament in 1991. There was a bill before the parliament at that stage to actually tighten up arrangements for the overseas education industry. Here we are nine years later, and we are doing the same thing again. When that first tightening up proposal occurred, Mr John Dawkins was the minister for education. We had problems at the time, under the last Labor government, because, after the Tiananmen Square massacre, a whole lot of students came from China. There were colleges that set up with rather unusual and strange arrangements, and quite a number of these collapsed and students lost their money. So the Dawkins response to that in 1991 was to bring in a bill to tighten up the regulation of the overseas industry.
Remember that it was a fledgling industry at that time. If the Dawkins plan had come in, it would have killed the industry off. Because we modified that bill, the industry has boomed. It has gone from an $800 million industry in 1991 to an industry of more than $3 billion, with more than 1,000 providers. It was all in danger because of the way Mr Dawkins proposed to regulate it. He had an eight-page bill, as I recall, and we suggested more than 30 amendments to that bill. In the end, he did agree to them because he realised that what he wanted to do was far too draconian. This is where you have to be a little careful, because if you are too draconian in your regulation, the operations fail and the industry does not thrive and does not expand, Senator Carr.

I think we got the balance right that time, because the evidence is here today—we now have 1,000 colleges and we have an industry of more than $3 billion. Occasionally problems occur, and occasionally these collapse. The response through time—not only by this government but by you when you were in government—is to fine-tune that. You were involved in and helped to establish the CRICOS act. We had Senate inquiries relating to the CRICOS act and the way in which we set up the trust funds and the division of power between state and federal governments. It all happened under your government, Senator Carr. Some of these complaints that you are raising go back to that time.

We need to look at any loopholes that exist in what is a very rapidly expanding industry and to bring about some fine-tuning of this industry. There have been claims of the rorting of student visas, and there have been cases of that. That sort of thing has to be stamped out. The government proposes to bring in changes to stamp that out. I listened carefully to everything that Senator Carr said and in his whole 15 minutes of speaking there was absolutely no acknowledgment that the government is in the process of finalising these arrangements. They are up on the Net, Senator. There have been agreements.

Senator Carr, you were talking about something that existed back in time. Last May Dr Kemp, Minister for Education, Training and Youth Affairs, set in train a review and a consultative process with the states and the industry to bring about a tightening of arrangements in the industry. You discovered this matter in the middle of August last year, but Dr Kemp had already had matters in train since the previous May. It is rather strange that you have not acknowledged that in any of the things I have heard you say so far today. We are developing a new national code, following the consultations. We are developing benchmarks, and there will be cooperation in the implementation of these with all state and territory authorities. As in most matters of education, there are powers that reside with the states and there are powers that reside with the Commonwealth. There will be codes. There is agreement of the ministers now to bring about a consistency across all jurisdictions in the operations affecting students coming from overseas.

Providers who do not comply with those arrangements that have been agreed to across the state and federal governments will not be registered, and they will not be able to continue to take in overseas students. As we evolve our response to the growth of this industry, I am quite confident that the new arrangements will deliver a very high quality industry. Again, it is fine-tuning—99 per cent of the industry works very well. I am confident we can do even better than that with this type of change. This will be backed by legislation, but there are a number of very complex issues. Developing legislation and getting it right will take a little time because we are addressing issues such as financial assurance, quality assurance and the integrity of the industry. An amendment bill to the ESOS act will be introduced in the winter session. The first stage of a new electronic confirmation of enrolment system, which will be part of this new system, will commence on 1 July this year. Evidence of enrolment for student visas with CRICOS providers will come in even before the legislation, but the second stage of it is dependent upon the act and that is proposed to operate from 1 January 2001.

The department has already shown its workings on operators doing the right thing. There have been cancellations of non-compliant providers this year in Sydney. The
Department of Education, Training and Youth Affairs is working with the Department of Immigration and Multicultural Affairs to improve the operations of overseas education and to close down those providers that are of concern. Under our proposed legislation, if the department receives a breach report and there is evidence to back that, the department will have the capacity to visit, to demand to see records and to interview staff. Providers will be allowed to make written submissions and, depending on the circumstances, the action that could follow could be suspension or cancellation, or they could be prosecuted if they have broken the law.

The industry, I repeat, has more than 1,000 registered providers. Even on Senator Carr’s own figures, there is a small number that are of concern. On his figures of nine, that is less than one per cent. The allegations that he has made in the Senate about widespread problems are not supported by the evidence. The new system that we are bringing in will correct the remaining problems. There will be an increase in charges on the colleges because we are setting up a new system with new functions requiring new resources. I remind people that this industry does have a substantial income. It is a $3 billion industry. It does get that money from overseas students, and we have a range of providers of private colleges and universities. If you look at university fees, the increase in what we are charging these colleges is about equivalent to that of only one student.

Quality assurance is not only a Commonwealth responsibility but also a state responsibility. The proposals that the government is putting forward clarify the lines of responsibility between the federal government and the states. The Commonwealth has the power to step in where the state fails to act. Quality assurance in education under this system is subject to national agreements between the state, territories and the Commonwealth. These agreements will establish minimum standards and requirements for those who seek to register as international student providers. This system will ensure national consistency. The minister discussed these quality assurance proposals with all the state and territory ministers last week. Under the current regime, states approve providers for registration on the CRICOS register. There is no Commonwealth requirement for this at this stage and DETYA is unable to challenge the states, but that will change under the new arrangements. The government proposes to develop a new national code which builds on the principles that have been agreed to by MCEETYA and is broad enough to address the current problems that exist in the industry that have been outlined by Senator Carr.

The new code includes benchmarks for providers seeking registration. The national code will establish standards for education; resources and facilities; marketing; monitoring and assessment of student performance; attendance and progress; refund policies and grievance procedures; student support services; consistency in state registration of maximum student numbers; and registration of providers where there are subcontracting and franchising arrangements. The code will be legally enforceable and providers will not be able to obtain or maintain registration on the CRICOS register without the state certifying their compliance—they must have state certification. If there is evidence of non-compliance, DETYA can investigate, impose on-the-spot fines or suspend or cancel provider registration, but the providers are able to appeal to the Administrative Appeals Tribunal.

One of the most important changes is that a fidelity fund will be established. It could take, after the legislation goes through, up to six months to establish that fund. The fidelity fund will replace the notified trust accounts from the 2001-02 financial year. There will be independent auditing reports, and these must be provided to the Commonwealth. This will overcome some of the problems that have existed with the trust accounts, which did rely to a great extent on an individual’s honesty. The fidelity fund will be the collective responsibility of the industry and it will be managed independently by fund managers. There will be external audit reports provided to the Commonwealth. In addition, there must be electronic confirmation of enrolments. This electronic system will be secured and will cut out malpractice and will ensure that we have a reliable and compre-
prehensive database. We are already ahead of the US with respect to the arrangements we are putting in place. The US are only just starting that system. It is estimated that we are about three years ahead of the US.

From the Commonwealth’s point of view, there will be cooperative arrangements between the two Commonwealth bodies involved in administering the scheme—that is, the Department of Immigration and Multicultural Affairs and the Department of Education, Training and Youth Affairs. DIMA, of course, has its powers focused on visa holders and DETYA’s powers are focused on the providers and their registration. The departments will cooperate under these new arrangements to provide protocols for handling situations of concern. There will be an increase of 50 per cent in the registration charges because of all these new arrangements to tighten up the system. The highest charge for an institution, for example, with about 400 students will only be about $8,000. I do not think that is a very large imposition for correcting some of these concerns that have been raised.

There is a position paper explaining this—a position paper that, obviously, Senator Carr has not read. I remind him that that is on the Net. I do not have the web address for him, but if he rings my office I can provide that and he will be able to have a look at the paper. He might find that very informative. If he had actually read the paper, he might not have brought on the debate. The matters of concern that he has raised, small in scale though they are, are being corrected by those procedures that I have just outlined.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (4.50 p.m.)—I rise on behalf of the Democrats to contribute to the debate on Senator Carr’s general business notice of motion. I would like to acknowledge that the Democrats are aware of the position paper to which Senator Tierney referred—and we did not need the web address from Senator Tierney. I will address that paper in due course, but one of the concerns that we have is that it has not really outlined a vision for the future in many respects. But I acknowledge, Senator Tierney, that it does aim to plug some of the loopholes that currently exist in the ESOS Act, and that is certainly a start.

Senator Abetz—Tell us the Democrat vision.

Senator McGauran—Here comes the vision.

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order!

Senator STOTT DESPOJA—Thank you, Mr Acting Deputy President. I was actually acknowledging a point from Senator Tierney, but clearly the government do not believe that is worthwhile. I join with the ALP today in putting on board some of the concerns that people have about international education in Australia, but there are many reasons to acknowledge some of the good things that are happening in relation to export education as well.

We know that the number of international students studying in Australian educational institutions has risen from around 48,000 in 1991 to 158,000 in 1999, including, I believe, 27,000 offshore students. Australians all benefit from the students’ contributions to teaching and research, from the exchange of international perspectives and the diversification of fields of study in response to international demand. Of course, we all know that the industry earns Australia more than $3 billion per annum. It creates jobs, obviously, outside as well as inside the education sector. The Australian government supports this through a range of measures—bilateral and multilateral activities and targeted program assistance. But, unlike public providers, the industry’s private providers are not subsidised by government. I would have thought that the growth of this industry would have been worth some commitment by the government, particularly as the private providers themselves have made great efforts to assist in the regulation of the sector.

In April 1998, the Australian Council for Private Education and Training appeared before the Senate committee’s inquiry into the ESOS Act and stated that the act was fundamentally flawed and warned of imminent problems within the private education export sector if the proposal to extend the legislation for a further three years was enacted. At that
time, the Democrats favoured only a one-year extension of the ESOS Act, pending proposed ACPET and government research. As the operator of Australia’s largest tuition assurance scheme under the ESOS Act, obviously ACPET was well positioned to identify any flaws that happened to be in that act. ACPET informed the Senate inquiry that it would undertake research to look into more effective legislative control of Australia’s private export education industry. However, only six months later, in October 1998, the government reenacted the ESOS Act for a further three years with the vote of the Labor opposition. So we now see a situation where what we considered an inadequate piece of legislation that had flaws was extended, which in many respects has permitted some of the degradation that has occurred in the export education field. This has also enabled the actions of a few dishonest private providers, who are operating under that act without prosecution, to throw doubts overseas upon the quality of Australia’s universities.

Following the 1998 Senate inquiry, ACPET proceeded with the promised research by contracting Hall Chadwick Chartered Accountants and Business Advisors and Systems F1 Pty Ltd. This research actually cost ACPET in excess of $80,000. That was with no government assistance, something ACPET members quite rightly regard as perplexing considering they are a growing export industry which contributes in excess of $300 million annually to the wealth of Australia and that much again in overseas student expenditure while the students are in Australia, so there are obviously flow-on effects. The negative consequences of the ESOS Act began to emerge soon after this. A Victorian college, which offered a non-accredited masters degree in Vanuatu and dubious courses in Melbourne—so in Australia as well—collapsed. A Sydney college collapsed. That was actually after ACPET had expelled it from its tuition assurance scheme on the basis of fraudulent marketing. It collapsed with some hundreds of students missing and apparently never having received tuition. Another Sydney college collapsed just before final examinations for those few students who had stayed in the course.

In all of these situations—and I believe in many more—the notified trust accounts were deficient. I believe that in one college more than $700,000 was missing. To date, no prosecutions have occurred in relation to any of those situations. This demonstrates that either the ESOS Act is ineffective or the government has not had the will to pursue the law breakers—or both. In yet another college, an average of 200 students have defaulted—that is, gone missing—per annum for the past three years, so that is 600 students missing. You have to worry about that! The college charges around $3,000 per student per annum, which is insufficient to pay award teaching rates, let alone costs for advertising, marketing and facilities. However, the college has collected about $1.8 million for doing nothing over three years. But having reported the defaulting students to the Department of Immigration and Multicultural Affairs, DIMA, the college complies with the ESOS Act. So, despite the fact that these students are missing, it still complied with the legislation. That is really an absolute mockery of government.

ACPET estimates that there may be up to 20 colleges across Australia, mainly based in Sydney, operating this scam. One college reported some 2,000 defaulting students to DIMA in 12 months by sending 2,000 individually registered letters. The profit here was estimated to be around $10 million without much, if any, tuition having been given. Is it surprising that this college has since collapsed, alleging that an overseas agent had absconded with the notified trust account funds? That is hardly surprising. How can a college with only a few classrooms obtain permission to enrol 2,000 per annum? And why do so many of these students come from non-gazetted countries when upright, honest providers can obtain visas for very few such students?

ACPET argued very strongly at the April 1998 Senate inquiry for a review of the ESOS Act, knowing that such situations occurred. For the majority of private providers who educate many overseas students honestly and therefore contribute to Australia’s wealth and international reputation by doing so, the scams that were tolerated and are tol-
erated under the ESOS Act have been to the undeserved detriment of their reputation. Many have been unable to compete against the low cost, no tuition practices of the scammers and have therefore closed. Some have tried and will close unless there is immediate action to protect fair trade that does pay teachers a proper rate of pay, that does give tuition to the required standard to students and that does look after the welfare of those students. In some instances, students are too ashamed to return home to their parents or too scared to report their treatment to the authorities. They are of concern too. The fact that people are unwilling, unable, inhibited or intimidated in relation to reporting these scams is something we must consider. These students have been lured to Australia for low cost tuition and the promise of high wages to repay unscrupulous overseas agents with inflated interest for a study loan. There are extraordinary examples of people who are taking off with thousands of dollars, even millions, as a consequence of some of these loopholes.

In 1997 ACPET reported a number of examples of such rorts to the then director-general of the relevant NSW authority, who neither responded to the ACPET allegations, as far as we know, nor took any action. Subsequent reporting to the various state authorities has been met with responses such as 'That’s a Commonwealth matter' and 'We don’t have the resources to do DIMA’s job.' So, even when there is reporting taking place, say, on a state level—as in this case in 1997—it is met with the belief that it is actually a Commonwealth responsibility. Herein lies another flaw in the ESOS Act: the dishonest private providers operate knowing that DEETYA is unlikely to prosecute; DIMA on the other hand is unlikely to investigate and the state registering authority is unlikely to deregister.

Essentially, then, the dishonest provider operates within the gaps of those loopholes in the ESOS Act, which are caused by the lack of a whole-of-government approach. Whole-of-government is a concept that this government likes to employ—it is terminology that we hear often in this place—but this is one example where it is quite lacking. ACPET has often deployed the financial resources of the ACPET Tuition Assurance Scheme beyond the requirements of the ESOS Act. Tuition Assurance membership requires a college with particular course provisions to accept students of a collapsed college with the same course so that the overseas students do not lose their tuition. There are many examples of where they have stepped in and utilised their own resources for the wellbeing and welfare of a student, not only to protect their educational opportunities but also to protect the reputation of Australia. However, in one college collapse in northern Queensland, students had paid for three months rental accommodation in advance. They then had insufficient money to be accommodated in Brisbane, where the matching college was located. They had moved from north Queensland to Brisbane, having paid for their original accommodation in advance, and then, of course, did not have enough money to cope with the accommodation costs in Brisbane, to where they were moved. In this case, ACPET stepped in—and there are other examples of this—and paid for the students’ accommodation, paid for bus transport so that the students could go the hundreds of kilometres required and ensured that the students’ welfare was protected as a result. So, having the Tuition Assurance Scheme does not necessarily guarantee that overseas students can continue their education, because clearly there are examples where ACPET has had to step in despite the existence of the scheme. The ESOS Act falsely assumes that, by virtue of the scheme being in existence, students’ welfare will be protected, especially in circumstances such as a college collapse or what have you.

We need a vision for Australia’s export education which entails not just regulatory imposts but some kind of cooperative venture between industry and government to ensure the welfare of our students, to build Australia’s export earnings and respect internationally and to introduce a standard of profession akin to those of other professions. Most professions require the attainment of an educational standard prior to practice and ongoing professional development to sustain membership. Unlike Australian doctors, lawyers, architects and other professions, Australia’s...
private education exporters currently can have failed every primary school examination and yet they can still be eligible under state regulation and the ESOS Act to trade Australian education globally. There is currently no requirement for ongoing professional development, so is it any wonder that the current situation has developed to the detriment of Australia?

Given the work that has been undertaken over the past two years by ACPET to build a better education export industry, the DETYA position paper to which Senator Tierney referred, called *Strengthening the regulatory framework for the education/training export industry*, is actually quite disappointing. It sets out the government’s proposals for amendments in 2000 to the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act 1991 and other measures designed to strengthen the regulatory framework. It seeks to plug some of those loopholes; Senator Tierney has made reference to that, and we support that aim. But, fundamentally, it lacks a vision. It is another quick fix which relies solely on regulation and does not envisage some kind of path for the continual improvement in quality of Australia’s export education. It is disappointing that DETYA have had this amount of time and so many experiences from which to learn but have produced a position paper that simply plugs the holes in the unquestionably flawed ESOS Act. Admittedly, the position paper is an interim paper, but how much further must Australia’s export education industry decline due to the inadequacies of the ESOS Act before we enact some kind of vision for reform? Given that it is an interim paper, you would hope to see some specific and long-lasting improvements, but I think we missed the opportunity to do that much earlier in this debate, when the Democrats suggested a one-year extension of the act but the other parties committed themselves to a three-year extension.

The ESOS Act allows a few dishonest private providers to degrade the reputation of Australia’s otherwise excellent education provision. The DETYA position paper offers a piecemeal solution that is inappropriate for Australia’s growth export education industry. It is quite appropriate that Senator Carr’s motion be debated today:

That the Senate notes the Government’s belated acknowledgment of the failure of its regulatory regime to safeguard the integrity and the quality of Australia’s international education industry and, in particular, to:

(a) prevent the abuse of student visas; and
(b) act as gatekeeper for the quality of education provided to overseas students.

I am sorry that Senator Carr has not responded to the notion that we could have had a one-year extension of the act, as recommended by a number of groups, including ACPET, who are in a position to know. Why was there agreement to a three-year extension when some of these issues could have been fully examined, and hopefully acted upon, much earlier on in the piece? But now we have the opportunity to improve the act, which has been operating under at least two governments. It is an act that seeks to protect the interests of those students who are benefiting from our export education. The initial nature and the purpose of the act are good, and the Democrats have always supported that. But, clearly, there are deficiencies in this act which are enabling those things that Senator Carr referred to in his notice of motion to occur. For that reason, the Democrats will be supporting the motion before us today.

**Senator CROSSIN** *(Northern Territory)*

(5.06 p.m.)—I rise this evening to speak about the education industry, in particular its international division, and those matters which my colleague Senator Carr has referred to—that is, the treatment of overseas students and the whole regulation of this industry by this government. I ask people to turn their minds back to November last year when we noticed on the front page of most newspapers—it was the lead story at that time—that 1,200 people had arrived in this country in rusty, old, leaky boats. What a huge outcry there was nationally and what an instant response it received from this government, which tried to ease widespread community concern about the number of illegal immigrants that were seen to be rowing across the seas to our shores.
We should bear in mind that since January 1999 we have had only 3,500 people trying to enter Australia illegally by boat. I do not mean by saying ‘only 3,500’ that I cast any aspersions on that number, but in a minute you will see why that number is insignificant compared with the number of people who are actually here on student visas. We know that between 1989 and 1998 only 3,227 have actually tried to enter this country illegally by that means. But, according to the Department of Immigration and Multicultural Affairs, these figures really only make up a fraction of the 53,143 people living here illegally. Most of them have actually arrived through our airports—not on leaky boats across the sea, arriving on Christmas Island or Ashmore Reef or, as we saw last year, managing to sneak through the net and get in along the coast near Newcastle, but through our airports, in a regulated way.

One would think that we would be able to have a system that actually enforces that a bit better than it does. Some of those people have in fact overstayed their visas, 43,000 are here on temporary residence permits and we have 67,000 people here on student visas.

Where is this in relation to what has been happening with our international education industry? We know that our education industry internationally is our fourth most valuable export industry. It has become known in the last few years as our education export. It generates around $3 billion annually, which is a significant amount. Why do students from overseas choose to come to Australia? It is because of our international reputation for high quality education: a reputation that we have prided ourselves on and we have sought to advertise internationally—and why wouldn’t we? But the bottom end of that market involves people who are not coming here for tertiary studies but are coming here just for English language courses, or ELICOS, as it is known in the industry. It is because of our international reputation for high quality education: a reputation that we have prided ourselves on and we have sought to advertise internationally—and why wouldn’t we? But the bottom end of that market involves people who are not coming here for tertiary studies but are coming here just for English language courses, or ELICOS, as it is known in the industry. It is in relation to those who are perhaps coming for the training market in the private sector, the bottom end of the industry, that we have seen over the last while serious problems that have been generated in this industry. Students have been caught up in this.

The student visas are an area where the government has been reluctant and unwilling to take action within the current laws. That is not to say that we do not have a law that is adequate. In 1991 the Education Services for Overseas Students Act, or ESOS Act, as we have been referring to it this evening, was enacted. There is legislation that has been put in place to try and deal with this. Some would argue, and rightly so, that this current debate is about that act not actually being enforced rigorously enough, that the current act is in fact powerful enough to allow action against what is happening in this industry but that government officials have been reluctant or unable to act. We have a government which has not moved on the problem—a problem that my colleague Senator Carr has pursued vigorously in Senate estimates. It is only recently that the government has issued a framework for regulation in this area. I will return to that point later.

Let me take the Senate to a number of quotes to highlight how inadequate this system has been. These are from people within government and people within the private training colleges. In the Canberra Times on 13 March this year there was an article headed ‘Who polices the tertiary trade?’ The author of this article, Bruce Juddery, actually cites the government’s failure under the act to go in and have a look at what is happening, to have spot checks, if you like, in the international education market to ensure that everything is aboveboard. He aligns that inactivity with the current controversy over Mrs Bishop’s department’s failure to conduct spot checks in nursing homes. This article says:

The distressing fact of the matter is that—as one private sector operator in the higher education field, Mark Skinner, points out—the education trade is ‘unregulated, uncontrolled and unmanaged’.

We know that there have been problems with the monitoring of the international education industry. In another article in the Sydney Morning Herald reporting on the most recent round of Senate estimates, headed ‘Overseas students crackdown’, a spokesperson for the Department of Immigration and Multicultural Affairs said that a college had reported the students who were not meeting the visa re-
quirement, which was the 80 per cent attendance in classes. The spokesman said:
The college was unable to provide us—that is, the Department of Immigration and Multicultural Affairs—with contact addresses [for the students] and we weren't able to do anything at all [about interviewing them]. The college reported it, but we couldn't take any action.
That is from people inside this government's own department.

Why is there such a massive problem with our education export industry and what is the link there between the illegal immigrants we are trying to highlight today, who are many in number, and what seems to be an inability by this government to take any action? Many of the students are enrolled in tertiary programs, and that is simply all they really need to do. It is apparent that the structure under which the students are enrolled and through which their attendance at classes is monitored is seriously flawed. We know, for example, that the ESOS Act does not allow DETYA to inspect the colleges or, except in extremely limited circumstances, to strike an institution off the register unless the institution has its RTO status withdrawn by the relevant state body.

We know that each state and territory body has a different way in which they monitor and regulate the RTOs. So in fact what we have is a system that does not have uniform regulation, which makes it even harder to monitor. Also, in the face of a lack of procedures at the state level and a lack of ability to pressure the states to fulfil their responsibilities, we have seen, as Senator Carr has highlighted this afternoon, colleges which have become fronts for immigration rorts rather than real places of learning. This is a problem. We have had students who have enrolled—one would argue that they have enrolled—and they have been asked to sign blank forms. We have had evidence of that. We have had evidence of colleges which have had swipe cards for students' attendance. In this way, they have been able to rort the system. We have had instances where there has been no monitoring and checking of the 80 per cent requirement for students to attend classes. We have had problems with the lack of quality and the range of courses being provided. We know that there has been no consistency in the outcome procedures and no quality of assessment of courses that are provided. We now know, and it has been documented very well, that these have led to the exposure of rorts in the immigration system.

Let us have a look at how or why this has resulted in a number of flaws in the system. While there are hundreds of reputable providers of education to overseas students—we are not denying that, and perhaps we should pay tribute to those people who do provide a good service to overseas students and who promote their service internationally, for example, the Holmesglen College of TAFE in Victoria and the Northern Territory University—there is however a growing number of shonky operators who take advantage of the holes in the legislative and regulatory framework. These activities involve immigration and employment scams and rorts. In some instances, the colleges recruit directly from overseas persons who have no real intention of studying in Australia but who are actually attracted by the employment opportunities. And we have now seen unregistered migration agents posing as education agents.

In an answer to a question on notice in December last year in the Senate estimates hearings, the Department of Immigration and Multicultural Affairs admitted that over several months in 1999 approximately 200 student visa applications and agents were handed over to the Indian police by the Australian High Commission in New Delhi. That has been well documented in the newspapers. In a spot check of student visa applications in Australia's Beijing post, in mid-1999, over 50 per cent were found to include fraudulent material. We know that students travel to Australia where the charade is continued on their behalf by dishonest college operators who produce fraudulent attendance records and even issue certificates and diplomas without imposing appropriate assessment procedures. We say that this is a form of people smuggling, although entry is gained through Australia's international airports and visas are duly issued rather than the more
open and public means of trying to get here illegally through boats.

There have been problems with the way in which this has been controlled and the monitoring and quality assurance mechanisms in this area have become a major issue, and the focus of quite a deal of national attention, particularly in education magazines, let alone in the national media. If we have a look at the list of apparent irregularities and breaches which have occurred under the operation of these acts by some of these colleges or education agents, we know that there has been a failure to operate the student fees trust account in accordance with the act. There have been inadequate training facilities and course delivery and assessment, no reporting of students of lower attendance rates to DIMA, enrolled students in excess of the permitted number, enrolling of students in courses that were not substantially delivered or subsequently delivered, enrolling of students without the necessary prerequisites, inadequate qualifications of staff and a lack of quality assurance and program review mechanisms. So we have had a lack of control and a lack of regulation and monitoring by this government, which has led, of course, to the position we now find ourselves in today.

What are the repercussions of all of this? As Senator Stott Despoja has said, the Australian Council for Private Education and Training has attempted repeatedly to draw the government’s attention to this impending disaster. We know that only just recently—at the end of March—the minister released a position paper called ‘Strengthening the regulatory framework for the education/training export industry’. It is a very interesting paper. In it, the minister himself actually admits—I hope my colleagues on the other side of the chamber acknowledge this in their speeches—that ‘the review had to consider the problems facing the industry’. So there is an admission in the Minister’s own paper that there were problems in the industry. We say that admission that there were problems is a good thing, but it is too late. The minister notes ‘the uncertain financial protection for students’ pre-paid course moneys and tuition is one problem’. He also admits there is ‘the emergence of a small minority of unscrupulous providers’—so there is an admission by this government that there are unscrupulous providers—and ‘inconsistent quality assurance, and the need to strengthen public confidence in the integrity of the student visa’. These are problems which this government has now recognised exist, but this recognition has come many years too late and, one could argue, probably only through the diligence of my colleague Senator Carr raising it consistently in Senate estimates, and the amount of press it has had nationally.

The other repercussion for us is that our reputation internationally can suffer as a result of this. That would see a decline in the number of students that may seek to come and study here. There are worries about the onshore, offshore and cyberspace enrolments for those students who actually enrol overseas and seek to do a course over the Internet. The ESOS Act, ironically, is fundamentally flawed in not being able to regulate the quality in this area. So what has the government done about this? The government announced that there would be a review of the ESOS Act in August of last year. As I said, we welcome that except we say that it has come many years too late. The findings of this review are due to be released in June 2000, although we do have a position paper here. We are unsure of the role of this position paper. We believe that it is unclear exactly what needs to be done now with this position paper. In fact, there have been a number of bodies that have actually called for more consultation. When the position paper was actually released, Campus Review ran an article about it entitled ‘Clampdown on education export rorts’. This article says:

Yesterday the peak body called the Affiliation of International Education Peak Bodies (AIEPB) cautiously welcomed the new proposals, while stressing that more detailed consultations were needed.

This position paper gives the education department new police powers and it provides the immigration minister with new punitive powers on the grounds that current laws have failed to stop criminal behaviour by a few—I
mentioned before a quote from their position paper—‘unscrupulous providers’.

We would contend that, while we welcome the release of the position paper, its actual role is unclear. We are not sure whether this will form the basis for any new changes to the legislation or whether these will be the changes to the new legislation. We say that further consultation needs to occur, but we also say that there are a few other things that need to happen. There needs to be a whole-of-government approach to this issue now. A whole-of-government approach simply means that all of those departments within the government that are affected need to get on board and try to stop what is happening in terms of rorts in the international education industry. We know that, with the operation of the ESOS Act and the role of DETYA and DIMA, there has been a tendency to let this problem just slip through the cracks, with one section being responsible for some areas of regulating the industry and DIMA being responsible for another section. We have now seen what a mess that has left us in.

We are saying that two other things need to occur: there needs to be a whole-of-government approach, and the government needs to become more proactive in this area. In fact, there needs to be consultation with employers and employees in the international education industry. We know that, with the operation of the ESOS Act and the role of DETYA and DIMA, there has been a tendency to let this problem just slip through the cracks, with one section being responsible for some areas of regulating the industry and DIMA being responsible for another section. We have now seen what a mess that has left us in.

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In speaking against Senator Carr’s motion, I want to comment on the efforts of the Howard government that have been aimed at ensuring not only that the industry prospers by continuing to provide benefits for Australians and overseas students but also that the quality and integrity of that education provided meets world’s best practice and meets the highest possible international standards. The numbers speak for themselves and paint a very healthy picture of a robust industry. In 1999 there was a seven per cent increase in the number of international students coming to this country. There are now over 157,000 overseas students acquiring their education here in Australia at our universities. As every speaker this afternoon has said, this is worth nearly $3 billion in export earnings to this nation. It has now outranked even wool as an export earner and is comparable to wheat. Australia is no longer riding on the sheep’s back, but instead we are sharing the best of our minds and the best of our practices for the benefit of others. We are no longer seen principally as a provider of raw materials to the rest of the world but, even more importantly, Australia is seen as a provider and a teacher for the world’s next generation of
business and science leaders, professionals and indeed academics.

It is ridiculous to speak, as Senator Carr does, of a failure by the Howard government to take proper care of this great international educational industry. I know that Senator Carr often does not believe in market economics, but every successful nation of course does, and overseas students are voting with their feet to come to Australia today in increasing numbers to gain their education and their qualifications. Senator Carr is criticising the Education Services for Overseas Students Act—the ESOS Act. In doing so, of course, he admits the failure of the Labor Party. They introduced that act back in 1991. It is rather hypocritical for Senator Carr to say the act is now ineffective. It is also rather ignorant to argue that the powers under the act are not used properly. Senator Carr appears not to understand that in Australia we operate under the rule of law and cannot simply take arbitrary action against members of the community. There need to be powers given by parliament to enable institutions of the state to undertake certain actions.

Just today, the Senate Standing Committee for the Scrutiny of Bills, in their fourth report of the year 2000, on entry and certain provisions in Commonwealth legislation, went directly to that matter. It illustrates the great battle between the powers of the state and the rights of the individual. I commend that to Senator Carr. I hope he is watching. Senator Carr would have us take action against education providers not reporting non-attendance by their students. The reason the government does not is that under the powers of the act we cannot. The Department of Education, Training and Youth Affairs as well as the Department of Immigration and Multicultural Affairs do not have powers to enter and search premises and records. It is all very well to be courageous under the cloak of parliamentary privilege and have a go at individual education providers. That is easy. The problem is that it tarnishes one of our great export industries. That is upsetting. It is easy to score cheap political points but it is much harder to build up a great export industry.

This government is keeping its eye on the ball and it is ready to act to maintain the levels of quality and integrity in the international education industry. Senator Crossin was quite right. She mentioned that the Minister for Education, Training and Youth Affairs, Dr Kemp, announced a review of the act in August of last year. Since then, the department and the minister have been consulting extensively throughout the community with all interested parties to make sure that any problems with Labor’s 1991 act are overcome and that some sort of sensible accommodation is made for all concerns and that all these problems are resolved to everyone’s satisfaction. The draft of an amendment bill is now being prepared and Dr Kemp expects to introduce it in the House of Representatives in the winter sittings. Hopefully, it will become law in the spring sittings. From the debate that has gone on this afternoon, it seems that hopefully it will receive party approval right across partisan lines.

The proposed amendments are designed to create new offences, create new Commonwealth powers to investigate, impose sanctions, and remove those few dishonest operators who have sometimes tarnished the excellent reputation of over 1,000 registered providers in the international education industry. Senator Tierney put it very well. This is an industry that generally operates extremely well. Sure, there are some dishonest ones, and that is a very great pity for a great export industry. But this government, in the winter sittings, will put legislation forward that will clean that up. When receiving allegations of a breach of the act the Department of Education, Training and Youth Affairs will, for the first time, be able to visit the international education provider, enter premises and require the production of documents as well as attendance of persons to answer questions. Hopefully, they will do so in accordance with this report, a landmark report, brought down today.

The amendments will also be directed at strengthening the quality of education provision. Senator Stott Despoja spoke of this. This will ensure that student fees are protected in the case of an education provider’s collapse. In that case, the government will replace a Notified Trust Account, which previously has failed to achieve that objective,
with a fidelity fund as an industry wide insurance scheme. That is a good thing. That will protect the funds of students throughout the education system. The government will also work with the states to develop a new national code of practice for international education providers. All providers will have to be certified by the Commonwealth as complying with the new code. Also, the Commonwealth will gain the discretion to not register providers on the Commonwealth Register of Institutions and Courses for Overseas Students, and to investigate breaches of the code where the state or territory has not done so adequately or with timeliness.

Senator Carr has legitimately raised a very important issue. It is an extremely important export industry to this nation. He is quite correct to assert the importance of education to our economy, to overseas students and, indeed, to the future of this country. But Senator Carr is wrong in asserting that the government does not appreciate the need to protect one of our most valuable national resources.

Senator COONEY (Victoria) (5.36 p.m.)—We are debating a motion put forward by Senator Carr, who has spoken most eloquently upon the matter. He asked me to speak on this motion, and I was wondering why. He so eloquently put forward his views when he got up that I thought, ‘That has established the case.’ I thought there would be great disagreement with the propositions he put by Senator Tierney, who is very learned, as you know, Mr Acting Deputy President, in the area of education. He lectured at an eminent university in New South Wales. I thought, ‘He will strip Senator Carr’s argument to the bone.’ He then started to do so. He talked about the fact that, as Senator Carr had said, international education services formed an honourable part of Australia’s industry and that it was going to expand. Senator Tierney mentioned that it was a $3 billion industry, and that there were very few people who did the wrong thing by the system. He said that out of the 1,000 registered providers—I will read from the notes I took at the time—less than one per cent did the wrong thing. By and large the industry was working well. I took note of this and thought, ‘That is what has happened.’ Senator Carr’s propositions were under strong challenge, as you would expect.

But Senator Tierney, having set off on that route, then completed his speech by talking about the changes the government is going to make. Those changes have been pressed for by Senator Carr for some time now. So even though the picture was painted by Senator Tierney that there was very little wrong with the education system as it operates in Australia, and very little wrong with the export of our learning and the bringing to Australia of students, vast and extensive changes are going to be made. Then Senator Tierney explained what those changes were.

It was then that I realised why Senator Carr had asked me to talk. What he was saying—I am a great friend of Senator Carr and I do not want to do him a disservice—is that as a result of his efforts the government has gone ahead and made changes for which he has been pressing for some time now. There is going to be proper regulation of this industry. It is called an industry. Perhaps it is a sign of the times that education is called an industry. I think if Senator Carr were able to speak now he would thank Senator Tierney for the words that came from Senator Tierney’s mouth. What Senator Tierney was saying—reinforced by a very eloquent speech from Senator Mason—was, ‘Yes, even though we say that there is not much wrong with the education industry in Australia, nevertheless there has to be extensive reform of it. We are going to send out’—as I understand what was said—‘a discussion paper and look at ways of making things better.’

So I will live up to Senator Carr’s expectation of what he wanted me to analyse here and say—if he is listening—‘Senator Carr, you are right. We on this side of the chamber acknowledge that you are right. The government, on the other side, says that you are right.’ What Senator Carr has been saying—and I have heard him here for a long time now on this—is that there is a lot wrong with the way we as a country deal with students from overseas and what we offer them. Extensive changes are going to be made, not till later in the year, as I understand. But there
the year, as I understand. But there will be discussions about it. A system will be set up to try to iron out the problems. I do not think he ever put it as any more than a relatively small number of providers doing the wrong thing. That point has been made by the other side, which is in agreement with what Senator Carr was saying. But it is significant enough to call for these changes, and that is right. It is bad that we have providers in Australia who do the wrong thing.

Senator Stott Despoja listed many instances of institutions who were doing the wrong thing, and Senator Crossin the same. It was generally accepted across the chamber that the proverbial few bad apples were so tainting the education scene in Australia that some substantial changes have to be made and will be made. Senator Tierney said in his speech that a new code is going to be developed, there is going to be a benchmark set for providers and so on. The system that will be set up will ensure national consistency and so on. He talked about the various departments. There is a need for a uniform approach across Australia to problems such as this very soon after they arise. But we tend to get an unwillingness to take blame. Mr Acting Deputy President, you have sat through estimates committees, as I have, and there can be some long winded cross-examination—by people other than you or me.

I have heard Senator Carr’s questions—not that I would say they were anything but very pertinent—and I must confess that they have been persistent over a long time about these issues. As I have sat there and listened to the replies of various departments—the department that looks after education, the migration department and so on—it did occur to me from time to time that he must be wrong. But now, from the speeches from the other side today, it is clear that he was right. It is a sign that, if the public servants at the estimates committees—I do not want to get into any public servant bashing at this stage—were to answer the questions, a lot of the problems we face would be solved very quickly and we would not have to go through the process we have had to go through to get to the point where the government has finally agreed to make the changes that need to be made. We would not have had the evasive answers that we have had again and again at these estimates committees. Had their answers been frank, had they been up-front, had they said what the situation was, a lot of anxiety would have been saved and people would not have had to experience the angst that they did on either side of the table.

When you go to these estimates committees, you are looking for an answer—although it would be wrong to say that there was never an occasion when you are looking for political advantage. Of course you are with many of the questions, but a lot of the questions are just straight questions trying to get information to develop an approach to a particular issue. Whether it is an issue of migration or an issue arising out of the Attorney-General’s Department, which are the areas that I deal with, or finance and the economy, such as you deal with, Mr Acting Deputy President, what you are looking for is just information so that you can go ahead and develop some useful suggestions. But because of the evasive way people seem to think is the right way of going about these matters, a lot of time is wasted; and the sort of solution that it looks as though we are going to get now as a result of the efforts that have been made in this area would have been reached much more quickly.

In fact, on that matter there does seem to be an inability—that is probably the right word rather than ‘unwillingness’—to accept responsibility. From the department that looks after education you go to the department that looks after visas, then off to the state governments, and you go on this eternal triangle. The question starts to arise as to whether changes should not be made to the way these matters are dealt with and whether there should not be a single source. I begin to wonder whether the Department of Immigration and Multicultural Affairs ought to have anything to do with this in any event. That is the department that issue the visas, but when you ask, ‘What about the students? What about the providers?’ they say, ‘That’s somebody else’s problem.’ Well, if it is somebody else’s problem, shouldn’t that somebody else be issuing the visas? If it is not somebody
else’s problem, if it is DIMA’S problem, why don’t they do something about it?

There is real scope not only for this government but for governments generally to look at how various departments are structured and to consider whether various issues should not be treated differently from what is presently the situation with the departments we have. This is a typical example, as Senator Tierney says—a $3 billion industry that has been subjected to some threat by a minority of the people who deal in this area.

It also shows that market forces need to be treated with great care and that market forces are not the be-all and end-all of the way we should run a society. That is particularly the case in the area of education. It seems almost gross to say, ‘We’ve got this $3 billion industry; we are taking all this money from overseas people, particularly those from Asia. Isn’t that a good thing?’—and that is the end of the argument. That seems a terribly exploitative way of looking at things and does not do justice to people who come here from overseas and does not do justice to our academic system. As I grow old, I hanker after the days when universities and tertiary institutions generally were a bit different from what they are now, when we used to talk about these ethical concepts of the development of the mind, of the culture and of a proper way of living rather than looking at universities as a place where you can produce a lot of profit for whoever is running universities or, in many cases, bodies that are called tertiary institutions or that teach vocational English or whatever you have. There is a need to reassess education and to see education in different ways from what is presently the situation.

The other thing I wanted to say about this exploitative issue is that, when it appears that somebody has to be punished because things are going wrong, it is usually the most vulnerable that are punished. It appears from the very good speeches in this debate from Senators Carr, Tierney, Stott Despoja, Crossin and Mason that no Australian or college has ever been prosecuted for whatever has gone wrong here, but that a number of students have been sent back to Asia, some in disgrace. That seems to me to be quite an unfair way for this issue to have been resolved. But you say, ‘Yes, look, there is something rotten in the state of education, in a limited part of the Australian educational scene. Therefore, we will punish not those who cause the rottenness but those students who are brought out here. We will send them back. We will send them back in disgrace.’

The immigration department are ever ready to put people out of the country, because they see themselves as regulators, as policing those who come here; and, when they get an opportunity to exercise their policing duty, they put people out. That is what has happened in this case. When asked at the estimates committee about that, they say, ‘Yes, we have done that.’ When asked, ‘What about the quality of the education?’ they say, ‘We don’t know anything about that.’ So what they are really saying is that they do not look at the overall situation of how a student comes to be in the situation that she or he is in—‘We do not do that.’

There has been an outcry by the opposition, led by Senator Carr, about the way education is going, which is: ‘These people are the ones who are being educated. We have got to be seen to be doing something, so we will put them out. We will not go and do something about the education or the institution itself; we will do something about the students who come to Australia to attend it.’ That seems to me to be bullying; it seems unfair; it seems to be wrong; and I would not have thought that it does this country’s reputation all that much good. I think this is a debate that should have taken place earlier.

Senator Tierney has just come into the chamber. He has set out the moves that the government is going to make, as I understand it, over the next year. I think Senator Tierney said that a discussion paper on these issues is going to be brought out for us to look at. I hope we will look at it properly and that we will come up with an answer. Overall, we can learn from this. We should use this as an example of what not to do when facing problems that arise under a regime where market forces alone are allowed to operate. Hopefully, we will produce a good educational model for how we should go forward as an enlightened society and for how we should
go forward in the way we treat people from overseas.

Senator TCHEN (Victoria) (5.55 p.m.)—I do not have as much time as I would like to respond to Senator Carr’s comments at length—as he no doubt deserves. But I am very much in debt to Senator Cooney for informing us that Senator Carr actually believes that his efforts are bringing about the changes that the government proposes to make to Australia’s $3 billion education export industry. If that is truly what Senator Carr believes, then it can only be described as an attempted act of redemption, because it was Senator Carr who rose in this chamber six years ago on 23 February 1994 and asked the then Minister representing the Minister for Employment, Education and Training a question. I will quote from the Hansard:

What action is the government taking to remove remaining impediments to the future growth of Australia’s tertiary education export?

His question was on how to remove the remaining impediments. Senator Carr did not want anything stopping a free-for-all in the education export business. It is well that he is now seeking redemption after all these years. The reality is that the previous government—the government that Senator Carr was so ready to praise in 1994—gave us a system that is based on an unworkable three-corner administrative system and that involves three government departments at two levels of government. With their bureaucratic walls and blocked channels of communications, it is cumbersome and open to abuse. The previous government in 1994 gave us a system of paper based confirmation enrolment, which is used as evidence of enrolment with the Commonwealth Register of Institutions and Courses for Overseas Students, as well as a register of providers, in the process of student visa issuing. It is an invitation to those who operate in the world of sophisticated visa fraud, and such paper evidence is easily forged and difficult to check. Senator Carr has made much of the failure of this system, as well he might, because it is a flawed system.

I am also in debt to Senator Crossin and Senator Stott Despoja for supporting the government’s position for changes to the system, because the system that we inherited from the previous government is absolutely flawed. The government is proposing a number of actions, particularly in the education provider area in checking their bona fides. We are also proposing a number of actions in the immigration area to ensure that only bona fide students will receive visas. With these actions, I am confident that the abuse and misuse of student visas will be significantly reduced and that the productiveness and benefits of Australia’s overseas education sector will be enhanced. Senator Carr will have to find another dead horse to ride.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! The time allotted for the consideration of general business notices of motion has expired.

DOCUMENTS

United Nations: Conventions and Protocols on Torture, Racial Discrimination and Civil and Political Rights

Debate resumed from 16 March, on motion by Senator Cooney:

That the Senate take note of the document.

Senator BARTLETT (Queensland) (6.01 p.m.)—I would like to speak to one of these documents—there are actually 10 in this group—which is the communication from the United Nations Committee Against Torture. It relates to a case that has had a fair bit of attention and which is still ongoing, so I will need to be a little careful about how I approach it. The case is to do with a man from Somalia who is known as Mr S. E. I note that, despite the desire to protect people’s identities, this document, which has now been tabled and is on the public record, contains his full name and a lot of other details. It might seem a bit redundant; nonetheless, it was the one that received a fair bit of attention back towards the end of 1998, when Amnesty International specifically requested the Minister for Immigration and Multicultural Affairs not to remove the person from Australia. Indeed it took out a very rare—in terms of Australia, anyway—urgent action requesting people from various parts of the world to urge the Australian government not
to send this person back; they have not, which is, I guess, a good thing.

The person in question arrived in Australia in October 1997 and since that time has been held in detention, and is still being held in detention, in Australia. He went through the usual processes and through the Refugee Review Tribunal. The minister chose not to use his powers to intervene on humanitarian grounds, and it was initially attempted to deport him on 29 October 1998. Because of the person’s refusal to board the plane, the captain of the aircraft refused to take him on board. He was taken back to the detention centre. There were attempts to remove him, or he was informed that he would be removed again the next day. He put in some court appeals, which held that up a little. But, again, towards the end of that the government intended to remove the person. Having exhausted all available domestic remedies, which he is required to do before he can appeal to the UN committee, he then appealed to the UN Committee Against Torture. This committee assesses a nation’s performance in upholding their obligations to the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. Australia is a signatory to that convention, and under that convention it is obliged not to return somebody to a situation where they are likely to face torture. That is what was assessed.

The person’s claim that they were likely to face torture was disputed very vigorously by the Australian government but the committee found, after examining all the issues, in a detailed report that has been tabled in the Senate, that substantial grounds do exist for believing that the person would be in danger of being subjected to torture if he returned to Somalia. This is a person whose father and one brother have already been killed and with a sister who had been raped repeatedly, I think on three separate occasions, by members of armed Somali clans, eventually leading to her suicide. Those facts were not disputed by the government. What was disputed was that this person would specifically face persecution because of grounds under the refugee convention or under the torture convention. So the fact that they may face torture was not the issue according to the Australian government: it was that they did not come under the technical arguments of the convention.

I do not have time to go through the circumstances in detail, and it is probably not appropriate that I do. But, given the debate in recent times about UN conventions, it is worth highlighting again this process and, indeed, the government’s apparent fading regard or increasing disregard for the operations of our obligations under the convention against torture. Leaving this case to one side—and this person is still in Australia and has started back through the process again—the government did not respond to the committee’s ruling by saying, ‘Okay, we’ll let them stay, then.’ They said, ‘Okay, he can start the process all over again,’ even though he has been in detention for two years. That is still ongoing.

We now have a situation where people have been deported—people who were the subject of a Four Corners report a few weeks ago and who the minister was informed had put in a communication to the Committee Against Torture that their case be investigated. He knew that was the case and he still refused to allow them to remain in Australia. He still deported them, despite the fact that he knew their case was being considered by that UN committee. I think that is a tragic and terrible development, and one that shows an increasing disregard by this government for their obligations under the convention. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Consideration

The following orders of the day relating to government documents were considered:


Multilateral treaty—National interest analysis for treaty previously tabled—United Nations Convention to Combat Desertification in those Countries experiencing Serious Drought and/or Desertification, particularly in Africa, done at Paris on 17 June 1994. Motion of Senator Ludwig to take note of document agreed to.

Productivity Commission—Report—No. 10—Australia’s gambling industries, 26 November
On the issue of choice, the report did note that there were three broad categories of views: those who support fund member choice with a few reservations, those who believe fund member choice will not be in the interest of fund members, and those who believe fund member choice can be made workable subject to a range of conditions being met. I clearly fall into the category of those who believe that it is not in the interest of fund members, like my colleague Senator Bishop and also Senator Conroy, who undoubtedly believes likewise.

Whilst those are the broad categories within which the views fall, the report highlights in chapter 4 the concerns that do exist in respect of the choice of funds. This part of the report gets to some of the underlying objections that I have in respect of choice of fund. Firstly, the roundtable focused on the issue that disclosure is one of the most important elements of making an informed choice. It was brought to our attention that, unless an informed choice is made, those who are investing in superannuation in a compulsory manner, as it is in this nation, will undoubtedly find themselves subjected to scams. So clearly the notion of an informed choice was very important indeed.

Secondly, it noted that during the 1999 roundtable most participants agreed that disclosure was the key to an efficient, prudent and reliable choice environment, and that industry regulators and government had already been working strenuously to achieve reforms in this area. Having said that, there was concern expressed by a number of consumer groups and unions that the disclosure was a vital precondition for the implementation of any choice. Whilst there was an undercurrent of view at the roundtable that choice was going to be a matter of fact in the future, not everyone accepted that that was necessarily going to be the case.

My real concern was summarised at page 20 of the report in terms of education and awareness. The report drew attention to the fact that 15 per cent of Australians are functionally illiterate. When one considers that figure alone, it makes it very difficult for those people to make an informed choice—to know fully what the options are that are con-
fronting them in the most important investment that they will make for their lives. The investment of superannuation is an investment for their retirement. These people have the right to security in their retirement. Not only are some of those people functionally illiterate but many of them have a problem with English because it is their second language.

When you look further on in the report, you see that the report cited the fact that a recent ABS survey had shown that 46 per cent of Australians have an unsatisfactorily low level of literacy. When one considers that in conjunction with the 15 per cent of Australians who are functionally illiterate, one then has a major concern about the capability of a large number of Australians confronted with the need or the option to make a wise choice of fund. As I have already outlined, some of them do not even exercise the right now to make a choice of investment because they have before them a major obstacle in an inability to understand the information that is put before them which enables them to make a choice.

I think the roundtable conference itself should be commended. The concept was very valuable indeed for the committee. But I thought it was worth while raising for the attention of the Senate this evening those fundamental underlying concerns that I have, firstly, about disclosure and, secondly, about the education and awareness that people need to have if they are to make an informed choice. The AMP Society acknowledged at that roundtable that there will be a percentage who will never understand the concepts involved. So when we are dealing with something as important as a person’s retirement benefit—the savings that will see them through their retirement—then it is important, if choice is to be embraced, that every protection be put in place to ensure that those who are least able to cope with the new environment are able to at least be defended from the vultures just lurking out there seeking to feast on their retirement benefits. That is the major concern that we all should have, and when this legislation comes before this parliament I will speak at greater length about that particular issue.

Question resolved in the affirmative.

**Employment, Workplace Relations, Small Business and Education References Committee**

**Report: Government Response**

Debate resumed from 16 March, on motion by Senator Jacinta Collins:

That the Senate take note of the report.

**Senator TIERNEY (New South Wales)**

(6.18 p.m.)—I rise to speak on the report of the Employment, Workplace Relations, Small Business and Education References Committee on the inquiry into the effectiveness of education and training programs for indigenous Australians. When the report was brought down during the last week of the parliament, time was very restricted and I did not have time to speak. So I am very pleased, as the person who initially set up this inquiry, to have the opportunity to speak on this report tonight.

It was an inquiry with a whole range of incredibly difficult and complex issues. But one of the great things about the process was how the senators involved from all parties—as we worked through this over a period of a year and as we moved around Australia during that time and spent time in Aboriginal communities—increasingly came to a common view. That view has actually been reflected in more recent reports, such as the one brought down by MCEETYA—that is, from all the state and federal ministers—on what they see as the way forward in Aboriginal education. We had unanimous agreement across all parties on the 34 recommendations in this report—and that sometimes is a rare thing in this place.

We set up an Aboriginal education policy in 1989 in this country. Since that time there has been an enormous amount of money expended on programs and there has been some real progress made in a number of areas. That progress has, however, been patchy in its nature. There have been some outstanding successes in some areas—which I will refer to a little later—and very little or no progress in others. I just want to briefly go through the insights that we gained in this inquiry by looking at previous reports and by actually moving around and talking to people in these
communities and also talking to Aboriginal educators. Our first task was to go through the many reports that have been done on Aboriginal education since 1989. There is a consistency of view in each of those reports with what is now occurring with the current state and federal governments. So we know the way forward and what perhaps needs to be done; the difficulty is actually working out the strategies that will effectively implement these policies. And there is a huge challenge there.

I will give you one example. A major problem with Aboriginal students, particularly in the more remote areas, is a condition called glue ear. This is a medical problem, but it has a terrible educational outcome because a great number of the students—up to 50 per cent in some classrooms—can hear very little, and obviously you are not going to learn very much if you cannot hear what is being said. Before I was involved in this inquiry, I thought that that should be pretty easy to fix and that all you would have to do is put doctors in these areas to fix the glue ear. But what they have discovered with this condition is that it has occurred only since the time of European settlement in this country and the medical condition actually starts in the gut. We might have had this sort of condition going back thousands of years in European populations and have developed an immunity to it over tens of thousands of years. We introduced it into this country 200 years ago. The immune systems of Aborigi- nals have had only 200 years to deal with it, and are not dealing with it very effectively. So what happens is that you fix the glue ear problem and then maybe four weeks later it is back again. It is a recurring problem, particularly in the more remote areas, and it is exacerbated by things like poor nutrition. So we have a real challenge ahead of us in trying to improve the learning conditions for these children through not only educational strategies but also a range of medical and social strategies.

The other thing that we discovered, which is a revelation particularly as one moves into the more remote communities the very strong, powerful values of family and kinship would override the wish or the need to actually continue education on a particular day. For example, if someone in the family had died some distance away, the family would move to a family gathering related to that. They might be away for quite some time. That has bedevilled a lot of the education of Aboriginal children because often there are these very large gaps in time. Of course, if you are to succeed in the traditional education that we are used to in Western society, particularly in things like literacy and numeracy, you have to be there consistently. If you have these gaps, if you are away from a particular school for a long period of time or if you move locations between schools, it obviously creates great havoc with your education. Attendance is one of the biggest problems that we have discovered. Previous reports have also raised this as a major key issue and it is heartening to see that all the state and federal ministers are now developing a series of strategies to try to overcome this very major problem.

As I mentioned, there were 34 recommendations. Obviously, I do not have time to go through all of them but I do want to focus on several because I see these as the key to improving the levels and viability of Aboriginal education. The major problem that we discovered in the delivery of educational services to Aboriginal communities related to teacher preparation. Quite often in the more remote areas it is difficult to get experienced and well-qualified teachers. Even when you do get them, it is very difficult to get them to stay for any length of time. It also seems to be very difficult to get Aboriginal people who are trained as teachers to stay as teachers. There was a concerted effort in South Australia about 20 years ago and they actually trained hundreds and hundreds of Aborigi- nal teachers. What happened after a relatively short period of time was that they were offered better jobs in the public service that paid better and had better conditions, so they moved out of teaching into those jobs. So we really need to find strategies which will prepare teachers better and give them the opportunity to stay in those areas.
There is a way forward with a group that is called Aboriginal indigenous education workers. These are Aboriginal people who assist in the schools and where they are employed there are major gains in literacy. Quite often these people act as teachers aides and they sit down with children to help them improve their literacy. That is a very effective strategy. We do not have enough of them, so that is one strategy we can pursue. We also do not have a career path for those people. What we really need to do is take them from that point through to proper professional education qualifications so that they move from being teachers’ aides through to becoming teachers. Given that they come out of the community, if you can do that through the delivery of education to the prospective teacher via new technologies into more remote areas, then you have a much better opportunity to actually keep these people, who are teaching Aboriginal children and understand the Aboriginal culture, in the area.

When we went to particular faculties, we were quite disappointed about how poorly they were prepared for teaching Aboriginal people. There was not enough in the curriculum and quite often, when students moved through to an induction phase, there was very little preparation just before they started teaching. So you had people who had never been in contact with Aboriginal culture suddenly finding themselves teaching Aboriginal children. In terms of an effective strategy, that is a recipe for failure. There are ways around it. There are new strategies we can adopt and the committee has made recommendations along those lines. Time today prevents me from continuing so, Mr Acting Deputy President, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Socio-Economic Consequences of the National Competition Policy Committee Report

Debate resumed from 16 March, on motion by Senator Quirke:

That the Senate take note of the report.

Senator HOGG (Queensland) (6.29 p.m.)—I do not intend to speak at length on this report this evening but it was of concern to me the other day, when I was talking with a person involved in government in Queensland, that it seemed, in spite of the fact that this report had been brought down some six weeks ago, its existence was not commonly and widely known. I do not know if that is the case in other parts of Australia, but Riding the waves of change is a very important report indeed about the National Competition Policy.

I commend the report. As I understand it, the report has support across all the political parties. It was a unanimous report, and I think it looks quite frankly and quite honestly at the problems with national competition policy. Over quite a long period of time, I found that one of the real sticking points in this is that national competition policy can be a real problem for local government and people in rural areas, as others in this place would understand. People in rural and regional areas—and, in particular, local government authorities in those areas—found the whole concept of national competition policy very hard to take indeed. National competition policy upset not only those people but also people affected by the results of decisions taken under NCP. They were dismayed by the implementation and operation of national competition policy because many of them saw it as being foisted upon them as a matter of fact, with no option for them to choose or not to choose. They were not led down the path of understanding the change; it was delivered to them as a fait accompli, with all the social, economic and environmental consequences that might come out of a decision. So it was interesting to read in this report a very good analysis of the national competition policy and the things that now need to be put in place to overcome some of the fears that exist in the wider community if national competition policy is to be a reality and if it is to be of benefit to the nation as a whole.

I want to briefly look at the executive summary and some of the analysis that was made there. It says:

The nexus extolled by economists between the achievement of economic objectives and the flow-on to the achievement of social benefits is not always evident to the community at large.
And that was the problem with national competition policy. It continues:

The pace of change in the economic environment is pressing the community’s capacity to adjust and assimilate.

That goes back to what I was referring to—that is, unless people have the picture painted for them, unless they are ready to accept the change, then change is very painful indeed. I think that was the experience that many of us had with national competition policy. In particular, I want to focus on three areas. One of these is the public interest test, which I know has caused a great deal of concern over a long period of time. The report reads:

The Committee has found that there is general confusion and misunderstanding over what constitutes the ‘public interest.’

I know that is quite true because I am sure that the people who were driving national competition policy in the early days had no idea and no understanding whatsoever about the public interest. Because they had no idea—

Senator McGauran—That’s right—it was your government.

Senator HOGG—No, it was not, Senator McGauran. You know the national competition policy was a lot broader than that. There were those who had a dogmatic view, as is shown in this report. Those people who were given the job of implementing national competition policy did not necessarily implement it in the way in which it was supposed to be implemented, as agreed through the COAG. I think that is a fair analysis. Those who implemented it—not necessarily the government—were the people held responsible. I think that the public interest test, as was identified in this report, was sometimes forgotten.

The other thing that the report drew attention to was public education and the fact that there was a lack of public understanding of the policy. That was found to have been a fundamental problem since the policy’s inception. The report says:

In the Committee’s view, there has been a degree of ‘blind’ or dogmatic application of NCP by officials.

I think that is one of the tragic things that happened in this case. Interestingly, the committee recommended:

That the NCC and state and territory agencies with responsibility for implementing NCP undertake expanded public education programs about the policy and how it is to be implemented.

Of course, that was sorely missing in the whole process and led to much of the fear and scepticism that surrounded the implementation of national competition policy. People could see none of the benefits that were supposed to flow out of national competition policy, and of course public resistance to it became widespread indeed. The committee report went on to discuss a review process, and I commend the committee for the number of recommendations that they have made on that. The other thing I want to discuss briefly is the employment and transitional arrangements. The report noted:

The Committee heard evidence that whilst the reforms in areas such as gas and electricity have delivered some benefits, the overall benefits have not been as large as was anticipated. ... The Committee found a clear need for a proper quantification of the benefits and costs of the policy—social, environmental and economic.

That was never really done. People had no idea about it except that they were told that national competition policy was good for them and that it would deliver certain benefits, which, in the end, many people found to be non-existent. They found themselves unemployed. They found themselves without a livelihood. They found themselves without any future direction.

The fact that the report has addressed those issues that I have looked at and a wide range of other issues I think is highly commendable indeed. It is unfortunate, as I said, if the existence of this report is not widely known out there in the larger community, because this has been an issue which has been the subject of much debate and much contention throughout our society. It is an excellent report and I commend it to the Senate.

Question resolved in the affirmative.
DOCUMENTS

Consideration

The following orders of the day relating to committee reports and government responses were considered:


Public Accounts and Audit—Joint Statutory Committee—

373 report—Migrant settlement services; fringe benefits tax; Green Corps: Review of Auditor-General’s reports 1998-99: Second half


Motion of Senator Watson to take note of reports agreed to.

Information Technologies—Select Committee—Report—Netbets: A review of online gambling in Australia. Motion of the Senator Ferris to take note of report called on. On the motion of Senator Tierney the debate was adjourned till the next day of sitting.


Rural and Regional Affairs and Transport Legislation Committee—Report—The Northern Prawn Fishery Amendment Management Plan 1999. Motion of the chair of the committee (Senator Crane) to take note of report agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Order! I propose the question:

That the Senate do now adjourn.

Nguyen, Father Andrew

Senator MASON (Queensland) (6.38 p.m.)—A few weeks ago I had the great pleasure and honour to meet Father Andrew Nguyen Huu Le, Catholic priest, former prisoner of conscience, and now activist for religious freedom and human rights in his native Vietnam. Father Nguyen in many ways is typical of the extraordinary, often unsung, heroes of the struggle for human freedom and human dignity. The struggle against the tyranny of totalitarianism has always been, above all, a struggle of brave individuals whose strong moral compass and unbending determination make them unwilling to live their lives on their knees. It was a struggle that from a rational point of view looked almost futile and almost hopeless, a struggle of everyday Davids naked before the overwhelming might of Goliaths of the total state. Yet history showed that, against all human odds, men and women of great heart have prevailed. Modern heroes like Lech Walesa in Poland, Vaclav Havel in Czechoslovakia, Alexander Solzhenitsyn in Russia and thousands of others whose names will never appear in history books, have written, far too often with their blood, the new pages in the book of freedom. Father Nguyen has a proud place among them. His struggle and victory are a triumph of the human spirit.

Father Nguyen was born in 1943 as the youngest of six children in a peasant family in Vietnam. Ironically, in direct contrast to Marxist dogma, Father Nguyen’s background did not make him part of the revolutionary vanguard but instead its mortal enemy. After answering a calling at the age of 27, he became a Catholic priest administering to the poor in the countryside of southern Vietnam. He soon became known as ‘the Father for those without voice.’ After the fall of Saigon in 1975, the new regime, ostensibly dedicated to those who were in need and without a voice, decided to silence his. On account of his non-cooperation with the communist government and criticism of its excesses, Father Nguyen was arrested in 1976 and denounced for being a ‘reactionary reverend’. He spent the next 13 years in various prisons and re-education camps both in the north and the south of the country, including the infamous Gate of Heaven prison camp in the northern part of the country near the Chinese border. He spent three years there chained to the wall of a dark cell. While there, Father Nguyen told me, he was beaten often and repeatedly and his friends were as well, and some of them died in his arms. He cries for his friends still, and for all the others tortured.
by the enforcers of an ideology now tottering on the edge of extinction.

Following a long campaign by Amnesty International, Father Nguyen was released from jail in 1988. Three months later he managed to escape to Thailand and from there went to New Zealand. For the past 12 years he has been a tireless campaigner for religious and political freedom in Vietnam. He is currently the Executive Director of the Committee for Religious Freedom in Vietnam. In that capacity he has travelled extensively throughout the world. He has testified before the United States House of Representatives, as well as much more informal groups, such as the one where I met him.

The presence among us of people like Father Nguyen is a constant and a necessary reminder that the great work of liberation and liberalism has not ended with the close of the twentieth century. While more countries and peoples around the world are freer now than they ever have been in human history, we cannot forget that in a few isolated pockets around the world dictatorship still holds sway, and communism—the great god that failed last century—still exacts a terrible toll in terms of human life, dignity and freedom in places like Cuba, Vietnam, North Korea and perhaps to a lesser extent today the People’s Republic of China. The bloodiest ideology ever known to man is now cornered by freedom.

The work of Father Nguyen and thousands like him has borne in the past, and still continues to bear, fruit in all parts of the world. According to the Freedom House survey for 1998-99, 88 out of the world’s 191 countries were considered free, with another 53 countries rated as partially free; 2.3 billion people now live in free societies and another 1.5 billion in partly free societies. In 1981, 20 years ago, 2.6 billion people lived in free and partly free societies and in 1999 that number had risen to almost four billion. In the decade between 1988-89 and 1998-99 the number of democracies has increased from 69 to 117.

In listening to Father Nguyen and his story of courage and hardship, I was acutely aware of my own political generation. I am part of the post Vietnam War generation. For many of those born a few years before me, Vietnam will forever be associated in their minds with mass protests and with conscription—the defining political experience of their early lives. My Vietnam, the Vietnam I know about, is the Vietnam of poverty, oppression, re-education camps and hundreds of thousands of boat people escaping to freedom. Theirs is the Vietnam of Ho Chi Minh; mine is the Vietnam of people like Father Nguyen.

It still saddens me today to think of that dark chapter of our recent history—the Whitlam government’s reluctance to come to the assistance of the Indochinese refugees for the fear that, if brought to the safety of Australia, they might become another anti-communist and anti-Labor voting block, just like people from the Baltic States after the Second World War.

Senator Conroy—Don’t demean Father Nguyen like this.

Senator MASON—Senator Conroy interrupts. Let me quote John Menadue in his recent book. Whitlam’s chosen head of the Department of Prime Minister and Cabinet called it ‘a low point in the Whitlam government’. It was perhaps the lowest point in the Whitlam government since in its crude opportunism it contrasted so glaringly with the Whitlam government’s support for multiculturalism. That is my point.

Almost 25 years ago, on 30 April 1975, the North Vietnamese Army entered Saigon, ending the independent existence of South Vietnam. Most people thought that the Vietnam War ended then and there, but it didn’t. I have visited Vietnam on several occasions. Everywhere and often I have been stopped by locals. Careful not to be overheard by agents of state security, they have told me of the failed promise and hardship of Vietnam’s socialist experiment. For them and for those fortunate enough to escape from Vietnam, the war has continued for the past 25 years. The good news is that democracy and free enterprise are winning. I am looking forward to coming back to a united democratic Vietnam that has rejoined the family of nations. As Jewish people used to say to each other throughout the centuries of their exile and their wandering, ‘Next year, Jerusalem,’ so do I say to all my Vietnamese friends ‘Next year, Saigon.’

Senate adjourned at 6.47 p.m.
DOCUMENTS

Tabling

The following documents were tabled by the Clerk:

Goods and Services Tax Ruling GSTR 2000/5.
Supported Accommodation Assistance Act—Supported Accommodation Assistance (Form of Agreement) Determination 2000.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996, as amended 3 December 1998:

Indexed lists of departmental and agency files for the period 1 July to 31 December 1999—Statements of compliance—
Australian Agency for International Development (AusAID)—Amendment.
Centrelink.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Aged Care: Central Australia**

(Question No. 1692)

Senator Crossin asked the Minister representing the Minister for Aged Care, upon notice, on 20 October 1999:

With reference to the decision to cease funding for the Aged Care Advocacy Service in Alice Springs:

1. Was the Aged Care Advocacy Service informed of the recommendations of the 1997 review of aged care services in central Australia; if so; (a) what form did this advice take; and (b) when was the organisation advised.

2. On what date did the department first approach management of the Aged Care Advocacy Service about amalgamation with the Disability Advocacy Service.

3. On what date did the department publicly announce a plan to amalgamate the Aged Care Advocacy Service with the Disability Advocacy Service.

4. What consultation took place with the Aged Care Advocacy Service prior to the announcement of the amalgamation plan.

5. What was the total number of aged care advocates employed in the Alice Springs and Barkly regions prior to the Aged Care Advocacy Service being defunded.

6. In which organisations were these advocates employed.

7. How many aged care advocates will be employed in the Alice Springs and Barkly regions when the tender for the new Aged Care Advocacy Service is let.

8. In which organisations will these advocates be employed.

9. What steps has the department taken during the tendering process to ensure that the successful tenderer has the capacity to deliver expert advocacy specifically on aged care issues.

10. What is the quantum of cost saving in the delivery of advocacy services which will be achieved through calling for tenders to deliver these services.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator’s question:

1. There have been two reviews of aged care advocacy services in the Central Australian region. The first was included in the development of the Three Year Strategic Plan for Aged Care Services prepared by Territory Health Services in December 1996. The second review was the Review of the Central Australian Advocacy Service dated April 1997 and was commissioned by the Central Australian Advocacy Service, later named Aged Care Advocacy Service, with funds provided by the then Department of Health and Family Services. A written report was delivered directly to the service by the consultant conducting the review in June 1997.

2. 24 May 1999.

3. There was no public announcement. A letter was sent to the Aged Care Advocacy Service on 27 May 1999 confirming the verbal advice given on 24 May regarding the department’s preferred approach.

4. The Three Year Strategic Plan for Aged Care Services prepared by Territory Health Services in December 1996 recommended the amalgamation of the two services in Central Australia. This option was again put forward for reconsideration in the, Review of Central Australian Advocacy in April 1997 but not acted upon. The matter of a cooperative working relationships between the two advocacy services was the subject of discussions between the Department and the services during 1997 and 1998. Amalgamation was again discussed at a meeting with both services and the Department in August 1998 and again not agreed to. The next discussion between the Department and the services occurred on 24 May 1999.

5. 2.5 full time equivalent positions were utilised by the Aged Care Advocacy service for the Alice Springs and Barkly region of which all three positions included duties other than advocacy, such as administrative duties, clerical duties, education duties and cultural advisor duties. 1 full time equivalent
position was employed in the cross border region by the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Womens’ Council for services in the cross border region.

(6) Aged Care Advocacy Service - 2.5 and NPY -1.
(7) 2
(8) Centacare - 1 and NPY - 1.

(9) An expert tender assessment panel was established, consisting of an independent contracted consultant, an officer of Territory Health Services, resident in Alice Springs, and the Co-ordinator of the Territory Older Persons Support Service of Frontier Services, based in Darwin.

(10) Nil. Any savings realised in the Alice Springs and Barkly regions will be redirected to advocacy services in other regions which are less well resourced.

**British Commonwealth Occupational Force: Australian Involvement**

*(Question No. 1796)*

Senator Bartlett asked the Minister Assisting the Minister for Defence, upon notice, on 2 December 1999:

(1) With Australia’s involvement as part of the British Commonwealth Occupational Force in Japan from 1946, do defence records confirm that in some cases personnel records were jettisoned from aircraft en route to Australia as a result of engine failure.

(2) Were there reported cases of aircraft being sabotaged; if so, what information can be provided.

**Senator Newman**—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

(1) A search of Defence records was unable to confirm whether or not personnel or other records were jettisoned from aircraft en route to Australia as a result of engine failure during Australia’s involvement as part of the British Commonwealth Occupational Force in Japan from 1946.

(2) There is no evidence in the general Defence operating records of the squadrons, of any report of sabotage of aircraft during Australia’s involvement as part of the British Commonwealth Occupational Force in Japan from 1946. There is one historical record of fuel contamination, but not of sabotage. An entry in the book The Forgotten Force, Australian Military Contribution to Japan 1945-52 by Dr James Wood states that the effective functioning of the RAAF elements as a whole was made difficult by the quality of aviation fuel. Large quantities of aviation fuel that had been shipped in drums from India to Morotai was found to be contaminated on arrival, which seriously restricted flying operations (pp85-86). There is no mention of any incident resulting from this problem.

**Goods and Services Tax: Job Network Providers**

*(Question No. 1825)*

Senator Jacinta Collins asked the Minister representing the Minister for Employment Services, upon notice, on 16 December 1999:

(1) Is it a fact that several established reputable providers lost business in the recent round of Job Network tenders because of an inadvertent failure to amend the goods and services tax (GST) component of their bids from 6.4 per cent to 7.2 per cent as advised by the department 3 weeks before the tender closed; if so, could the department have asked tenders to amend their bids in accordance with the clarification of tenders provision of the department’s Tendering Conditions for the Employment Services Request for Tender (1.7.8), given the minor nature of this oversight.

(2) Did the Minister’s legal advice regarding the adjustment of non-conforming bids, to which the Minister refers in his media release of 8 December 1999, properly consider this clarification of tenders provisions.

(3) Can the Minister guarantee that tenderers who otherwise put in superior bids did not lose business to inferior providers because of this GST-related confusion.

(4) On what criteria did Employment National (EN) lose much of its intensive assistance business in the recent Job Network tender round.

(5) Did EN’s performance improve markedly in 1999, consistent with EN’s two media statements of 10 December 1999; if so, was this improvement taken into account when assigning EN’s recent Job Network tender bid.
(6) What transitional arrangements have been put in place to ensure existing clients are not disadvantaged by changes to providers as a result of the new tender round.

(7) For the past 6 months and for the completed period of the first round of Job Network: (a) what percentage of EN’s total placements were long-term unemployed; (b) can a complete list be provided of these percentages for each provider; and (c) which of the providers on the above list have been awarded contracts in the second round.

(8) Under the second round of Job Network, what benchmarks have been set for the successful tenderers for the placement of the long-term unemployed into ongoing jobs (13 weeks, 26 weeks, 39 weeks, 52 weeks).

(9) What sanctions are there to deal with under performing providers.

(10) What sanctions are there to prevent ‘profit skimming’ and ‘parking’ of the long-term unemployed.

Senator Alston—The Minister for Employment Services has provided the following answer to the honourable senator’s question:

(1) No. A small number of tenderers submitted price bids for delivery of Intensive Assistance services which were below the minimum fee for Intensive Assistance notified in the Employment Services Request for Tender 1999 (RFT) documentation (including any addenda issued after the release of the RFT). Section 1.7.2 of Tendering Conditions, Application Requirements and Draft Contract for the Employment Services Request for Tender 1999 (the red book) indicates that a tender or relevant bid will be rejected if the minimum tendered price for any Intensive Assistance bid is below the minimum fee.

Once submitted, a bid could not be changed nor could new material be introduced other than to rectify minor clerical omissions. Tendering Conditions, Section 1.7.2.1 Rectification of minor omissions and/or non-payment provides for the possibility of an opportunity to rectify only two omissions – “Your organisation’s name(s), address(es) or contact name(s), or other contact details, are missing” and “The statutory declaration does not have original signatures in blue or black ink and/or has not been correctly authorised and executed”.

Any decision on non conforming tenders and seeking clarification of information under Tendering Conditions, section 1.7.8 Clarification of tenders was undertaken with the advice of the Probity Advisers Blake Dawson Waldron – Lawyers. The Probity Advisers’ Interim Probity sign off on Assessment Decisions stated “We note that despite comprehensive tender documentation and an extensive national program of Information Sessions for prospective tenderers, some tenderers still failed to satisfy all tender requirements. It is not our view that the Department of Employment, Workplace Relations and Small Business (DEWRSB) failed to specify those requirements.”

(2) No advice was sought or obtained by Ministers. DEWRSB sought extensive legal advice on the tendering conditions of the RFT including Tendering Conditions Application Requirements and Draft Contract section 1.7.8 Clarification of tenders. The external legal advice was obtained from Mr C M Maxwell QC and Mr P R D Gray of Counsel and also from Mr Henry Burmester QC the Chief General Counsel for the Commonwealth of Australia. The Probity Advisers Blake Dawson Waldron – Lawyers Interim Probity sign off on Assessment Decisions states “We note that DEWRSB sought Senior Counsel’s advice as to the effect of certain conformance rules. We are satisfied that it was appropriate for DEWRSB to obtain such advice and that it acted in accordance with the advice”.

(3) There was no GST-related confusion. The RFT is also clear that once a tender or bid is not assessed as having satisfied any conformance requirement, that tender or bid is not further considered in the evaluation process.

The RFT set out the principles and tendering conditions guiding the selection of tenders. The foremost principle guiding the selection of tenders was value for money for the Commonwealth Government. Value for money involved the optimum combination of quality of services as well as factors such as diversity, coverage, price and meeting the needs of specific client groups, and minimising the risk exposure of the Commonwealth. The other important principle guiding the process was open, fair and effective competition for the employment services tender.

The Probity Advisers Blake Dawson Waldron – Lawyers Interim Probity sign off on Assessment Decisions states “On the basis of material made available to us, our observations and inquiries of the Independent Observers, we are satisfied that each of these processes was undertaken in accordance with
the published tender documentation. We have not identified any evidence of systematic bias or lack of objectivity which advantaged or disadvantaged any particular bidder”.

(4) The Employment Services Request for Tender 1999 outlines the tendering conditions that were applied to all tenderers including Employment National Limited ACN 076 685 802 (EN) and their bid(s). There were 10 stages to the tender process including checks for conformance and quality assessment against the selection criteria that tenderers progressed through to the final decisions by the Secretary of DEWRSB. If a tender or bid(s) failed any of the first four stages then the tender or bid(s) were rejected and were not considered further in the tender process. A tender or bid(s) could pass through all previous stages but not be competitive on a price/quality score or provide value for money to the Commonwealth in an employment service area in the contract level allocation stages and therefore not be awarded a contract.

The major factor in EN not being successful in obtaining Intensive Assistance business was their relatively poor performance which meant that they were relatively lowly ranked in the quality/price ratings. Other factors were:

- EN’s Intensive Assistance bids in the tender regions of Sydney, Melbourne and Brisbane were non-conforming in that they failed to submit the correct minimum price; and
- Some bids were conditional upon regional minimum levels of business which were too high to be met.

(5) EN’s performance improved across 1999, as did the performance of Job Network as a whole. In relation to Intensive Assistance, EN’s performance improvement was at a slower rate than the average rate of improvement of other Intensive Assistance providers. In the assessment of tenders for Job Network 2, the latest performance information available at the time tenders closed was used for all tenderers.

(6) The RFT included specific provisions for the transition between the first and the second Job Network contract periods for each service. For Job Network members (JNMs) providing FLEX 3 or NEIS services the obligation to continue providing assistance under the Employment Services Contract 1998-1999 to job seekers on their caseloads at the end of the current contract period extends well into the second contract period.

However, the impact of the transition is primarily limited to transition between FLEX 3 and Intensive Assistance.

As outlined in the RFT, three broad principles are guiding the FLEX 3 to Intensive Assistance transition arrangements:

- that there should be continuity of services to job seekers (and therefore minimum disruption in the receipt of services from JNMs);
- that JNMs themselves should manage as much of the transition process with their clients as possible; and
- that there should be a minimal impact on the work of Centrelink on the registration, assessment and referral of job seekers to JNMs during the transition period.

Unsuccessful JNMs may seek to be released from their ongoing contractual obligations by entering a contract variation which will:

(a) allow cessation of FLEX 3 referrals to their closing sites at a date agreed to by DEWRSB;
(b) require the JNM to notify all job seekers of their closure and provide information to job seekers about the JNMs who will be continuing to provide Intensive Assistance services; and
(c) collect job seekers’ choice of JNM they would want to be transferred to and forward them to Centrelink for referral at the end of the contract period.

In addition to the broad national approach DEWRSB (with the assistance of Centrelink), will also be managing the transition at a local level and on a case by case basis to ensure continuity of services to job seekers.

Job seekers who are directly affected by the transition will be informed of these arrangements through letters from the department, JNMs and Centrelink. Further information will also be available at no cost to them through “1800” telephone numbers.
(7) Detailed performance information on individual Job Network providers is not publicly available as it is commercial-in-confidence. General comparative performance information was released on 3 December 1999 - a copy is attached.

(8) Placement of the long term unemployed is monitored in relation to Job Matching and Intensive Assistance.

The placement principle underpinning Job Matching is to have an efficient, equitable labour exchange service that helps eligible unemployed job seekers to achieve sustainable job outcomes. Job Network members are monitored for their adherence to this principle.

The key performance indicators for Job Matching are:

(a) percentage of Job Matching outcomes against milestone contracted number
(b) percentage of placements that result in a Job Matching bonus payment
(c) percentage of Job Matching outcomes for:
   - Job Network eligible job seekers
   - Job seekers who are unemployed for six months or more, and
   - Job seekers who are unemployed for 12 months or more.

Examples of the measures that will also be considered in on-going monitoring include the proportion of job seekers placed in permanent full-time jobs; the number of employers serviced; and placement of special groups - specifically Aboriginal peoples and Torres Strait Islanders, people from a non-English speaking background, people with a disability, youth and sole parents.

Intensive Assistance is a service which is aimed at facilitating the return to work of the long term unemployed, or those who are at risk of becoming long term unemployed. The service is outcome oriented, with outcome payments at 13 and 26 weeks for job seekers who have been placed into substantive employment. Key performance indicators are:

- Percentage of placements in employment or education/training
- Percentage of primary and secondary interim outcome payments made
- Percentage of primary and secondary final outcome payments made
- Percentage of primary and secondary interim outcome and primary and secondary final outcome payments made for special groups (Aboriginal peoples and Torres Strait Islanders, youth, people with a disability, sole parents and people from a non-English speaking background).

In addition, in Employment Service Areas where Aboriginal peoples and Torres Strait Islanders comprise 5% or more of the eligible client population, and/or people from a non-English speaking background comprise 10% or more of the eligible client population the first three key performance indicators will also be applied to members of these target groups.

The expectations on each provider for the placement of job seekers will be different based on the regional labour market and job seeker characteristics. DEWRSB will compare the outcomes of individual providers with the outcome rates of the client group, including long term unemployed people.

(9) In general, the contract states that where a provider fails to provide services or does not provide services at a level agreed with DEWRSB as satisfactory, whether on quality or performance grounds, DEWRSB may terminate the contract. More specifically, a range of other sanctions may be applied depending on the Job Network service and the level of under performance.

Job Matching

Job Network members will be monitored for adherence to the Job Matching placement principle on an on-going basis through the key performance indicators set out at (8) above. If a Job Network member is found to be operating without regard to the principle, sanctions could be applied — such as reducing contracted numbers to provide additional capacity to other Job Network members who are performing in accordance with the principles; or introducing a job seeker or vacancy profile that will require the provider to place a specific number of job seekers into permanent full-time employment and/or place job seekers who have been unemployed for a period of at least six months.

Job Search Training
The principle underpinning Job Search Training is to have an efficient, equitable service that helps eligible unemployed job seekers to achieve sustainable employment through the provision of high-quality job search training and placement into jobs. Job Network members are monitored for their adherence to this principle.

DEWRSB will discuss with Job Network members any issues as they emerge as a result of monitoring, and will take action as appropriate. For Job Network members who fail to achieve an average Job Search Training performance level, DEWRSB may impose progressive sanctions that could include:

- temporary suspension of referrals until standards are met, and/or
- temporary setting of performance benchmarks until standards are met, and/or
- a reduction in the contracted number for on-going poor performance.

Should sufficient progress against milestones fail to be achieved by a Job Network member, business could be cancelled under the terms of the employment services contract and be allocated to successful organisations.

Intensive Assistance

The principle underpinning Intensive Assistance is to have an efficient, equitable labour exchange service that helps eligible unemployed job seekers to achieve sustainable employment through placements into jobs and other support and assistance. Job Network members are monitored for their adherence to this principle.

DEWRSB will discuss with Job Network members any issues as they emerge as a result of monitoring, and will take action as appropriate. For Job Network members who fail to achieve an average Intensive Assistance performance level or who fail to meet requirements in relation to Intensive Assistance Support Plans (IASPs), DEWRSB may impose progressive sanctions that could include:

- temporary suspension of referrals until standards are met, and/or
- the temporary setting of performance benchmarks until standards are met, and/or
- a reduction in the contracted capacity for on-going poor performance (this unused capacity would be transferred to above-average performers).

Should sufficient progress fail to be achieved by a Job Network member, business could be cancelled under the terms of the employment services contract and be allocated to other Job Network members.

A separate sanction applies to Job Network members who do not comply with the required time-frame for meeting and agreeing to enter into a draft Activity Agreement. DEWRSB will monitor these timeframes closely. If the benchmark is not achieved in 80 per cent or more instances, DEWRSB will cease paying the up-front service fee for all job seekers referred to that Job Network member until the draft Activity Agreements have been submitted to and approved by DEWRSB.

New Enterprise Incentive Scheme

The principle underpinning NEIS is to have an efficient, equitable service that provides high quality training and support to help unemployed job seekers to establish viable small businesses. NEIS providers will be monitored for adherence to this principle through key performance indicators as part of on-going performance assessment. If a Job Network member is found to be operating without regard to this principle, sanctions could be applied — such as reducing contracted numbers to provide additional capacity to other Job Network members who are performing in accordance with the principles.

DEWRSB will discuss with Job Network members any issues as they emerge as a result of monitoring, and will take action as appropriate. It is expected that for Job Network members who fail to achieve an average NEIS performance level, DEWRSB may impose sanctions that could include reduction in contracted numbers for continuing poor performance.

There are six milestone periods of six months each during the contract period. At the end of every milestone period there will be a review of performance against contracted levels and adherence to other contractual obligations. If at a milestone, NEIS commencements fall below 25 per cent of the agreed milestone, DEWRSB reserves the right to reduce the contracted number of places by all or some of the shortfall. Should sufficient progress fail to be achieved by a Job Network member, business could be cancelled under the terms of the employment services contract and be allocated to other Job Network members.
Project Contracting (Harvest Labour Services)

Service providers will be paid an agreed price for delivering Project Contracting (Harvest Labour Services) for each contracted harvest period. As part of the agreed price arrangements, providers will receive a fixed up front fee so that necessary tasks can be performed before the harvest starts. The remainder will be paid when the harvest period has ended and DEWRSB has received a satisfactory completion report. DEWRSB reserves the right to review the level of funds paid to a service provider should the contracted services not be fully delivered in relation to a season just completed or in relation to future seasons.

(10) The payment of fees for outcomes provides an incentive for JNMs to provide assistance to all clients.

The Job Network Code of Conduct, which forms part of their contract with the Commonwealth, requires all JNMs to serve job seekers fairly and energetically and includes as an example the need to ensure that job seekers with greater obstacles to employment receive the same quality of service as those for whom it may be easier to obtain employment.

The Job Network Code of Conduct provides sanctions for breaches of the Code which are not remedied when brought to the JNM’s attention. In the first instance, a Quality Audit would be conducted. The objective of a Quality Audit is to work cooperatively with the JNM to identify problems with service quality and improve performance. JNMs are required to implement the recommendations of a Quality Audit. Where recommendations are not accepted or where there are continual serious breaches, DEWRSB may at its discretion:

- temporarily suspend referrals of job seekers to the JNM;
- reduce the JNM’s contracted capacity for all or part of the remaining contract period; and/or
- terminate the contract.

Department of the Treasury: SES Officers

(Question No. 1829)

Senator Faulkner asked the Minister representing the Treasurer, upon notice, on 20 December 1999:

(1) How many senior executive service (SES) officers did the department, and all agencies within the portfolio, employ as at 15 December 1999.

(2) (a) What are the names of the officers; (b) what are their employment classifications within the SES band structure; and (c) what are the officers’ total emoluments, including but not limited to: (i) salary (including any salary packaging undertaken), (ii) any travel entitlements, (iii) fringe benefits tax paid on the officers’ behalf, (iv) use of motor vehicles, (v) mobile or home telephones, (vi) superannuation, (vii) performance payments, and (viii) other non-cash benefits (please specify).

(3) (a) How does the department and/or agency determine the basis for performance payments; and (b) in particular, what is the relationship between the performance payments policy and the department’s and/or agency’s actual performance.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

Department of the Treasury
(1) 39, including one employed at the Royal Australian Mint.

(2) (a) and (b)

NAME - CLASSIFICATION
Nigel Bailey - SEB 1
Brenda Berkeley - SEB 1
Michael Callaghan - SEB 2
Blair Comley - SEB 1
Murray Edwards - SEB 1
Stephen French - SEB 2
The identification and assessment of each officer’s individual financial arrangements and details is a major task and I am not prepared to authorise the time and expenditure to undertake it. In addition, the release of individual remuneration outcomes could raise privacy concerns. However, aggregate figures for SES salary packages were published by the Department of Employment, Workplace Relations and Small Business (DEWRSB) in the September 1999 Key Pay Indicators (online) Update No. 1999/03. The update document is located on the DEWRSB website under the Government Employment entry point (Agreement Making): www.dewrsb.gov.au/group/wr/agreemak/ecdupdate/key. These figures were prepared in December 1998 by the Australian Bureau of Statistics on behalf of DEWRSB and covers 24 agencies and approximately 75 per cent of all SES.

(3) (a) Treasury’s SES employees are eligible for performance bonuses, as a percentage of an employee’s base salary, on the basis of performance appraisal. Performance appraisal is undertaken in accordance with Treasury’s Performance Management System where each officer is rated by a system of relative assessment and rankings against set criteria, to provide an overall performance rating. Performance bonuses, under the prevailing SES pay model, can be up to 15 per cent of an employee’s base salary specified in the employee’s Australian Workplace Agreement.
(b) Performance appraisals are undertaken within the context of Treasury’s mission statement and each Treasury Group or Divisional operational plans.

National Competition Council
(1) 2.
(2) (a) and (b) Deborah Cope, SEB 1 and Ed Willett SEB 2.
(c) See answer 2 (c) for the Department of the Treasury.
(3) (a) and (b) The National Competition Council’s SES employees do not receive performance based payments.

Australian Taxation Office
(1) 175, including officers employed at the Australian Valuation Office.
2 (a) and (b)
NAME - CLASSIFICATION
Collins, Glenyce D - SEB 1
Collins, Wal J - SEB 1
Colmer, Patrick - SEB 1
Crowe, Murray B - SEB 1
Dark, Greg - SEB 1
Diment, David - SEB 1
Dodson, Warren F - SEB 1
Donohue, GP (Jack) - SEB 1
Doughty, Graham, J - SEB 1
Douglass, Brian T - SEB 1
Duffus, Paul M - SEB 1
Duffy, Helen J - SEB 1
East, Lesley R - SEB 1
England, Andrew - SEB 1
Evans, John D - SEB 1
Farr, Greg D - SEB 2
Farrell, Ian P - SEB 1
Field, Cheryl-Lea M - SEB 1
Fitzgerald, Brian R - SEB 1
Fitzpatrick, Kevin J - SEB 2
Forsyth, Stuart F - SEB 1
Foster, Phil L - SEB 2
Gentle, Rita M - SEB 1
Gleeson, Tony - SEB 1
Goddard, Anthony P - SEB 1
Granger, Jenny A - SEB 1
Gray, Barry S - SEB 1
Grecian, David J - SEB 1
Growder, John R - SEB 2
Haly, Margaret - SEB 1
Hamilton, Stuart G - SEB 1
Hamilton, Terry A - SEB 1
Higham, John N - SEB 1
Hill, Lawrie J - SEB 1
Histon, Allan E - SEB 1
Holland, Erin K - SEB 1
Hood, Chris L - SEB 1
Horsnell, John C - SEB 1
Hughes, Kevin F - SEB 1
Jackson, Mark J - SEB 1
Janes, Greg N - SEB 1
Joyce, Michael K - SEB 1
Keating, Martin - SEB 1
Kerwin, Jim R - SEB 2
Killaly, Jim M - SEB 2
Knight, Marilyn K - SEB 1
Knipler, Steve M - SEB 1
Konza, Mark - SEB 1
Latham, M Anne - SEB 1
Leach, Robert J - SEB 1
Lendon, Alison - SEB 1
Lennard, Michael A - SEB 1
Leonard, Brian E - SEB 1
Lewis, Dave V - SEB 1
Lind, Judy - SEB 1
Long, A (Tony) - SEB 1
Long, Stephanie S - SEB 1
Madden, Paul F - SEB 1
Madely, John - SEB 1
Maher, Peter - SEB 1
Maloney, Des P - SEB 2
Mann, Neil E - SEB 1
Manoranjan, Nadarajah - SEB 2
Markovic, Marcus R - SEB 1
Martin, Stephanie R - SEB 1
Matthews, Rick C - SEB 2
McCarthy, John M - SEB 1
McCluskey, Su - SEB 1
McDermott, Peter - SEB 1
McInerney, AJ Tony - SEB 1
McKenny, Jennifer R - SEB 1
McKenny, Keith - SEB 1
McLean, Colin B - SEB 1
McNamara, John Francis - SEB 1
Mellick, Tracey AM - SEB 1
Mellor, Rona L - SEB 1
Meredith, Tom A - SEB 1
Merrick, Frank J - SEB 1
Miller, Geoff J - SEB 1
Mobbs, Chris, G - SEB 1
Monaghan, Michael V - SEB 2
Morcom, Richard - SEB 1
Motternam, Neil F - SEB 1
Mulligan, Rory - SEB 1
Mullins, Peter - SEB 1
Murphy, Daryl F - SEB 1
Nairn, Clare A - SEB 1
Nicholls, John L - SEB 1
Nolan, Darrel A - SEB 1
Oates, Margaret R - SEB 1
O'Connor, Mark J - SEB 1
O'Halloran, James M - SEB 1
Olesen, S Neil - SEB 1
Oliver, T Nicholas J - SEB 1
O'Neill, Michael G - SEB 1
Orr, Robyn - SEB 1
Paul, Roger M - SEB 1
Peacock, Sandra M - SEB 1
Perry, Warwick - SEB 1
Peterson, Brett L - SEB 1
Pickering, Ariane R - SEB 1
Pledge, Peter A - SEB 1
Powell, Bill (WB) - SEB 1
Quigley, Bruce W - SEB 1
Ravanello, Robert J - SEB 1
Reardon, Shane P - SEB 1
Reed, Andrew M - SEB 1
Regan, AC Tony - SEB 1
Robinson, Geoffrey - SEB 1
Russell, Barrie T - SEB 1
Royalan, John P - SEB 1
Saint, Jill - SEB 1
Sidari, Anthony J - SEB 1
Smith, John D - SEB 1
Smith, Michael P - SEB 1
Smith, Peter G - SEB 1
Sorbello, Sam - SEB 1
Sullivan, Anthony J - SEB 1
Sullivan, Glenda J - SEB 1
Sykes, Graeme F - SEB 1
Taylor, Chris P - SEB 1
Taylor, Jim W - SEB 1
Thomas, Trevor J - SEB 1
Thompson, Bruce K - SEB 1
Thomson, A Robert - SEB 2
Tregillis, Paul A - SEB 1
Tucker, P Louise - SEB 1
Turner, Geoff F - SEB 1
Turner, John L - SEB 1
Vesperman, Steve J - SEB 1
Vivian, Raelene S - SEB 1
Waite, C Andrew - SEB 1
Walker, David C - SEB 1
Walmsley, Peter D - SEB 1
Walsh, Rob - SEB 1
Webb, RJ Bob - SEB 2
Whyte, Graham R - SEB 1
Wickerson, John H - SEB 1
Williams, Ian H - SEB 1
Wilson, Peter F - SEB 1

(2) (c) See answer 2 (c) for the Department of the Treasury.

(3) (a) and (b) The SES performance bonus scheme provides three levels of bonus per year payable as a lump sum. Each of the bonuses is dependent on the Commissioner of Taxation (the Commissioner) being satisfied that the officer has achieved a certain level of performance against two criteria: achievement of the relevant Business Plan, and job competencies/leadership role. In deciding on the level of performance the Commissioner must have regard to the results of a 360 degree feedback scheme which has been implemented in the ATO.

Each of these bonuses is subject to a reduction if the Commissioner decides that the ATO did not achieve an overall improvement in the corporate outcomes set out in the ATO (General Employees) Agreement 1998.

Australian Competition and Consumer Commission

(1) 16.
(2) (a) and (b)
NAME - CLASSIFICATION
Hendrik SPIER - SEB 3
Joseph DIMASI - SEB 2
Glen BARNWELL - SEB 2
Luke WOODWARD - SEB 2
John GRANT - SEB 2 a/g
David SMITH - SEB 1
John O'NEILL - SEB 1
Helen LU - SEB 1
Margaret ARBLASTER - SEB 1
Michael COSGRAVE - SEB 1
Thomas FAHY - SEB 1
Jill WALKER - SEB 1
Michael RAWSTRON - SEB 1 a/g
Mark PEARSON - SEB 1 a/g
Anthony WING - SEB 1 a/g
Bruce COOPER - SEB 1 a/g
(c) See answer 2 (c) for the Department of the Treasury.

(3) (a) and (b) The ACCC does not pay performance payments.
Australian Securities and Investments Commission
(1) 20.
(2) (a) and (b)
NAME - CLASSIFICATION
Dreda Charters Wood - SEB 1
Richard Cockburn - SEB 2
Linda Dean - SEB 1
Mark Drysdale - SEB 1
Michael Dunn - SEB 1
Michael Gething - SEB 1
Steve Howell - SEB 1
Carlos Iglesias - SEB 1
Darren McShane - SEB 1
Ian Mackinlay - SEB 1
Wally Malinaric - SEB 1
Jennifer O’Donnell - SEB 1
Jamie Orchard - SEB 1
Delia Rickard - SEB 1
Malcolm Rodgers - SEB 1
Alan Ruff - SEB 1
Jan Spiers - SEB 1
Shane Tregillis - SEB 1
Allen Turton - SEB 1
Stephen Yen - SEB 1
(c) See answer 2 (c) for the Department of the Treasury.

(3) (a) and (b) ASIC’s annual performance bonus payments are linked to the agency’s performance targets as identified in the tabled portfolio budget statements. The agency’s payments policy takes into account each officer’s performance, as measured against objectives and standards defined in individual performance agreements in meeting the stated objectives. As a consequence contingent remuneration is discretionary.
Australian Bureau of Statistics
(1) 32.
(2) (a) and (b)
NAME - CLASSIFICATION
Tim Skinner - SEB 3
Dennis Trewin - SEB 3
Barbara Dunlop - SEB 2
Rob Edwards - SEB 2
Susan Linacre - SEB 2
Jonathan Palmer - SEB 2
Brian Pink - SEB 2
Graham Wauchop - SEB 2
Zia Abbasi - SEB 1
(3) (a) ABS SEB base salaries are adjusted annually. An active performance management scheme operates which contributes to the determination of a salary rating. The amount of individual salary increase is dependent on the funds allocated for the salary rise, the distribution of salary ratings, and the weighting applied to each rating.

A Recognition and Reward Scheme also applies for achievements of an exceptional nature. No cash payments have been made to SES Officers under this Scheme. Some SES employees may have been recipients of individual or team (non-cash) awards valued at $500 or less.

(b) The ABS develops and publishes a comprehensive forward work program each year, and individual performance agreements are based mainly on the outputs and developments outlined in that program for the area for which the individual is responsible. Assessment against the objectives listed in the performance agreements is the most important contributor to the salary rating. The other critical factor is the overall availability of funds to support salary rises, which is determined through an assessment of productivity achieved across the ABS during the previous year.

Any variation in agency performance would impact at one or both of the following levels:

(a) availability of funds available for pay rises as reflected in the productivity assessment, and

(b) assessment against the objectives set out in individual performance agreements (based on the published forward work program).

Australian Prudential Regulation Authority

(1) None.

(2) (a), (b), & (c) Not applicable.

(3) (a) and (b) APRA’s Performance Management system provides the driving mechanism for managing and rewarding employee performance and for ensuring that learning throughout the organisation is linked to the business needs of APRA.

Companies and Securities Advisory Committee
(1) 1.
(2) (a) and (b) John Kluver, SEB 2.
(c) See answer 2 (c) for the Department of the Treasury.
(3) Performance payments are made whereby a Performance Agreement is agreed annually between the SES Officer and the Convener of the Companies and Securities Advisory Committee, as per the SES Officer’s Employment Agreement dated 20 August 1999.

Productivity Commission
(1) 20.
(2) (a) and (b)

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<tr>
<th>NAME</th>
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<tbody>
<tr>
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<tr>
<td>TYS, H</td>
<td>SEB 1</td>
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</table>

(c) See answer 2 (c) for the Department of the Treasury.
(3) (a) and (b) The Commission has a performance management policy which provides for various levels of performance pay depending on the rating achieved in six monthly performance assessments against work agreements settled with supervisors. The individual work agreements are linked to the Commission’s five key Outputs and performance measures agreed to by the Treasurer.

**CDMA Telephone System: Reception**

(Question No. 1859)

**Senator Allison** asked the Minister for Communications, Information Technology and the Arts, upon notice, on 19 January 2000:

With reference to the press release from the Leader of the National Party of Australia, dated 12 January 2000, in which it is stated that 'It has become clear that there is a significant reception problem with the new dual mode CDMA phone handsets operating in analogue mode - they just don't have the range of the top quality analogue-only phones':

(1) What testing was carried out by Telstra of the code division multiple access (CDMA) system prior to the closure on 31 December 1999 of the analogue mobile phone system; and (b) can a copy be provided of the results; if not, why not.
(2) Has there been a comprehensive survey done of the country areas in which there is a ‘significant reception problem’; if not, why not; if so, can a copy be provided of the survey.

(3) How many users have had a reception problem with CDMA since 31 December 1999.

(4) Is it the case that Telstra has offered to reconnect the analogue system for those users currently having reception problems.

(5) Does the Government support the proposal to charge users a $5 administration fee for reconnection and thereafter $5 per month.

(6) Does the licence condition imposed on Telstra to require it to replace the analogue network with a new network that meets the needs of rural and regional Australia allow such charges to be made.

(7) What procedures has the Government put in place to ensure that Telstra meets its licence conditions.

(8) Will Telstra make new or used analogue phones available to mobile phone users who had already discarded their analogue phones but wish to be reconnected.

(9) What is the cost of the ‘high gain antenna’ that Mr Anderson says he has had fitted to his CDMA car kit.

(10) Is the Government or Telstra prepared to subsidise these kits for rural users.

Senator Alston—The answer to the honourable senator’s question is as follows:

(1) (a) Telstra has advised that prior to the rollout of the CDMA network and the phased closure of the analogue network, it conducted a series of technical and field tests comparing the performance of the analogue and CDMA technologies. Field tests and public demonstrations were conducted at Swan Hill (Victoria), Mount Dowe (NSW) and Ulladulla (NSW – out to sea). In each test, the results concluded CDMA provided comparable performance to the analogue network. (b) Copies of the field test results are attached.

(2) Where areas are identified that should be receiving CDMA coverage, but are not, the Australian Communications Authority (ACA) in consultation with Telstra, will arrange for testing and for appropriate corrective action if necessary. Corrective action might include increasing power to a base station, realigning the direction of the transmitter, or building an additional base station.

Telstra has not produced a consolidated report on investigations into reported network problems associated with the introduction of CDMA; rather, testing is carried out on an ongoing and case by case basis across Australia as problems are reported to Telstra. Telstra has advised it can provide the Hon Senator with information on the results of testing at specific locations if required.

(3) There are at present an estimated 200,000 customers connected to the CDMA network. The Australian Communications Authority (ACA) reports that its analogue closure hotline received a total of 1247 calls from 1 January 2000 to 3 March 2000, 435 calls related to the performance of the new CDMA network, of which about 180 related to CDMA coverage in non-metropolitan areas covered by Telstra’s licence conditions. The remainder of the calls generally related to queries about closure dates, types of available digital technology, information requests, and cancelling analogue accounts. Telstra advises that it has received some 3,400 queries over a similar period regarding CDMA reception issues.

(4) Yes - In areas where the analogue network is still operational, Telstra has allowed mobile phone users to reconnect their analogue phone if they had already switched to dual mode CDMA handsets, but were having reception problems.

(5) Telstra's charge for reconnection of its analogue AMPS services is a commercial matter for the carrier.

(6) The Carrier Licence Conditions (Telstra Corporation Limited) Declaration 1997 (Amendment No. 1 of 1999) requires that Telstra provide a terrestrial digital network which provides coverage in non-metropolitan areas which is ‘reasonably equivalent’ to previous analogue coverage in those areas. The charge to those users reconnected to the analogue system is a commercial matter.

(7) The ACA is responsible for monitoring compliance with carrier licence conditions. The ACA and Telstra have developed a process for handling complaints received by the ACA analogue closure hotline. The ACA is monitoring Telstra’s responsiveness in dealing with such complaints. The ACA has reported they are satisfied Telstra is actively addressing the problems which have arisen since the analogue closure in metropolitan and major regional areas. The ACA has also developed its own testing criteria in order to verify Telstra’s coverage comparisons.
(8) No.

(9) I am not aware of the particular antenna configuration the Deputy Prime Minister has fitted to his CDMA car kit. However, prices currently being quoted for CDMA ‘handsfree’ built-in car kits range from $349 to $499 (plus installation fee of $120 to $200), depending on the make of the handset and type of vehicle. For users without a car kit, a ‘patchcord’ is now available to connect a CDMA handset to an external antenna. The configuration costs around $20 for the patchcord and $20-25 for the external antenna. This accessory will assist users who move between vehicles, including farm machinery.

(10) No.

**Rural and Regional Australia: Provision of Electronic Services**

*(Question No. 1860)*

Senator Mackay asked the Minister for Communications, Information Technology and the Arts, upon notice, on 19 January 2000:

With reference to the following programs:

Networking the Nation

Accessing the Future - trials in Government electronic regional services

Regional Australia Online (National Office for the Information Economy):

(1) What was the total amount of funding provided for each program, the period over which it was paid and disbursement to date.

(2) What was the purpose of each program.

(3) Can details be provided of all projects implemented and funding assistance provided to community organisations/groups/the private sector under the above programs from 1996 to date.

(4) What are the names of the community organisations/groups/private sector groups that have received funding under these programs, their addresses, and the electorates they are located in.

(5) Can details be provided of the person/organisation/group that announced each project/funding assistance given under these programs, and the date of the announcement.

(6) Can details be provided of the approval process for each project/funding assistance given under these programs, the number of applications, the names of the applicants, the names of the successful applicants, and the name of the person/committee/group who selected the successful applicants.

Senator Alston—The answer to the honourable senator’s question is as follows:

Networking the Nation

(1) Total funding for the Networking the Nation (NTN) program is $421 million. The initial program allocation of $250 million will be provided over a five year period from 1997/1998. A further $171 million social bonus funding for the program will be provided as follows:

- $45 million over five years from 1999/2000 for the Local Government Fund to assist local government authorities in regional Australia to provide online access to information and services including the Internet;
- $70 million over five years from 1999/2000 for the Building Additional Rural Networks initiative to promote ongoing, sustainable improvements in regional telecommunications services;
- $36 million over three years from 1999/2000 for the Internet Access Fund to stimulate Internet service delivery in regional and rural Australia; and
- $20 million over three years from 1999/2000 for the Remote and Isolated Island Communities Fund to improve telecommunications access for remote island communities.

$132.2 million project funding has been approved to date.

(2) The NTN has been established by the Commonwealth Government to assist the economic and social development of regional and rural Australia by funding a range of projects that will:

- enhance telecommunications infrastructure and services;
- increase access to, and promote use of, services available through telecommunications networks; and
- reduce disparities in access to such services and facilities.
Please refer to the attached list of approved NTN projects.

Please refer to the attached list of approved Networking the Nation projects. The list provides project contact details and electorate information (on the basis of the electorate of the applicant) for approved projects. The provision of applicants’ addresses would be a significant and time-consuming task for the Networking the Nation to Secretariat.

The Minister for Communications, Information Technology and the Arts has announced the outcomes of each of the six major Networking the Nation funding rounds to date. The Minister made the announcements on the following dates:

- 24 November 1997
- 1 April 1998
- 11 August 1998
- 3 December 1998
- 1 June 1999
- 1 December 1999

The independent NTN Board, appointed by the Commonwealth Government, considers all eligible applications for funding under the program and is responsible for all NTN funding decisions. The Board has held six major funding meetings to date at which it considered the following number of applications:

<table>
<thead>
<tr>
<th>Funding Round</th>
<th>Applications considered</th>
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<tr>
<td>Nov 99</td>
<td>162</td>
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<tr>
<td>May 99</td>
<td>82</td>
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<tr>
<td>Nov 98</td>
<td>91</td>
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<td>Jul 98</td>
<td>88</td>
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<td>Mar 98</td>
<td>113</td>
</tr>
<tr>
<td>Nov 97</td>
<td>78</td>
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</tbody>
</table>

The names of successful applicants are outlined in the attached list of approved Networking the Nation projects.

Trials In Government Electronic Regional Services

Background

The Trial of Innovative Government Electronic Regional Services (TIGERS) project is being managed as a Commonwealth Government Project, through a Project Office established in Hobart. It is not a grants program.

The TIGERS Project aims to make Commonwealth, State and Local government services easier to find and to use through the application of new technology and management arrangements.

TIGERS will enhance Service Tasmania’s already first class service delivery infrastructure and the Commonwealth’s successful Government Information (call) Centre in Launceston to support the delivery of selected services from the three tiers of government. Three modes of service delivery will be supported:

- over the internet
- over the counter
- over the telephone

(1) The program will be implemented over the period 1999 to 2002 at a cost of $10m.

(2) The following service improvements will be achieved:

- extended regional and rural access to high-use Commonwealth services over the counter, through shopfronts providing electronically supported government services;
- increased choice in the means by which customers conduct their business with governments;
- access to selected linked Commonwealth, State and Local Government online services enabling clients to undertake ‘all-in-one’ transactions/services on a seven days a week, twenty-four hours per day basis; and
documentation and management arrangements to facilitate the adoption of service delivery models developed in Tasmania by other states and local government.

(3) N/A
(4) N/A
(5) N/A
(6) N/A

Regional Australia Online
The Regional Australia Online Summit was not a funding program. Therefore, no projects have been implemented under its auspices nor any funding provided to community groups or to the private sector.

The Regional Australia Online Summit was a peak event of Online Australia Year – a major Commonwealth initiative to raise awareness of the benefits of online technologies. The Summit took place at the Barossa Arts and Convention Centre, South Australia on Thursday 29 April and Friday 30 April 1999.

The Regional Australia Online Summit incurred a one-off cost of $160,000. These funds were expended from the Online Australia Year budget of $1.3M. ($125,000 in cash contributions was provided by Visa, the Department of Transport and Regional Services and the Department of Workplace Relations and Small Business.)

The Summit aimed to bring together around 200 representatives from Australia’s regions to discuss strategies for online regional development, electronic business and community services.

An online regional forum was established following the forum for delegates and stakeholders to continue discussing and developing strategies for regional online development.

Department of Defence: Grants to Gippsland Electorate

(Question No. 1876)

Senator O’Brien asked the Minister representing the Minister for Defence, upon notice, on 21 January 2000:

(1) What programs and/or grants administered by the Minister’s department provide assistance to people living in the federal electorate of Gippsland.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What level of funding provided through these programs and grants has been appropriated for the 1999-2000 financial year.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) Assistance to people living in the federal electorate of Gippsland was provided through the Defence Family Support Program. The Program provides funds to organisations in the community for specific projects and services which support or benefit Defence families.

(2) The level of funding provided under this program for the 1996-97, 1997-98 and 1998-99 financial years was $13,850, $24,528, and $37,318 respectively.

(3) The level of funding appropriated for the 1999-2000 financial year is $34,193.

Department of Veterans’ Affairs: Grants to Gippsland Electorate

(Question No. 1883)

Senator O’Brien asked the Minister for Veterans’ Affairs, upon notice, on 21 January 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Gippsland.

(2) What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

(3) What is the level of funding provided through these programs and grants has been appropriated for the 1999-2000 financial year.
Senator Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

Assistance is available in every electorate under the programs administered by my Department as follows:

(1) **Their Service – Our Heritage**, which aims to assist communities across Australia to fund local commemorative projects that honour and acknowledge the service of Australians in wars and other conflicts since Federation. The program includes the following grants schemes -

- **Regional War Memorials Project (RWMP)** which provides assistance for local communities to restore or update regional memorials, or to construct a memorial where none exists;
- **Local Commemorative Activities Fund (LCAF)** which provides assistance for commemorative activities undertaken by communities, such as the restoration and display of wartime memorabilia, commemorative publications and web-sites and events to acknowledge significant wartime anniversaries; and
- **Commemorative Activities Program (CAP)** which assists commemorative projects that have a regional or national focus, rather than a local focus.

**The Claims Assistance Grants Scheme (CAGS)** was an initiative announced in the 1996-97 Budget to provide assistance to ex-service organisations throughout Australia to employ advocates and to obtain resources such as computer equipment to assist veterans and their dependants in accessing Veterans’ Affairs benefits and services. The Scheme expired at the end of the 1998-99 Financial Year.

In the 1999 Budget the Government announced the **Building Excellence in Support and Training (BEST)** program. The BEST program replaces the lapsed CAGS program and provides resources to ex-service organisations for the employment of advocates and administrative support staff, and leased computers.

**Veterans & Community Grants**, which aim to maintain and improve the independence and quality of life of the veteran and ex-service community through activities or services that maintain and/or enhance well being.

Veteran & Community Grants are administered under guidelines that consolidate DVA’s residential and community grants programs, including the Residential Care Development Scheme, Joint Venture Scheme, Community Care Seeding Grants Program, Health Promotion Grants, Healthy Lifestyle Encouragement Grants and Never Too Late Program.

However grant funding is not committed on an electorate by electorate basis, but is considered in response to eligible applications received from ex-service organisations, community groups and individuals.

(2) Total grants approved to organisations and individuals located in the Gippsland electorate during 1996-97, 1997-98, 1998-99 financial years were as follows:

- **RWMP, LCAF and CAP Grants**
  - 1996-97 $610
  - 1997-98 $6,970
  - 1998-99 $5,100
- **Veteran & Community Grants**
  - 1996-97 $0.977m
  - 1997-98 $0.503m
  - 1998-99 nil
- **Claims Assistance Grants Scheme**
  - 1996-97 nil
  - 1997-98 nil
  - 1998-99 12,203

(3) Funding for the 1999-2000 financial year is detailed below:

- **RWMP, LCAF and CAP Grants** $1.05m
- **Veterans & Community Grants** $6.179m
Building Excellence in Support and Training $760,000
As at 11/2/00 the following grants had been approved to organisations and individuals located in the electorate of Gippsland.
TSOH Grant Program $9,220
BEST $18,341
V&CG $25,000

Department of the Treasury: Year 2000 Compliance
(Question No. 1888)

Senator O'Brien asked the Minister representing the Treasurer, upon notice, on 21 January 2000:
(1) What was the total cost of work undertaken by the department to ensure that all systems were year 2000 compliant.
(2) (a) Who were the consultants selected as part of the above work; and (b) what was the cost of each consultant.
(3) Where consultants were engaged, were they selected through a tender process; if not, why not.
(4) Have there been any problems with any systems within the department or any agencies since 1 January 2000; if so: (a) what was the nature of each problem; and (b) has each problem been corrected.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

TREASURY
(1) The Treasury spent $2,429,000 over three years on regular enhancement, replacement and maintenance work all of which included a Y2K compliancy component.
(2) (a) and b)
Sun Microsystems $2,000
GEAC $6,000
(3) No. Both suppliers were engaged under the terms of existing system maintenance contracts as sole suppliers of the required services.
(4) No.
(a) and b) Not applicable.

AUSTRALIAN BUREAU OF STATISTICS
(1) The Australian Bureau of Statistics spent $25,500,000 over five years in upgrading equipment and programs, all of which included Y2K compliancy components.
(2) (a) and b)
Infrastructure Control Services $15,800
Exacom $29,500
Reverse Tech Pty Ltd $10,000
Attorney General's Department $10,000
(3) Exacom was selected by tender.
Infrastructure Control Services was selected on the basis of a recommendation from the Office of Government Online and supplier availability; Reverse Pty Ltd, as it was supplying a limited "reverse engineering" pilot program; and Attorney General's Department, as it is the sole provider for legal services.
(4) Yes.
(a) A call distribution system attached to the PABX was found to be running on a non-compliant PC.
(b) Yes.

PRODUCTIVITY COMMISSION
(1) $52,450
National Competition Council

1. $10,000
2. (a) and (b)
   Admiral Management Services Pty Ltd $6,000
   Trilogy Business Systems $1,000
   Colin Cope Computer Services $2,000.
3. Yes.
4. No.
   (a) and b) Not applicable.

Royal Australian Mint

1. $65,346
2. a) and b) No consultants were engaged.
3. Not applicable.
4. No.
   (a) and b) Not applicable.

Australian Competition & Consumer Commission

1. $1,520,000
2. (a) and (b)
   Southmark Solutions $42,000
   Wang Global $148,000
   INTERIM Technology Solutions $15,000
   KPMG $5,000
   MicroHelp $44,000
   IBM Australia Ltd $18,000
3. Yes.
4. No.
   (a) and b) Not applicable.

Australian Taxation Office

1. The Australian Taxation Office enfolded its Y2K compliance into its business as usual activities.
2. (a) and b)
   Hitachi Data Services $38,000
   DMR Consulting $21,000
3. Yes.
4. No.
   (a) and b) Not applicable.

Australian Securities & Investments Commission

1. $1,145,000
2. (a) and (b)
   Knight Frank Price Waterhouse $14510.
(3) No. The proposed consultancy was below the tender threshold and Knight Frank Price Waterhouse already held property management contracts with ASIC and were familiar with the Agency's leases.

(4) No,
(a) and b) Not applicable.

AUSTRALIAN PRUDENTIAL REGULATION AUTHORITY

(1) $377,849.35

(2)
DMA Australia $102,137.50
Neiger Computer Consulting $ 24,723.50
Ernst & Young $ 73,585.85
Praxa Limited $ 59,976.00
Todaytech Computing P/Ltd $ 7,275.00

(3) DMA Australia, Neiger Computer Consulting and Ernst & Young were selected by tender. Praxa Limited and Todaytech Computing P/Ltd were selected under the terms of an existing contract previously tendered for.

(4) Yes
(a) There was a minor problem with the script indicating the last update of particular pages on the Internet site.
(b) Yes.

Department of Defence: Year 2000 Compliance
(Question No. 1894)

Senator O'Brien asked the Minister representing the Minister for Defence, upon notice, on 21 January 2000:

(1) What was the total cost of work undertaken by the department to ensure that all systems were year 2000 compliant.

(2) (a) Who were the consultants selected as part of the above work; and (b) what was the cost of each consultant.

(3) Where consultants were engaged, were they selected through a tender process; if not, why not.

(4) Have there been any problems with any systems within the department or any agencies since 1 January 2000; if so; (a) what was the nature of each problem; and (b) has each problem been corrected.

Senator Newman—The Minister representing the Minister for Defence has provided the following answer to the honourable senator's question:

(1) The Department of Defence has spent $232million on assessment and repair of business critical systems and on the clearance of non-business critical yet important systems.

(2) (a) The consultants selected as part of the above work were mainly drawn from the Defence Preferred Systems Integrator Panel (DPSI). Members of the panel were: Aspect, BHP-IT, Compaq, CSC and IBM. There were a wide range of other consultants and contractors used in supporting Y2K activities, many operating at the sub-contractor level.

(b) The names of and payments to external consultants, many of whom were employed by individual groups, are given in the Department’s 1998/99 Annual Report.

(3) Selected consultants were drawn in the main from contractor/consultancy panels, the establishment of which occurred through the tender process. In some limited cases, where there was justification through the need for specific skills or contractor personnel shortages, sole sourcing occurred.

(4) No failures or disruptions were reported in any mission critical system or equipment.
Department of Finance and Administration: Provision of Income and Expenditure Statements
(Question No. 1958)

Senator Faulkner asked the Minister representing the Minister for Finance and Administration, upon notice, on 23 February 2000:

Has the department, or any agency of the department, provided an annual return of income and expenditure for the 1997-98 and 1998-99 financial years pursuant to section 311A of the Commonwealth Electoral Act 1918; if so, can a copy of those statements be provided; if not, what, in detail, are the reasons for not providing those statements.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator’s question:

Yes, the Department and its Agencies have provided this information in their Annual Reports, pursuant to section 311A of the Commonwealth Electoral Act 1918.

As this information has already been tabled in Parliament I do not propose to provide a further copy. However, these returns can be found in the following Annual Reports:

Department of Finance and Administration:
1997-98 Appendix F page 95
1998-99 Appendix F page 115

Australian Electoral Commission
1997-98 Appendix F pages 129-130
1998-99 Appendix F page 110

ComSuper
1997-98 Appendix 7 page 86
1998-99 Appendix 7 page 92

Commonwealth Grants Commission
1997-98 Appendix J page 72
1998-99 Appendix I page 73

Office of Asset Sales and IT Outsourcing
1997-98 Appendix D page 43
1998-99 Appendix D page 55

Department of Aboriginal and Torres Strait Islander Affairs: Provision of Income and Expenditure Statements
(Question No. 1965)

Senator Faulkner asked the Minister for Aboriginal and Torres Strait Islander Affairs, upon notice, on 23 February 2000:

Has the department, or any agency of the department, provided an annual return of income and expenditure for the 1997-98 and 1998-99 financial years pursuant to section 311A of the Commonwealth Electoral Act 1918; if so, can a copy of those statements be provided; if not, what, in detail, are the reasons for not providing those statements.

Senator Herron—The answer to the honourable senator’s question is as follows:

Yes the Aboriginal and Torres Strait Islander Commission (ATSIC) has provided this information in its Annual Report, as required by section 311A of the Commonwealth Electoral Act 1918. The information can be found at Appendix 10 (page 208) of the 1997-98 Annual Report and Appendix 10 (page 222) of the 1998-99 Annual Report. The information has been tabled in Parliament and is also available on ATSIC’s website (www.atsic.gov.au)
CDMA Telephone System: Alawoona, South Australia
(Question No. 1974)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on 2 March 2000:

With reference to code division multiple access (CDMA) mobile phone coverage:
(1) Is it the case that the area of Alawoona in South Australia does not have CDMA coverage whereas the analogue system did previously provide coverage.
(2) What steps will Telstra take to improve CDMA services in this area.
(3) Will Telstra consider installing a CDMA transmitter at the Halidon exchange, between Loxton and Tailem Bend.

Senator Alston—The answer to the honourable senator’s question, based on advice from the Australian Communications Authority and Telstra, is as follows:

(1) Alawoona is in an area of South Australia in which AMPS is still operational. However, the Australian Communications Authority advises that Alawoona itself falls outside the predicted analogue coverage area as found in the Australian Communications Authority’s (ACA) June 1998 report, Investigation of AMPS regional coverage under subsection 510(3) of the Telecommunications Act 1997. Therefore, although Alawoona may have received some level of analogue coverage in the past, it is very unlikely to have been robust and is therefore considered truly “fortuitous” by the ACA.

(2) Telstra has advised that it expects to provide CDMA coverage in the SA Riverland and the Murray Mallee by May 2000. The CDMA coverage will be reasonably equivalent to the existing analogue coverage. Additionally, a CDMA base station will be installed at Loxton.

(3) Telstra advise that it has no plans at this time to install a CDMA transmitter at Halidon exchange.

Basslink: Environmental Impact Assessment
(Question No. 2094)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 6 March 2000:

Can the environmental impact assessment of Basslink conclude that the project should not proceed or is it restricted to recommending only how it should proceed.

Senator Hill—The answer to the honourable senator’s question is as follows:

An Environmental Impact Statement (EIS) has been directed on the Basslink Interconnector proposal. In accordance with the requirements under the Administrative Procedures of the Environmental Protection (Impact of Proposals) Act 1974, the alternative of not proceeding with the proposal is a matter to be addressed in the EIS. The Administrative Procedures require that the EIS indicate the consequences of not taking the proposed action as well as the need for the proposed action.