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Wednesday, 7 June 2000

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

TELECOMMUNICATIONS (INTERCEPTION) LEGISLATION AMENDMENT BILL 2000
Second Reading

Debate resumed from 6 June, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator BROWN (Tasmania) (9.31 a.m.)—I was saying before the debate on the Telecommunications (Interception) Legislation Amendment Bill 2000 was adjourned yesterday that there is more to this legislation than meets the eye, or at least there is more to the change to modern communications than this legislation can deal with. At the outset I might just say that if there are some senators missing from the chamber this morning it may well be due to the traffic jams which have been casued by the V8 car racing being imposed on Canberra at the moment. I believe the delay is up to 40 minutes for some people making the approach outside Parliament House at the moment. I believe the delay is up to 40 minutes for some people making the approach outside Parliament House at the moment. That aside, I refer to Channel 9’s Sunday program in May last year when reporter Ross Coulthart interviewed New Zealand author and researcher Nicky Hager. Mr Hager talked about the giant computer systems which use dictionary systems to track down selected phone calls, faxes and Internet communications coming in and out of Australia and indeed going between other countries. One of these facilities is at Geraldton in Western Australia, and most Australians know very little about it. Mr Hager said:

One of the defining features of the Echelon system—
that is, this giant computer tracking system on everybody’s phone calls—
is that it is a move away from what is the most effective way to spy on our enemies to a system which is the most effective way of spying on everyone.

That is the reality of the modern world. While this bill points us towards intervention in phone calls for criminals, drug handlers and spies, in effect what it is not doing is saying that our whole spying system is being moved to an international system which spies on everybody’s phone calls. Most Australians are not aware of that.

The bill does refer to intervention in foreign phone calls—phone calls going out of this country—but what it does not say is that everybody’s phone calls are being listened to, that everybody’s phone calls are being scanned and, moreover, that the check on this system is not within our national boundaries. Australia has an arrangement with the UK, the United States, Canada and New Zealand whereby the downloading of selected phone calls—the intercepted calls which the Americans, in particular, want to listen to—goes straight to Washington. I will be asking the government during the committee stages of this debate what control Australia has over this spy system based here in Australia. I think we will find that it is close to zero; that in fact this information is being relayed straight to Washington and to other countries without proper intervention by the Australian authorities. When this bill says, ‘Let’s intervene in certain phone calls made by criminals and people with an intent that is not in Australia’s interests,’ it is really missing the point—that is, that everybody’s phone calls are being listened in to and, as far as I know, this parliament has no control over that. This parliament is not informed about it. This parliament is not a watchdog on behalf of citizens. This parliament does not know what our spy systems are doing and, more particularly, it does not know what the foreign spy systems are doing which are getting the information out of the Australian infrastructure.

We are not in an age where this is simply spying—or even primarily spying—in the defence interests of this country; we are in an age where commercial interests are at the forefront in spying. Indeed, President Clinton has made it very clear that, as far as the United States is concerned, the intelligence agencies are there in the interests of America’s economic supremacy, its corporate interests. Information being taken from these spy facilities, including here in Australia, is
passed on to the corporate system—the Forbes 500 and the big multinational corporations—because it is in the interests of those big systems to get the drop on their competitors around the world. The *Sunday* program pointed to a number of cases where an advantage had been given to either US or Canadian countries—in one case, a wheat deal in favour of Canada, because the Canadians had picked up a phone call coming out of a car in the United States—a call to do with a United States bid for a world market. There was another extraordinary case cited in the Channel 9 *Sunday* program of 23 May last year. Prime Minister Thatcher of the United Kingdom was presumably able to get information on two of her ministers through the Canadian connection of this spying system—that is, the UK arm of it was kept clean while the Canadians picked up information on two UK ministers about whom the Prime Minister of the UK of the day was not sure. Is that the intent of a spy system in which Australia is involved? What halt does this legislation put on that sort of activity occurring in the international arena against the interests of Australian people in general, let alone elected Australians? Maybe the government will be able to disclaim that extraordinary situation, as highlighted on the *Sunday* program. If so, I would like to hear how.

This legislation does not allow overseas phone calls to be intercepted where an Australian citizen is involved at the other end. Tell me about it! I believe that that is already occurring all over the world through this massive intercept system of telecommunications. I believe that this piece of legislation is nothing more than a diversionary titbit. It does nothing to reassure me—and will do nothing to reassure those few Australians who know about this spying system—that there are very clear guidelines, controlled by the elected members of this nation, on this massive international spy system. I reiterate: it is no longer in the nation’s interest that this spy system be contained. There are no guidelines—or, if there are, let them be brought before this Senate—to say that this spy system is confined to working in Australia’s national interests and against the interests of those who might engage in criminal or political activities that are inimical to Australia’s interests. Where are those guidelines? Let the government produce them—certainly before I will give assent to this legislation. As far as the international spying component of it is concerned, the legislation is loosely worded, ill-considered and certainly not transparent in the parliament laying down regulations—laws—which confine the activity of not just the Australian Security Intelligence Organisation but of the international operators like the American spy facilities which are using our facilities, as far as I know, and I will guarantee as far as any government representative here knows, against Australia’s interests, for goodness sake.

Is the Channel 9 program wrong? Was it factually flawed? Is its information able to be countermanded by the government? If not, I say to the Senate: the facility at Geraldton and the similar facility in New Zealand—which Nicky Hagar broke into and got lists of citizens names out of because it was unattended at night—are set up in a manner which can have US, Canadian and UK interests working against Australia’s economic wellbeing. For example, it can give multinational corporations the opportunity, through the interception of telecommunications, to get the drop on their Australian competitors—to give international markets the opportunity to beat Australia when it comes to international sales of commodities out of this country. This is laid down quite clearly on the public record.

I was amazed that that program, which went to air on 23 May last year, drew such little comment from the Australian political and business community. I am concerned as a democrat that this parliament is not in control; is not laying down guidelines as to what our intelligence operatives are allowed and not allowed to do. You look superficially at this piece of legislation and there is one sentence that says, ‘You can’t spy on Australian citizens overseas,’ but the evidence on the face of it is that every Australian citizen’s phone calls are being spied upon. Moreover, Australia is allowing its facilities to be used so that foreign countries can download from this massive computerised selection of phone calls, can take that information for their own use and can pass it on to their own corporate
sectors without Australians knowing about it, without the Australian security intelligence network intervening and without Australia’s government or elected politicians knowing what is going on. This demands an explanation.

The government has only one representative in this chamber at the moment. It is time for them to get up and explain what is happening at Geraldton, Pine Gap and the facility in Darwin with respect to the downloading of information out of the satellite systems and the conveying of Australians’ phone calls, Internet communications and faxes—all of which are being spied upon. One of the answers will be that in reaction to what is called the Anglo system—this massive Echelon computerised spying system—the French have responded with the same, and you could not blame the Chinese and the Indonesians for responding likewise. Everybody is into it, one presumes.

Let us have some light thrown on this system. In this democratically elected chamber, let us have an account of where we stand in the modern world of spying. Let us be clear about the fact that, post Cold War, the focus of spying has become commercial and that there is great opportunity—in fact, I think it is going on worldwide—for commercial interests to gain or to lose by what that spy system is doing. In fact, on the *Sunday* program there was an inherent complaint that the information going out of the Australian and New Zealand facilities to corporations overseas gives them the drop on their Australian counterparts and there was an inherent request that, if this is going to continue, ASIO should be put at the service of the Australian corporate sector. I am not calling for that; I am calling for an explanation from the government as to what is the state of play in this system. What are the safeguards at Geraldton, Pine Gap, Darwin and the New Zealand facility? What communications are occurring between Australia and New Zealand to safeguard our national interests against the much bigger players in this field who are using our facilities? I cannot give assent to this legislation, even though all other parties in the Senate have done so, because I am very concerned that we as parliamentarians are not up to speed on this issue that affects every Australian citizen.

**Senator LUDWIG (Queensland) (9.46 a.m.)**—I share some of the concerns that Senator Brown has mentioned this morning. However, I remain unconvinced on certain aspects of his contribution, particularly those in terms of construing more in the bill than is being proposed in its written word. In truth, I feel that I am constrained to read the bill plainly and not read between the lines too heavily. In terms of being an authority on the Channel 9 program, Pine Gap and Geraldton, I would defer to Senator Brown in that regard. Pine Gap is a matter on which I do share some of his concerns. It is a matter that has come before the treaties committee in which I participate and where, in toto, I think you could say that the answers we received were not satisfactory, although the treaties committee was looking at it from a different perspective. But we were assured that the secrecy surrounding that is necessary.

Turning to the process itself, rather than taking Senator Brown’s stand across from it, I took the opportunity to do two things. I spent some time during the estimates process asking Mr Crompton, the Privacy Commissioner, about matters that go to privacy, and to other matters that I will no doubt follow up during the next estimates process and about which I have some concern. I also took the opportunity of looking at the recent Centrelink issue regarding privacy matters. In addition, I asked whether the Privacy Commissioner could adequately deal with the extension of those requirements into the private sector. In addition, as I will mention later, I participated in an inquiry into the consideration of the Telecommunications (Interception) Amendment Bill 1999. During that time I had the opportunity to question witnesses about certain aspects of the bill that concerned me and I received, by and large, adequate replies. Rather than take a scaremongering approach to the issue, I took the issue to the appropriate forums, asked the relevant questions and sought relevant replies.

One of the problems the committee did find was that, on balance, there was a certain amount of grey area that surrounded the de-
bate itself about the use of intercepted material. So, rather than dismiss it out of hand, we took the opportunity during the inquiry of asking for a review within three years to have a look at whether or not they have confined themselves to the matters that the bill seeks to address. On balance, I came down on the side of facilitating justice administration and law enforcement. There was not a lot of complaint in this area from what you would normally regard as the other side of the fence, the people who may raise the issues that Senator Brown has gone to—and more, and more broadly as well—and who would then, generally, uphold some of those aspects that are of civil concern and that surround the privacy and use of that information.

The committee found that the process, although short, was in fact bereft of some of the people who might otherwise have taken an interest. The committee could take two views about that. One view, of course, is that the process was such a short-lived one that those concerns were not addressed or could not be addressed in the time available. But I have found that, where that is the case, people will complain about that and put in a reservation. Or, the committee could take a second view that the bill itself was targeted at a very narrow field, a particularly narrow scope, that went to a number of certain issues, as the explanatory memorandum outlined. I guess that is how I came to feel satisfied about the recommendations contained in the inquiry and that the opportunity for people to make submissions was there. The opportunity to raise those concerns was there. The opportunity to provide sufficient evidence of the things that might concern civil libertarians was there, but they were not raised and, thus, were satisfied, at least in the immediate term. If there are matters that are still outstanding that people have concerns about, they can be reviewed and looked at, as the recommendations have provided for in the inquiry.

Telecommunications (Interception) Legislation Amendment Bill 2000, in essence, will bring about a new class of interception warrants. The primary legislation, the Telecommunications (Interception) Act 1979, provides for interception warrants to be granted for the investigation of narcotic offences, under the Customs Act 1901. As you would expect, the number of agencies authorised to apply for these warrants has increased. The aim was to allow interception warrants for identified telecommunications services. In shorthand these are referred to as telecommunications service warrants. The act sets out the purpose of the warrants, the reason for which they are obtained, and who can apply for and issue such warrants. It also details the form and content of the warrant applications and the criteria that must be satisfied, and provides for stringent record keeping and the like.

The amendment has two basic purposes, the first going to national security and the second to law enforcement. In respect of the second area, where a law enforcement agency wishes to obtain an interception warrant, an application must be made to an eligible judge. They can be issued only in relation to the investigation of class 1 offences, such as murder, or class 2 offences, such as serious personal injury, drug trafficking and offences where the penalty is life or more than seven years. Agencies which can apply and have to be approved include the Australian Federal Police, the National Crime Authority and state and territory police. Applications are made with an accompanying affidavit attesting to the contents.

An example would be a class 2 offence where the judge considers the gravity and how much the privacy of the person would be interfered with. On that point, during the inquiry, one of the witnesses stated that they thought they had met all the criteria quite successfully. They had provided the affidavit, they had provided the gravity, and they had provided how the privacy of the person would be interfered with, but they were unsuccessful, because the judge found that not enough concerns were met. It was not a matter of the judge providing them with a warrant as a matter of course. This was from a senior police officer, who then went about his police work, as he relayed to the committee, reinvestigating the matter to substantiate the issue more fully.

A review of this area was conducted in May 1999, providing an avenue for people to
raise concerns about privacy. The minister was subsequently presented with a policy review. The bill incorporates some of the recommendations of the telecommunications interception policy review. It provides for named person warrants to be picked up and an extension of the use to which intercepted material may be put in legal proceedings. On that point, it was reinforced during the inquiry that, in order to provide the thread in the evidentiary material that was presented to court, piles of material would have to be provided and the judge tracked through it to come to the essence of the evidence. It was hoped that most people were able to follow the bouncing ball through those proceedings.

With this bill, the evidence can be compiled in a more cogent fashion and presented in a realistic way so that the courts can at least have a fair opportunity to look at the evidence. In relation to warrants of a particular identified telecommunications service, rather than having evidentiary import, the underlying rationale—as explained to us in the inquiry—is that the technology that has been around for the last 20 years and is developing rapidly is being overtaken by digital technology. Added to that is the change from a single provider of telecommunications services to multiple service providers. Simply put, we have gone from one telecommunications carrier with one phone service to multiple carriers, digital phones, SIMM cards, pay cards, prepaid mobile phones, email and computer technology. I think it goes on to things I could not describe accurately or well. The policy review identified that this had in fact occurred, which was not particularly profound. The new telecommunications state of play is here, and the review highlighted that criminal elements could take advantage of these wonderful innovations, using them to assist in committing crime and avoiding detection. In addition, delays in obtaining replacement warrants were hampering speedy law enforcement. As it was described to me by a witness in the inquiry, this bill picks up some of the issues that were raised in UK and US experiences but follows closely local issues in Australia. Balanced against that, people have to be mindful of privacy concerns, centring on the possibility that non-targeted individuals could also be intercepted and the material used.

It was highlighted in the policy review that those concerns were in existence; however, they were outweighed in the end, and the policy review recommended that a warrant be issued against named individuals. The policy review also dealt with the permitted use by a court to receive into evidence intercepted information where that information has already been entered into the public domain. This gave the inquiry some trouble in terms of the admissibility of evidence and the like, but the committee felt that if it highlighted the concern in a recommendation it could at least put it aside for the moment. The bill adopts this position, and the underlying rationale of the proposed amendments is to help our law enforcement agencies to be effective in the fight against crime.

In the House of Representatives the Attorney-General added that the criteria would be more stringent for issuance and that additional reporting requirements would exist. The inquiry looked at those particular matters and, on balance, was satisfied that the spirit and intent of the legislation would be met and that, in any event, a review would highlight any deficiencies that may come about. In essence, a balance had to be struck between security and law enforcement in protection of the individual from the power of the state. The bill, as I said earlier, was referred to the Senate Legal and Constitutional Legislation Committee, which tabled its report on 11 May 2000. The terms of reference were sufficiently wide to examine the issues. They included the need for a new warrant, the adequacy of safeguards and the adequacy of reporting mechanisms. Disappointingly, the committee did not receive many submissions from non-user organisations from, at least, a privacy perspective. That was highlighted in the report so at least the committee’s concerns could be noted and if there were further concerns then they could at least be met during the following review or generally through the processes that exist in this parliament. At 1.9 the committee stated:

The Committee notes its concern at the low level of participation in the inquiry by peak legal bodies and bodies focused on the privacy of the citizen.
In the end, the committee did recommend that the bill be reviewed.

I was pleased to be given the opportunity to participate in that committee’s deliberations. I think concerns still remain about a steady creep forward in this area, over the use to which material may be put, about third party usage, about other lines of inquiry by police investigators chasing down third party information which is not relevant to the current inquiry that they are conducting, and that they may apprehend a crime or suspected crime being committed which is outside the scope of the particular investigation. But I think the important matters as to security concerns—the additional reporting requirements and the ability of a judge to be, in essence, the final arbiter of these sorts of matters—and the stringent requirements in place for material that has been intercepted, in relation to third party material, to be destroyed once the bill process has been run balance against some of those concerns. Without those concerns being highlighted by the parties, I feel constrained not to take that matter any further.

In essence—and I keep saying this about it—the legislation enhances law enforcement. But, if you go to the major underlying rationale of this or to the problems, there is always a dichotomy that gets raised between the state and its power and the right to privacy of individuals. It exists in Australia. As we are well aware, there is no bill of rights contained within the federal Constitution, unlike the one adopted and expressed as amendments to the Constitution by the United States in 1791. The then Chief Justice Barwick expressed it—certainly not in 1791 but more recently than that—in this way:

Unlike the case of the American Constitution, the Australian Constitution is built upon confidence in a system of parliamentary government with ministerial responsibility.

Clearly, a representative democracy would, can and should protect its citizens’ fundamental rights, and the amount of rights that are currently being protected through the legislation that has come into this field in the last 10 years is very encouraging. The Australian Constitution itself has few guarantees of individual rights—for example, ‘trial by jury’ at section 80 provides some rights protection, as does freedom of religion at section 116—but they are, as I think many writers would agree, rather specific and ad hoc.

A bill of rights containing statements about human rights with emphasis on civil and political rights is one manner that can be used to protect individual freedoms from government interference. Both Canada and New Zealand have a bill of rights as an act of parliament. In Queensland, my home state, a number of committees of inquiry have also looked at this process for some years to ensure that a bill of rights contain civil and political rights to protect from arbitrary interference by the state. Recently, in November 1998, they again looked at the process. They went into some depth on this but in the final analysis, as I stated earlier, they did recommend that there be no bill of rights in Queensland. They did, however, look at proceeding with an interim position to ensure that people were at least fully informed of their particular rights and of places where they could complain about an arbitrary interference in their particular rights. They looked at a guide, called Queensland Basic Rights, to at least deal with some of those concerns. I see that my time has almost expired so in summary: after going through the process at some length and in some detail, the concerns that I had are satisfied by the written words contained within the Telecommunications (Interception) Legislation Amendment Bill 2000.
you say gets a run, because it cannot be answered. Can I put it in short form for you, though: as I understand it, what you are suggesting is that all calls can be listened to all of the time. What needs to be emphasised is quite simply that calls can be intercepted only under a warrant and that warrants can only be obtained by ASIO for foreign intelligence purposes. If you do not accept that, Senator, there is nothing more I can add other than to refer you back to the provisions of the bill.

Senators have had the benefit of the Senate Legal and Constitutional Legislation Committee’s review that Senator Ludwig referred to. That committee made a couple of recommendations, which I now want to respond to. The first was a proposition that the bill be reviewed within three years of it coming into effect and that the review have regard to the matters contained in the original reference: the need for new forms of warrant, the adequacy of safeguards and the adequacy of the reporting mechanisms. The government agrees to a review of the operation of the bill as proposed by the committee. It will take place within three years of the bill coming into effect, and it will have regard to the three matters that have just been mentioned.

The second recommendation was that a note be inserted in the bill to make it clear that proposed section 75A, to be inserted by this bill, would be subject to the general rules of admissibility. I understand from the committee’s report that it was concerned that the new provisions may have unintended consequences for the rules of evidence and that the committee wished to ensure that the rights of an accused person and the proper trial process would still be observed. I want to acknowledge that I appreciate those concerns recognised by the committee. However, an existing provision of the Telecommunications (Interception) Act actually achieves the purpose of the committee’s recommendation. So I would draw the attention of senators and, in particular, of the committee’s members to section 78 of the act, which provides that nothing in part 7 of the act has the effect of making particular interception information admissible as evidence in proceedings to any greater extent than it otherwise would be. Part 7 of the interception act contains extensive and detailed provisions setting out precisely when and how intercepted information might be used. It is the government’s view that the provision I have just referred to meets the objective of the committee’s second recommendation and that therefore no further action is required.

In conclusion, I want to highlight that this bill is critically important for law enforcement. Unfortunately, law enforcement and national security agencies have fallen behind in terms of technology development. When criminals are using more sophisticated technology, we need to make sure that our law enforcement agencies and our national security agencies have the most sophisticated and effective investigative tools available. It is, as Senator Ludwig said in his remarks, something that requires a balance between the needs of the agencies and the need for privacy, and we think we have achieved that balance. The already well-established procedural and accountability provisions of the interception act will apply to these new named warrants. I thank senators for their support of the bill.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator BROWN (Tasmania) (10.10 a.m.)—I ask the minister whether she could elaborate on the functions of the Geraldton facility and the Waihopai facility near Blenheim in New Zealand—what they do and who has access to their information. Could she also tell us whether information that is gathered at those facilities, in Pine Gap and in Darwin does indeed, as I said earlier, go to foreign intelligence networks?

Senator VANSTONE (South Australia—Minister for Justice and Customs) (10.11 a.m.)—Senator, I would just refer you to what I said in my concluding remarks about inquiries into these matters. They cannot be responded to. I am sure you understand that.

Senator Brown—No, I don’t.

Senator VANSTONE—Well, I am sorry.

Senator BROWN (Tasmania) (10.11 a.m.)—I do not accept that in this democrati-
cally elected parliament we cannot get assurances from the Attorney-General or the Minister for Justice and Customs that our intelligence facilities are used only for the purposes of defending the national interest and for catching up with criminals and that they are not being abused. Spying for commercial purposes, for example, is way outside what the Australian public or business community believes are the intelligence agencies’ permitted functions. I would remind the committee that I was not the origin of this very startling concern that we have moved into an age of telecommunications where all citizens’ phone calls are already being spied upon and that the information war between intelligence agencies is now for commercial advantage. I am asking the minister whether this is the case. Is the American intelligence network and their facility near Fort Meade, which has 20,000 people working in it, using information from the Geraldton facility or other facilities in Australia, including information which is of a commercial nature and which is not vetted by the Australian intelligence network?

It is a pretty important matter. All we need is for the minister to stand up and say, ‘I give you an assurance that the claims made on the Sunday program last year are wrong. I give you an assurance that all phone calls are not being scanned by dictionary computers looking for words which will download specific phone calls, Internet communications and faxes for viewing by not just the Australian intelligence network but the intelligence networks of other countries, including the UK and the US.’ I would like the minister to give an assurance, because that is what this parliament expects: that the US or anyone else is prohibited from using our facilities to download commercially interesting information which could be used against Australia’s interests. We are in the extraordinary situation—if this program is correct, and I believe it is—where the facilities in this country and in New Zealand can be used against the national interest.

The minister has withdrawn at the outset to the totally unwarranted defence of ‘I can’t discuss this matter because it is top secret’. I do not accept that. This is a democracy, and it is important that in a democracy the parliament knows what is going on. The Senate committee was not privy to this information. I do not know of any other committee that is privy to this information. As far as the public knows, there are no guidelines set down by government, by cabinet, by the Prime Minister or by anyone else on these modern spying facilities to protect our nation’s interest. The charge here is one of great concern. This is not a frivolous matter, and I dismiss the minister’s trivialisation of it. The minister should get up in this chamber and reassure Australians that this very serious development in the international use of our facilities against the national interest is not occurring, cannot occur, will not happen and has not happened.

On the face of it, it is happening and will happen. If the Canadian arm of this system can intercept phone calls to give Canadian wheat growers the drop on the US wheat growers, what does that say about the future position of Australian wheat growers, who use international communications to ensure that they get the most advantaged position on the world market? Is the Geraldton facility available for the US spying facilities to intercept those phone calls simply by inserting the word ‘wheat’ into the dictionary which downloads all international communications with this country, and transfer them to Fort Meade, where under President Clinton’s direction commercial interests are now part of the American intelligence job? Are we in the position where Geraldton, for goodness sake, can be used against the interests of our wheat industry, our wool industry or our manufacturing industries? The program said that this information does flow to the big corporate sector in the US from Fort Meade. The program also said that the Americans have free access to Geraldton and Waihopai in New Zealand and they download their own stuff, which goes straight to Washington, with no intervention by Australia’s intelligence network. Sure, Australia downloads its own stuff, but, at least in New Zealand, the list of interests that the US has is longer than that of the New Zealand spy network itself. And that information goes straight to Washington, as I said. Unless we hear otherwise from the government, Australians are being invited to be-
lieve that the same situation occurs in this country.

I am as concerned about the national interest as anyone else and know that there are matters that the government is not going to want to discuss openly in this chamber because they are mega-critical and sensitive to the national interest and might draw Australia into an embarrassing situation vis-a-vis, for example, spying on embassies, spying on diplomats or spying on members of parliament elsewhere in the world. That is not what this debate is about, or at least it is not what my interest in this debate is. We have gone far beyond that. This is about spying on the whole of the telecommunications network, on everybody’s phone calls, and about the use of our facilities by other countries against our own nation’s interests. We have gone from the use of intelligence facilities in the national interest to this situation, with the globalisation of world trade interests in particular, of our own spying facilities being used against us. All I want to hear from this minister is that that is not happening, cannot happen and will not happen, and that there are measures in place which prevent that from happening.

CHAIR—The question is that the bill stand as printed.

Senator BROWN (Tasmania) (10.21 a.m.)—Surely this cannot happen. Surely we cannot have a government corroborating what I said by the minister sitting there dumbfounded. Surely what we are hearing here is that everything I am saying is true. By her silence, Minister Vanstone is corroborating the matters I bring forward.

The minister said earlier that I am on my feet simply to get a line in a newspaper, but I can tell the minister that sitting there in silence, in response to the very important matters which I have raised, is going to raise interest. All she has to do is stand up and say, ‘Senator Brown, you are wrong because I give you these assurances.’ Instead, she has chosen to say nothing at all. That is indefensible. I reiterate: I am not asking for her to divulge sensitive issues.

Senator Vanstone—I rise on a point of order, Madam Chair. It is inappropriate for Senator Brown to use an opportunity of speaking to infer that the government response contained things which have not been said. He knows what has been said. He has been told that intelligence matters such as these are not discussed and he is now seeking to misrepresent that in a most unsatisfactory way.

The CHAIRMAN—There is no point of order.

Senator BROWN—That is not a point of order, and it is no defence. I point out that I flagged the matters I would raise this morning last night, so that the minister could come in here well prepared to answer my concerns. Instead, she is failing altogether to answer them and is trying to trivialise the matter. I find that totally unsatisfactory. We have a piece of legislation diverting our attention from matters of surveillance of criminal or diplomatic importance. There have been amendments proposed by the Australian office of the Privacy Commissioner and New South Wales legal interests, but the question remains: what about the whole other field that I have brought to the Senate’s attention? This is the time to debate it. This is not a matter of spies, security, diplomacy and the protection of the national interest in the way in which Australians think when the name ASIO comes to the fore. I am talking about the interception of everybody’s overseas phone calls. I am talking about the use of our facilities against the national interest. I am talking about foreign countries like the United States, the United Kingdom and Canada using our facilities against our interests. All I have asked for is an assurance from the minister that that cannot happen, is not happening and will not happen.

The minister is well aware of the Channel 9 program. I would like her to be able to say that it was fallacious, that the information coming from ex-members of the US intelligence network, from New Zealand and from former Australian operatives is wrong. That program underscored that there are people now working in those networks who feel bad about it. They no longer feel good and that they are working in the interests of their nation. They feel that their whole modus operandi has been diverted into a scramble for
commercial interests, which can be very much against the interests of citizens and businesses in the countries in which it is occurring.

Last night, I mentioned that this Echelon system was used even by former Prime Minister Thatcher to gather information on two ministers in her own cabinet, according to that program. What happened was that, rather than lay open the possibility that it would come to light that this process was under way through the UK arm of this facility being the spying agency, the Canadian arm was brought into play to gather information on two ministers. I guess the Australian government is not going to comment on that. I would like to hear an assurance from our government that no such thing can occur in this country and that no foreign country could use our facilities to spy on citizens, let alone parliamentarians, in such a fashion. The Channel 9 program went on to report how the wife of Prime Minister Trudeau in Canada had been spied on—her calls had been intercepted. The minister is not going to comment on that, as well.

We are linked up to this Echelon system, established by the United States. Our facility at Geraldton is basic to it and this legislation, if it is put in place, is going to do nothing to change the two basic facts which concern me. All calls are being intercepted and selectively downloaded. Every day, information is going to the United States, the UK, Canada and New Zealand, without that information being recorded or analysed by Australia's intelligence authorities. We know that is not confined to matters of national interest, in the usual sense of those words, but that commercial interests are now becoming predominant in what is downloaded out of this facility.

I cannot believe that the minister can sit reading the newspaper when she ought to be preparing an answer to the charges I am making. I cannot believe, having been given overnight warning that I would be raising these matters, that the government not only refuses to refute them but sits in silence on the other side. Yes, if you want to stymie a story, say nothing about it. Yes, if you want to downplay the public interest, then refuse to address it. But this is a matter which will lead to a continuing deterioration in the public perception that the parliament is here to defend the rights of Australian citizens. It is not doing that at the moment. This government is selling out on the rights of Australian citizens and businesses. That is a very serious matter indeed.

Bill agreed to.

Senator Brown—The answer is no. Chair, will you record my opposition?

The CHAIRMAN—Your comments have been noted.

Bill reported without amendment; report adopted.

Third Reading

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

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000

Second Reading

Debate resumed from 5 June, on motion by Senator Ellison:

That this bill be now read a second time.

(Quorum formed)

Senator MACKAY (Tasmania) (10.33 a.m.)—This bill is essentially a creature of the government’s GST package. In many ways, as far as this government is concerned, the bill marks a failure and a loss for the Howard government in relation to local government. It is a mark of failure because the original tax reform package was designed to transfer the Commonwealth’s responsibility for financial assistance grants to state governments, in the process totally removing the Commonwealth government from any funding responsibility whatsoever for local government. However, at that point the Labor Party, with the assistance of the Democrats, was able to move an amendment in the Senate to the ANTS legislation to ensure that the direct financial link between the Commonwealth and local government was maintained. Subsequent to that amendment, the Democrats and the government struck a deal on the complete GST package, and that nexus remained in relation...
to that deal. The outcome of this deal is the bill before the Senate today.

The content of this bill deals with a number of issues relating to financial assistance grants. Firstly, it abolishes the old link between financial assistance grants to local government and financial assistance grants to the states. In the past, there was a direct connection between local government grants and financial assistance grants to the states and then to local government. In effect the states were previously a postbox for financial assistance grants. This bill has the effect of changing the nature of that relationship. As financial assistance grants to the states have been abolished as a result of the GST legislation and will cease, as everybody knows, on 1 July this year, the connection between local government financial assistance grants and state financial assistance grants could no longer be maintained. That is the machinery aspect, if you like, in relation to this.

Secondly, the provision for an escalation factor in this legislation is retained. This escalation factor is an increase on a real per capita basis each year. This is simply a reflection of what has been occurring over the last decade. Local government grants have continued to increase on that basis in line with two major indicators in relation to the escalation factor: inflation and population increase. It is worth noting that the Treasurer still has a discretionary power to vary the escalation factor in special circumstances. This is a bit of a cause for concern and it is something that we will monitor for reasons that I will come to a bit later in my contribution. The assumption is that if the escalation factor is going to be revised, it will obviously, under this government, be revised downwards or be suspended rather than increased. We know from history that this government has no compunction at all in using this power to penalise local government, just as it did in the 1997-98 financial year—a penalty that has, in fact, cost local government over $61 million since 1997-98. I refer of course to the freezing of the escalation factor in the first Costello budget, which deprived local government of $15 million. That escalation factor and that money have never been returned. The aggregate is currently $61 million in terms of loss to local government.

Thirdly, the legislation implements a provision in the intergovernmental agreement with respect to the GST package which provides that financial assistance grants to local government may be withheld from any council which refuses to pay voluntary or notional GST payments for which it should be liable. This arises directly from the GST package itself and the need to enforce compliance from the government’s perspective upon local government for GST payments. This provision ensures that the part of the IGA that applies to the execution of those GST liabilities is in fact implemented by this legislation.

They are basically the objectives of the legislation before us today. We are not opposing this bill but we have opposed every piece of legislation that led to this bill. We opposed the ANTS package. We opposed the GST. We opposed it in relation to Australia and also in relation to local government. A number of issues ought to be highlighted in this debate, issues which in turn will highlight the Howard government’s real agenda in relation to local government. From our perspective, local government has been abused and ignored by this government. They have every right to feel outraged and they are outraged by the way that they have been treated by this government. It is not good enough for this government to ignore or pay lip service to local communities, particularly in regional areas. Tokenism and rhetoric will not keep communities silent. Saying something is not so will not in fact make it not so. The Orwellian nature of this government and the rhetoric that it uses do not wash in regional Australia.

I notice Senator Kemp seems to think this is funny. I presume he thought the change of government in Victoria was similarly hilarious and the Benalla by-election was also extremely amusing. Both of those incidences show that the approach does not work. Nobody in regional Australia believes this government and nobody in local government believes this government.

As I said before, the biggest act of abuse of the local government sector by the Howard government came in the first Costello budget,
when financial assistance grants to local government were dealt a major blow by this government. Financial assistance grants were cut by $15 million in that 1997-98 budget. This was never restored. Despite the fact—from Mr Costello’s own lips—that there were budget surpluses, this was never restored to local government. As I said previously, this has meant a cut to the local government sector of $61.4 million. If we average that out across every council in Australia, we are talking a cut of $87,000 per council since this government came into power. That is only in relation to financial assistance grants. There are a whole lot of other things in relation to this that I will come to later on. I will bet London to a brick that every council in Australia would be desperate right now to have that money, given the cuts to this sector by this government. It is extremely disappointing, and it is not just disappointing from the Labor Party’s position. Local government is very, very disillusioned with this government. If anybody on the other side has the intestinal fortitude to go out and have a chat to any councils, they will get that response.

Essentially, this reveals the real nature of the coalition government’s attitude to local government. It also, from our perspective, serves as a sharp distinction between the coalition and Labor when it comes to local government. The Democrats will obviously contribute later on in the debate. Let us do a quick comparison with what we did for local government in the final years of the Labor government leading up to 1996. It provides a very stark illustration of how this government feels about local government and how Labor feels about local government. Under the Labor government and the direct guidance of Brian Howe, who was the then minister for housing and regional government and who is spoken of extremely highly in local government around Australia—unlike the current minister, which is an understatement—local government was on the verge of entering into a new deal with the federal government. This deal would have left local government far better equipped to face this century than the non-existent policies of the Howard government. That is the best they could be described as. I suspect that they are not just non-existent; they are in fact retrograde.

During the final years of the Labor government we saw the signing of an accord with the Australian Local Government Association, between local government and the Commonwealth. We saw the establishment of a local government development program designed to provide project assistance across a range of areas that local government has responsibility for. It was $45 million worth, and of course that has hit the wall now. We saw a strong commitment to developing urban and regional Australia in terms of the nexus relationship that inherently exists between those two, through the Building Better Cities program, a program which went not just to cities but to provincial and regional areas. I was extremely interested to notice that the now minister’s home town of Townsville recently got the remainder of some Better Cities money in relation to projects in Townsville. Better Cities was not simply cities—it was also regional.

Senator Kemp—Why was it called Better Cities, then?

Senator MACKAY—The reason it was called Better Cities was because cities are not just Melbourne and Sydney. I know Senator Kemp comes from Melbourne. I know he rarely gets out into regional Australia as does his colleague Mr Costello, for whom regional Australians have an extremely interesting epithet these days. Cities actually exist in regional Australia as well.

Senator Kemp interjecting—

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Order, Senator Kemp!

Senator MACKAY—I might say—

Senator Kemp interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Kemp!

Senator MACKAY—I might say that Senator Kemp’s laughter is an indication of the government’s attitude towards regional Australia and local government. Senator Kemp and this government just do not get it in relation to regional Australia.

Senator Kemp interjecting—

The ACTING DEPUTY PRESIDENT—Order, Senator Kemp!
Senator Kemp interjecting—

The ACTING DEPUTY PRESIDENT—
Senator Kemp, I have asked you about four times to control yourself. Please do so, or I will call you again and perhaps deal with you in another way.

Senator MACKAY—The more that Senator Kemp laughs at regional Australia, the better it is for the fortunes of the Labor Party at the next election. What have we seen in relation to the local government development program? We saw the wholesale abolition of the entire regional development program—not just the local government program, but the entire regional development program. The first thing this government did was to abolish that under the then Minister Sharp, who is famous for saying, ‘Federal government has no constitutional role in regional development’, something which this government is now attempting to pretend that it did not say. But nobody has repudiated former Minister Sharp’s comment on that.

This government has vacated the urban policy field entirely. This government’s own back bench is now starting to scream about the lack of action on urban policy. This government thinks regional means rural—not regional in the way most Australians understand it. The abolition of this program is, from our perspective, typical of the mean-spirited and shortsighted approach of this government to local government, to urban communities and to regional communities. This mean-spirited and, from Senator Kemp’s perspective, risible attitude towards regional Australia and local government has had an impact in this sector.

The 1988 referendum on the constitutional recognition of local government is the most damning example. The Labor Party attempted to enshrine the role of local government in the Constitution in the 1988 referendum. This was torpedoed by—guess who? It was Minister Reith—Just Say No Reith. Despite the fact that the Labor Party attempted to enshrine constitutional recognition of local government in the Constitution and failed, we retain it in our platform and we retain it as a policy. We will at the appropriate time ensure it. I am sure that at that point we will have Mr Just Say No Reith trying to torpedo it yet again. Peter Reith singlehandedly sank local government’s opportunity for constitutional recognition.

Labor is also committed to a partnership with local government built on a common vision, not on imposing large cuts on financial assistance grants to local government. The challenge for any government is to listen to local communities and develop policies that address the issues in a direct and efficient manner. This is a challenge that this government has no intention whatsoever of taking up, but we are interested in this challenge. We have been in the past and we will be in the future. We believe that all three spheres of government must work together. We empirically attempted to enshrine processes which would make sure that happened through the setting up of COAG, something we have not yet seen since this government came to power in 1996. COAG, for the benefit of those opposite in their ignorance, is where local government sits at the table with the other two levels of government. We have not seen COAG at all. Labor pledged to restore the role of COAG and to restore the role of local government as an equal partner in governance in Australia.

Since I was appointed to the shadow ministry I have spoken to a large number of councils right throughout Australia as well as to regional organisations and so on. One thing is crystal clear. This partnership needs to be re-established, something that local government correctly says will establish security to their operations. Something which this government will not accept is that councils are not simply a creature of the states. Be they in urban, rural, remote or regional areas, they are at the centre of their communities.

Local government is the level of government which is closest to the people. If you are a councillor, which many in this chamber have been, and you are out there representing your constituency—Senator Calvert has been; I agree—you get questions about everything. You get questions about local government, you get questions about state governments and you get questions about federal government. You are the major interface, as a local councillor, between the community and government and the closest to the commu-
nity. I might exempt Senator Calvert—because I know that Senator Calvert does have an appreciation and a commitment to local government—from my criticism of the federal government.

Senator Calvert—I am the only federal politician on the eastern shore. You left the eastern shore.

Senator MACKAY—Pardon?

Senator Calvert—You left the eastern shore.

The ACTING DEPUTY PRESIDENT—Senator Calvert, order! Senator Mackay, you have the call. Please address the chair.

Senator MACKAY—I will remind Senator Calvert that the Labor Party holds the seat of Franklin. I know this is something that Senator Calvert does not want to hear. In fact, the Labor Party holds all five seats in Tasmania.

Senator Quirke—Five-nil.

Senator MACKAY—Five-nil; that is correct, Senator Quirke. This is thanks to the efforts of Senator Calvert and his esteemed colleague Senator Abetz, who we are hoping and praying gets the ministerial spot. The day that happens and Senator Abetz comes to the front bench there will be a party in the Labor Party headquarters. I will not digress any further.

Local government must be seen as a partner. Recently I made a speech to WSROC in Sydney in which I outlined the nature of regions. I will not repeat that, other than to say that regions are not just rural; regions are urban, regions are outer metro, regions are suburban, regions are provincial cities and regions are rural. Since the election of the Howard government nothing has happened. A classic example of the government’s disregard can be seen in the delayed payment of FAGs moneys last year. This caused all kinds of difficulties for local government. The ALGA has estimated that it cost the states and local government approximately $500,000 a week. This is the kind of uncertainty local government does not need.

The impact of the GST is something which I will touch on very briefly. The minister for local government was gracious enough to offer local government a measly $2,000 each to handle the implementation of the GST—$2,000 per council. We discovered in the Senate recently that the LGIP program had been underspent by $1 million. So the measly $2,000 could have been a measly $4,000 but it was underspent by $1 million. Anybody who goes out and talks to councils will tell you very sad stories about the cost of implementation of the GST. This is another issue that local government are very angry about.

Local government are also very angry about the broken promise. Prior to the election, the New South Wales Local Government Association wrote to the Prime Minister and said, ‘What is the status of the GST in relation to local government?’ Lynton Crosby wrote back on behalf of the Prime Minister and said, ‘You are exempt.’ What was the first thing that happened after the election? Senator Macdonald said, ‘Lynton Crosby was wrong. We are reneging on that. We are breaking that promise.’ This is an example of this government’s real agenda in relation to local government. I will say this to the government and the members sitting opposite: local government know it; they know what this government has done to that sector; they are not happy, irrespective of whether they be Labor councils or National Party councils, in particular. We are committed to local government. We have been in the past, and we will be in the future. I move the second reading amendment:

At the end of the motion, add “but the Senate expresses its concern that the Government:

(a) has cut Financial Assistance Grants (FAGs) to local government in real terms since coming to office;
(b) attempted to terminate the 25 year Commonwealth local government funding partnership by trying to transfer responsibility for local government FAGs funding to the states;
(c) promised to exempt local government services from the GST before the 1998 election only to renege on this commitment within months of regaining office;
(d) through the GST, has imposed a regressive and unfair tax on essential services provided by local government to communities in regional Australia; and
has hit councils with major GST compliance costs with inadequate compensation or assistance”.

Senator GREIG (Western Australia)
(10.53 a.m.)—I am pleased to have recently taken on portfolio responsibility on behalf of the Democrats for local government because, as you may know, I have a background in that. I was honoured to have served for four years at the town of Vincent in Western Australia before taking up my Senate seat. It was in fact only roughly this time last year when I was still at the town of Vincent and making decisions for them. That was a great learning curve in terms of working with an identifiable constituency with identifiable borders; it is so much more amorphous when you are trying to represent an entire state. So, as with Senator Calvert—I am not quite sure of Senator Mackay’s background—I have enjoyed that local government background.

Yes, I agree with you, Senator Mackay. I was at Murdoch University in my final year in 1988 as a student activist and a member of the student guild. I was very involved in the ‘Yes, yes, yes, yes’ campaign referendum, handing out how-to-vote cards at Cockburn Primary School on the day, only to see the vote come in as ‘No, no, no’ at the end of the night, which was very disappointing, particularly for the potential to officially recognise local government within the Constitution.

My initial interest in local government began when I was living in North Perth some years ago. A decision was taken at the then Perth City Council to oppose a planning application for a daytime drop-in centre for people living with AIDS. That decision came down to the wire in terms of the numbers on Perth City Council and, ultimately, that proposal was defeated by one vote. It was made very clear to me—and there was a lot of media on that at the time—that the decision was a particularly appalling decision because a number of councillors said disgusting and repugnant things, particularly about gay men but also about people living with AIDS. Many councillors were mortified that this decision was defeated in the way that it was. One particular councillor at that time, Mr Peter Nattrass, leaned very heavily on his medical background—he is a gynaecologist—claiming in part and arguing amongst other things—I understand that he had some expertise with the issue of HIV-AIDS—that, if this drop-in centre were to go ahead, the streets would become littered with syringes, and that, if tissues were to blow over the fence into the surrounding neighbourhood, children could become infected with AIDS.

This particular misleading, untruthful and disingenuous argument was taken very seriously by the people who were lodging that particular planning application, People Living With AIDS (WA). They lodged a complaint of discrimination with the Western Australian Equal Opportunity Commission. At about the same time, the then state Minister for Local Government, Mrs Kay Hallahan, overturned that decision and allowed the drop-in centre for people living with AIDS to go ahead. As it happened, the investigation by the Equal Opportunity Commission concluded some months later in the affirmative—that is, the decision of the Equal Opportunity Commission upheld the claim of discrimination by People Living With AIDS. This case could have been heard under Western Australian jurisdiction in terms of grounds of impairment, which is covered under the state Equal Opportunity Act, whereas sexuality is not. I remind the Senate that Western Australia remains the only state where it remains legal to discriminate against gay and lesbian people in employment, housing and the provision of goods and services.

Those people on the council, including Dr Nattrass, who were found to have discriminated wrongly were reprimanded and fined. My recollection is that individual councillors were fined between $4,000 and $8,000. I do not recall whether that was a specific individual fine or a collective fine for those people found guilty of discrimination. Not letting it stand there, those councillors decided that they would not accept that and, quite shockingly I think, they then appealed to the Supreme Court of Western Australia, arguing that that decision was wrong and that the Equal Opportunity Commission was wrong to have found in that manner.
That case took some time, as these cases generally do in the Supreme Court, and my recollection is that ultimately the Supreme Court found in favour of the Equal Opportunity Commission, cementing the original decision that discrimination had occurred. But that was not enough for those councillors, including Dr Nattrass, who then took the matter to the Supreme Court. Of course, during all the time, people living with AIDS, their organisation and their commitment to servicing that community were placed in confusion in terms of their relocation as to where they were supposed to be, as well as the extraordinary time and money consumed in responding to that case. The Supreme Court found in that case on a legal technicality only that the original decision from the Equal Opportunity Commission in WA ought not apply on the basis that a planning decision by a local government authority could not be deemed a good or a service and, as such, the Equal Opportunity Commission had no jurisdiction over that.

That was a spark of unprecedented public anti-gay hysteria, the likes of which we had not seen in Western Australia for some years. Then we come around to May 1995. Acting Deputy President McKiernan, you may recall that that was the time of the inaugural elections for four new councils within Western Australia, including the town of Vincent to which I was elected along with my friend and colleague, now Mayor of Vincent, John Hyde, with whom you would be familiar. Things were going well in the town of Vincent when I woke up one morning to find on the front page of the West Australian newspaper the now Lord Mayor of the City of Perth describing Councillor John Hyde and me as ‘disgusting poofers who controlled Vincent’. This was a stunning revelation, given that I had never met—or spoken to—Dr Nattrass, and I understand the same is true of my colleague Mayor Hyde.

At that time I was particularly concerned about what that meant in terms of public leadership from the City of Perth and also what that meant in terms of the complete absence in Western Australia of antidiscrimination laws on the grounds of sexuality. We now see that that has evolved into an even greater alarming trend. As it happens, there is now a by-election in the City of Perth where, for the first time ever in WA, as I understand it, an enclosure is going to be inserted into the postal ballot for the electors of the City of Perth asking them whether or not they approve of the Lesbian and Gay Pride parade. This is a parade now in its 11th year which last year attracted between 70,000 and 100,000 citizens from Western Australia into the City of Perth and surrounding Northbridge area. It is a festival which the Northbridge traders argue brings in in excess of $1 million on that particular night. It is a festival that the police service which regulate that particular festival claim is one of the safest and friendliest nights of the year. It brings in an estimated $750,000 in parking fees alone. Yet, when the Lesbian and Gay Pride Committee approached the City of Perth for a humble—I think, quite pathetic—$13,500 in funding, Dr Nattrass not only said no but also gave a speech in the chamber which I would argue verged on vilification. Had he made the very same speech about Aboriginal people or Jewish people, in all likelihood he could have been prosecuted or at least charged under Western Australian incitement to hatred anti-vilification laws. The summary of all this is that there is a responsibility on those people in public office to be fair and to be reasonable. There is also the obligation to ensure that there is a duty of care in terms of funding through local government.

Senator Mackay was quite right in saying that it was the Democrats who supported Labor and vice versa in terms of ensuring, at the other end of the ANTS package in June of last year, that ultimate funding responsibility for local government authorities remained with the Commonwealth. I think a part of the reasoning for that is that there is in some quarters a sense of mistrust about how state governments allocate particular funding sources to their local government authorities and a genuine fear on the part of some people that there is often political favouritism or political punishment in those kinds of funding applications. As the minister said in his second reading speech in the House of Representatives and to summarise, the core of this amendment bill before us is that, under the revised tax reform package—that is, re-
vised following the intervention of the Democrats—the Commonwealth will retain, quite rightly, I believe, responsibility for providing financial assistance grants to local government. It is therefore necessary to amend the Local Government (Financial Assistance) Act 1995 to remove that connection with the states’ financial agreements grants, as those will be abolished from 1 July 2000—just some 20-odd days away—as a result of the intergovernmental agreement on the reform of Commonwealth-state financial relations. Of course, a key feature of that agreement is the payment of all GST revenue to the states. This amendment allows that local government financial assistance grants will be maintained on a real per capita basis. So, in essence, this is a stand-alone provision so that local government grants can escalate on a real per capita basis. Clearly, the urgency to pass the legislation is rooted in the fact that it is now necessary to pass this in order to ensure that the federal government is able to make those payments available to local government authorities after 1 July this year, which as I said is just a matter of days away.

My experience and anecdotal evidence in dealing and maintaining a liaison, as I do, with local government authorities and councillors is that there is a general agreement that the ANTS package is good for local government. I have encountered no valid opposition to that. I find that most local government councillors are looking forward to the new funding arrangement and the opportunities that it provides. The information I received from the department yesterday on the budget estimates for 2000-01 for the local government federal agreement grants is that local governments will receive some $1.32 billion in local government assistance grants in the 2000-01 budget—an increase of four per cent or $50.85 million from an estimated final entitlement of around $1.271 billion in 1999-2000. Of the $1.32 billion, approximately $915.8 million is for general purpose grants and some $406.4 million for local roads grants. The four per cent increase comprises a population increase factor of 1.25 per cent and a CPI factor of 2.75 per cent. The CPI element of the adjustment factor to apply to local government financial assistance grants for 2000-01 excludes the impact of indirect tax reform, including the GST. This approach is similar to that being taken in relation to other specific purpose payments to the states. The adjusted CPI of 5.5 per cent measures prices rises to consumers who cannot claim input tax credits. As local government can claim input tax credits, the increase in funding through the CPI element reflects that.

In summary, the Democrats support this bill. We support the ethos of the particular funding arrangements remaining principally with the Commonwealth. I also made the particular point in my second reading contribution that those of us in public office have a duty of care to administer those funds, when sought by individuals and community groups, on a fair basis—without fear or favour. The vilification we have seen in Western Australia is unreasonable and unacceptable but can continue because of the lack of antidiscrimination laws within that state. Once again, this brings home the very strong argument—that the Democrats have supported since 1995—for the passage of legislation through this chamber and the House of Representatives to ensure national antidiscrimination laws on the grounds of sexuality.

Senator CROSSIN (Northern Territory) (11.08 a.m.)—I rise to speak on the Local Government (Financial Assistance) Amendment Bill 2000. I will highlight a number of concerns with this legislation and place on record the inequity which exists in the distribution of funding for local government, particularly in my electorate of the Northern Territory. The debate on this legislation provides me with an opportunity to address the issue of funding cuts the government has made through the financial assistance grants—or FAGs as they are known in the industry—to local government since it first came to office.

The real essence of this bill is the intent to terminate the 25-year Commonwealth-local government funding partnership by transferring responsibility for local government financial assistance grants funding to the states. In May 1984, following a national inquiry into local government finance, the Hawke government abandoned the tax sharing arrangements of the Fraser government
and introduced the Local Government (Financial Assistance) Act in 1986. The key feature of this act was that growth of local government general revenue funding was tied to growth in general purpose funding to the states. This linkage was retained in the Local Government (Financial Assistance) Act 1995, the legislation under which the Commonwealth now provides for local government financial assistance and road grants. The formula is based on the annual increase in state financial assistance grants and special revenue assistance. Since 1994-95, the state grants—and, hence, grants to local government—have increased annually in line with population and CPI movements. Under the 1995 act, local government should receive around $1.32 billion in financial assistance grants in 2000-01. This bill breaks the link between the local government financial assistance grants and state financial assistance grants. From 1 July this year, the Commonwealth will cease paying financial assistance grants to the states and will replace them with the revenue from the GST. Consequently, the link between local government assistance and general revenue assistance to the states will be severed.

This bill also provides me with an opportunity to highlight the failure to exempt local government services from the GST, which this government promised before the 1998 election, only to renege on this commitment within months of regaining office. The GST is the imposition of a regressive and unfair tax on essential services provided by local government to communities in regional Australia, and local councils now have to contend with major GST compliance costs, with inadequate compensation or assistance from this government. We will recall that, in the budget this year, an amount averaged out at only $2,000 per local council has been provided to assist in the implementation of this new tax.

At the beginning of May, the Darwin City Council announced that 270 fees and charges would be affected by the GST. These include: cemetery charges, car parking charges, hire of ovals, library fees, pool entry fees and community centre charges—to name but a few. This situation is the same for each and every town council in the Territory. It is unfortunate the Minister for Regional Services, Territories and Local Government has not been honest with local governments. He claimed that no council would be forced to increase rates or to cut services as a result of the GST. It is now known that most medium-sized councils are facing GST bills of more than $150,000, but this government fails to comprehend that, if services bring in increased costs, it is likely that fewer people will use these services and councils will be forced in future to reassess the level of services being offered in the community. Further, with councils looking at massive GST compliance bills, these will have to be recouped in some aspect of their business. Surely it will be passed on to the ratepayer and, as a consequence of the GST, an increase in rates and garbage collection will follow.

I want to take this opportunity to highlight a very important issue which impacts very severely on local governments in the Northern Territory. It goes to the method of funding and why there should be a review of the way in which the Commonwealth provides these funds to state and territory governments for the allocation of local government purposes. The states grants commissions determine the intrastate distribution of both these payments to local governments. Distributions must be made in accordance with the national principles, which require that grants be allocated as a minimum grant to all councils—that not less than 30 per cent of the total funds be distributed on an equal per capita basis, the remainder being on the basis of horizontal equalisation and effort neutrality; that individual council policies should not influence their grants; that the needs of Aboriginal and Torres Strait Islander people are recognised; that account is taken of other grant support received by local councils, such as through specific purpose payments; and, that the identified road component should be allocated on the basis of relative needs of councils for expenditure on roads and to preserve road assets.

The interstate distribution on an equal per capita basis and application of these principles means that the distribution of Commonwealth grants to local government does not
achieve horizontal fiscal equalisation among local councils across Australia, or within any one state. Work undertaken by the Commonwealth Grants Commission in 1991 suggested that a distribution very different from equal per capita would be required if state grants were allocated on the basis of fiscal equalisation principles. The guaranteed minimum grant means that equalisation within a state cannot be achieved because councils with no relative need or with more revenue than they need to fund standard service provisions receive funding. As a result, the needs of other councils cannot be met and they are not funded to enable them to provide standard services.

The funding arrangements require that once these funds are received by the states, whilst they have a minimum, they use the fundamental principle of fiscal equalisation in the distribution. Yet when the Commonwealth makes funding available to state and territory governments for distribution to local governments they are not required to use the same principle. Of course, other Commonwealth grants are. All general revenue assistance made available as a result of Grants Commission recommendations is based on this question of horizontal fiscal equalisation. This means that all states and territories are then given resources to provide a similar standard of service for their citizens so that they are roughly equitable across Australia. This is not the case for local government.

I am aware of a letter written by Senator the Hon. Ian Macdonald in his capacity as Minister for Regional Services, Territories and Local Government to the President of the Local Government Association of the Northern Territory. The letter is, effectively, a form letter in which he informs the association—as he is required to do, he says, under section 17 of the Local Government (Financial Assistance) Act—that a review of the act will be undertaken before 30 June 2001. He points out that section 17 of the act specifies that some areas must be covered by a review. The act also requires him to review other matters relating to local government that he may determine. He points out that he has drafted terms of reference, which followed discussions between his department and the Commonwealth Grants Commission. Before finalising the terms of reference, he sent copies to the respective state and territory ministers. He points out that the review is to commence soon, as he wants comments by 3 May 2000.

I would like to quote the following paragraph of his letter for the record:

I am conscious that some in Local Government would have liked wider terms of reference to allow a review of the interstate distribution of funding—so he knows it is out there—

I am also aware that there are some that do not want the interstate distribution reviewed at all—of course, we all know the conflict occurring between the major capital cities and local government in places like the Northern Territory—

This has been a contentious issue between States for some time—that is correct—and was extensively debated as part of the negotiations over the 1999 Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. The Federal Government does not support re-examining this matter as part of this review. For those Councils or Associations wishing to pursue this matter I suggest you approach your State Government for appropriate attention.

That is a most unfortunate response, and I believe it shows that the minister is either not aware of the inequities that occur as a result of this funding, although the response in the letter does not seem to lead us to believe that, or not prepared to tackle and confront the wrath of the major councils in the eastern states if this review was in fact undertaken.

The President of the Local Government Association of the Northern Territory, Margaret Vigants, responded to the minister’s letter on 3 May 2000. She said:

You have advised in your letter of 17 April 2000 that the review is “an important part of the Government’s desire to enhance equity between councils”. In view of this objective, Minister, we would ask that before you approve the final terms of reference for the review, you examine the equity issues associated with the current funding levels councils in the Northern Territory receive under this act.

There are 69 councils in the Northern Territory under various forms of local governance.
They include metropolitan councils such as the Darwin City Council, the Alice Springs Town Council, the Katherine Town Council, the Tennant Creek Town Council and others. They also include a number of community government councils, which are government councils under the specific legislation in the Northern Territory for Aboriginal communities. They also include incorporated Aboriginal communities and organisations that carry out local government services in Aboriginal communities around the Northern Territory. This is an important feature because local government in the Northern Territory does not share the same attributes as local governments elsewhere in Australia. One example is that they do not have any defined boundaries in remote parts of the Northern Territory, nor do they share the same responsibilities. Their responsibilities are different. What Mrs Vigants has done is provide some information to the minister on the way in which grants are made available to the Northern Territory and what impact that has.

You need to know that grants to states and territories are done on a per capita basis of around $44 per person. As a result, because it is per capita, there is no allowance for remoteness, no allowance for disability factors and no allowance for the other issues that are raised when we distribute the funds on the fundamental principles of fiscal equalisation. The fundamental issue is that, because grants are made on a per capita basis, states with a larger population base get a greater amount of funds to distribute around the state to remote areas. This is significant when you actually compare the figures on a state by state basis. In the case of Queensland, for example, the Brisbane City Council is eligible for $38 million per year on a per capita basis but, because of the size of the base in Queensland and the way in which the Queensland government properly distributes those funds, it receives only $12 million, and the rest is distributed amongst other councils. The Northern Territory gets a total of $9 million. Of this, the Darwin City Council gets around $2.6 million, so there is not enough money left to spread around to remote communities on the basis of remoteness and the nature of the services they provide.

As a comparison of how funds are distributed across Australia for towns with approximately the same population—as outlined in the 1997-98 local government national report that I have with me here—Katherine received $849,000, which includes the general purpose and roads funding money; whereas Charters Towers, of roughly the same population, received $1.1 million. Similarly, Alice Springs was allocated $1.5 million but Mitchell in Victoria received $3.2 million, and it has the same population base. The following example is fairly amazing: Peppimenarti, which is an Aboriginal community in the Northern Territory that has a population of 260, got $216,000 but Upper Gascoyne, which is a shire in Western Australia with 261 people, on the basis of this report—so that is one person more—received nearly $1,016 million. So, on the basis of one additional person, they got an additional $800,000. It is the same with Numbulwar in the Northern Territory. They received $245,000, but if you go to Jericho in Queensland, which has the same population base, they got $1.1 million, and Richmond in Queensland got $1.3 million. Port Keats, an Aboriginal community to the west of Darwin, got $200,000, with a population of almost 2,000; Barcaldine in Queensland, a town of an equivalent size, received $1.2 million.

You can see the obvious disparity which results from the way in which the funds are made available. Aboriginal communities get an operational subsidy from the Northern Territory Grants Commission because, significantly, they have no rates base. This is true of most of the local governing bodies in the Northern Territory, apart from the metropolitan councils. They do not have a rates base and they get short-changed in the distribution of funds, because they are distributed unfairly.

The letter from the Local Government Association of the Northern Territory compared the average funding for councils in the Northern Territory with the average for all other states in each of the categories for the 1998-99 year. To provide you with a quick example, the urban council in the capital city, Darwin, receives $1.3 million. The average grant paid to other councils in other states is
$2.3 million. Where you have a small, remote council, of which there are 23 in the Territory, the average grant paid to councils is about $75,500, but in other states it is over $500,000.

As the President of the Local Government Association in the Northern Territory says:

With the loss of this magnitude being experienced each year by Northern Territory councils as a specific outcome of this Act, we regard this as a complete failure to distribute funding on a fair and equitable basis.

In the context of local government, this government has a responsibility, I believe, to examine the equity issues associated with the funding which councils in the Northern Territory receive under this act. One of the major deficiencies is that the funding, which is not made available as a result of the formula to organisations and remote communities which carry out local government functions, is inequitable. If this government truly represents regional Australia, then this major issue will be addressed.

We have heard the minister brag in this chamber about his regional and northern consultations. You should be aware, Minister Macdonald, that the minute people leave your consultations and step outside the room, they are not impressed with your performance. They believe they are being used and that your efforts are not genuine. I would say to you: keep traipsing around northern Australia. You assist our campaign greatly when you talk about issues to do with regional governments. In fact, I think one quote from your meeting in Katherine was: ‘I’m here to listen but let me tell you there will not be one more dollar—not today, not next week, not even next year.’ People were quite impressed with that statement in Katherine.

This is a major issue which is not being addressed, and the minister has determined that it will not be addressed in the review of the local government act. I note that in the letter from Mrs Vigants, she says:

Your specific exclusion of consideration of the interstate distribution of funds will not allow this review to genuinely achieve a more equitable outcome of funds to councils across Australia.

This bill also goes to the matter of road funding. I do not have the time to go through, in detail, local road funding in the Northern Territory, but it is a major issue. Put yourself in the situation of these small councils which might have 50, 100 or 200 people in remote communities and they are 200 or 300 kilometres away from another community. The local road funding they receive is based on a population of people living together in a very isolated place. The difficulty is that neither this government nor the Northern Territory government has accepted any responsibility for providing the necessary funds for transport infrastructure—the roads that link these communities. That is an abrogation of responsibility and, again, the way in which these local government funds are made available should be addressed; or, more specifically, the government should make available a suitable pool of funds for these purposes.

The identified local road grants have received no additional funding beyond the per capita funding and CPI indexes. The Local Government Association of the Northern Territory has said, ‘There are also major equity issues with the interstate distribution of local road grants, and the draft terms of reference for the review do not allow obvious road funding inequities to be revised.’

This bill is the legacy of the government’s attempts to shift all responsibility for local government funding to state and territory governments. It will fundamentally change the role of state governments in relation to local government. It is about time this government was serious about addressing the issues being raised by local government and people in rural and remote Australia. It is about time this government stopped window-dressing its approach to rural and remote Australia by taking travelling roadshows out bush but, at the end of the day, doing nothing and ignoring the concerns that are being raised—particularly by people in local government in the Northern Territory.

Senator GIBBS (Queensland) (11.28 a.m.)—I rise to speak on the Local Government (Financial Assistance) Amendment Bill 2000 and take the opportunity to discuss how the GST will affect councils and the communities they serve.

Looking at the impact of the GST on local councils really drives home how insidious
this new tax is. This GST will attack the heart of this nation. This GST will attack the very services that help hold our communities together. This GST will attack some of the most basic services that local government authorities around Australia offer. And that is not an exaggeration. Let me highlight some of the council services that will attract a GST in just a few weeks time. They include: cremation fees, fire maps, the sale of bins, sundry rubbish removal, library membership, library photocopying charges, library fax machine charges, sportsground hire, catering fees, dog obedience classes, plant and machinery hire, car parking charges, fire hazard inspection fees, sale of rainwater tanks, swimming pool admission fees, senior citizen centre hire fees, recreation centre fees, netball court hire, tennis court hire and fees for removing rubbish. Senator Abetz, could you tell me which of those is totally unimportant?

Senator Abetz—Do not tempt me, Brenda.

Senator Gibbs—I would like any member of the government to stand up and tell me which one of those services is not important to any community. I would like any member of the government to stand up and say which of those services is so unimportant that everyday Australians deserve to pay more for them. Does the opposition really need to get up in this place and tell the government how important local swimming pools are? Three months out from the Sydney Olympics, do we really need to find examples of champion swimmers who had their first lesson in a council pool? Do we really need to explain to the government how important local halls are? Should we really have to explain how bad it is that not only will there be a tax on the books people buy but it will also be on any library services local governments charge for? I suppose we do have to explain all of these things because from 1 July the federal government will be making Australians pay more for these services. Some of them might not mean very much on their own but together they play a vital role in many communities, particularly small communities. Many of these services would not exist in rural and regional areas if it were not for the local council. Many of these services are not viable commercial activities in small regional areas: they simply do not make a profit. Make no mistake: when the federal government decided to tax these services, it was not just attacking local councils; it was attacking regional and rural Australia.

We are not talking about the odd fee here and an extra levy there. The Local Government Association of Queensland conducted a study for the Logan City Council which indicated that more than 260 of its charges could be subject to the GST. The Ipswich City Council is going to be hit very hard by this GST. Figures that have come from the chairman of the council’s Finance Committee, Councillor Paul Tully, show how serious the situation is. The one-off cost of implementation of the GST for the Ipswich City Council is $200,000. That amount includes lost staff time. Since July last year, one staff member has been diverted from other duties to oversee the implementation of the GST. There are currently four staff working on the GST full time. The ongoing costs of GST implementation for the Ipswich City Council are estimated at $100,000 a year. The council also estimates that it will lose about $20,000 a year from lost revenue. That lost revenue comes from things such as parking meters and photocopying machines that have a fixed coinage charge, which are too expensive to change. Every time someone puts a dollar into a parking meter, the Ipswich City Council will pay 9c to the government, so by this time next year the ratepayers of Ipswich City Council will be $320,000 out of pocket. That is $320,000 that could have been spent on roads, $320,000 that could have been spent on parks and $320,000 that could have been spent on books for our libraries and other services that they provide.

Councils will now have to include a 10 per cent GST in the price of these services. They are not commercially viable so councils will have to decide whether they will increase these fees and charges by 10 per cent—and take the risk of putting the price above the
level the community can afford—or subsidise the GST increase out of their rates base. Whichever way you look at it, local communities will be the big losers. These services provided by the local councils were never designed to make a profit. The charges were levied by councils to help cover the costs of these valuable services but rarely did they actually cover those costs so, in reality, the rates residents pay to their local council subsidise these activities, sometimes quite heavily. Of course, the councils are particularly upset about this because they were originally told these things would not be a problem at all. In the 1998 election campaign the government promised local government authorities that the non-commercial activities of councils for which a nominal fee was charged would be GST free. That made sense at the time because the services had a large community service, non-profit element. The advice was given to local government authorities through a letter written by the Federal Director of the Liberal Party, Mr Lynton Crosby, on behalf of the Prime Minister. The letter stated:

The non-commercial activities of government will be outside the scope of the GST. This means that where a service is provided free of charge, or for a nominal charge, the GST will not apply.

That gave local government authorities a bit of reassurance. Having been assured by the head of the Liberal Party in Australia, they felt reasonably confident that the community services they offered their local constituents would not be taxed by the GST—and so did the Australian community—but they had been misled. Then, less than six months later, they found out the whole thing was a sham. At a Senate estimates hearing last year, the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, revealed the truth. He told Senator Mackay:

I am aware—and I guess you are coming on to this; perhaps I can pre-empt this long tortuous process—there is a letter from the Liberal Party campaign office prior to the election suggesting that nominal charges would be exempt. That is not correct. To all intents and purposes it is correct, because if the nominal charge is 10 cents the GST will be 1 cent. But it is on the charge that is made. That is what Senator Macdonald said. So, from that statement by the minister, one would surmise that it was clear that the government was going to define all the activities of local government for which a small fee or charge was levied as commercial. The government either missed the point entirely or chose to simply ignore that these activities are community services—services which are very heavily subsidised by ratepayers; services vital to the community which are not attractive to the private sector. The current government has shown again and again its ignorance of the importance of local government. This government has cut financial assistance grants to local government in real terms since it came to office. It has attempted to terminate the 25-year Commonwealth-local government funding partnership by trying to transfer the responsibility for local government financial assistance grants to the states. The government has also hit councils with major GST compliance costs but has provided inadequate compensation or assistance. On several occasions Senator Ian Macdonald told us how much local councils were looking forward to the GST. In question time on 26 November 1998, Senator Ian Macdonald said:

Local government is keen on the GST and the tax reform agenda of this government.

During estimates last year, Senator Ian Macdonald said that local governments understood the GST and were very positive about its introduction. We were dubious about that claim at the time, and now, as we get closer and closer to 1 July, more reports of councils complaining about the GST are coming to light. Let me take the Burdekin Shire Council, for example.

Senator Mackay—Whose council is that?

Senator Gibbs—This is the same council that Senator Ian Macdonald once served on.

Senator Mackay—Really!

Senator Gibbs—Absolutely. And I must tell you that the Burdekin Shire Council is not happy with the GST.

Senator Forshaw—I bet you they’re happy that Senator Macdonald is no longer with them!
Senator GIBBS—I think so!

Senator Mackay—And what did they have to say?

Senator GIBBS—I will tell you what they said. This was in a short article that appeared in the Observer newspaper last week. The headline reads ‘Council fees will jump due to GST’.

Senator McGauran—That is a lie.

Senator GIBBS—I have it right here, Senator McGauran. The article goes on to say:

Burdekin Council has not ruled out fee increases of up to 20 per cent next financial year. Some service fees will rise at least 10 per cent due to the introduction of the GST but the Federal Government is yet to determine exactly which fees will attract the consumption tax. But coupled with the GST is a push towards the ‘user pays’ concept for council services. Fearing public outrage, councillors gave the cost recovery principle a cold shoulder last week but stopped short of ruling it out altogether. A decision has been delayed until June 7, when a more detailed report will be considered.

A preliminary report at last week’s council meeting claimed all current fees would have to be increased to ensure cost-recovery on services. But councillor Llew Davies said he thought council could not justify heavy increases. ‘Everyone hates the GST already and for us to double that impact is not going to make us any more popular,’ he said. Other councillors agreed and refused to push approval for fee adjustments despite tight time constraints. Administration co-ordinator Tony Vaccaro explained cost recovery meant some fees would rise by 10 per cent which, when combined with the GST, meant the increases could add up to 20 per cent.

Get out your calculator, Senator. It continues:

‘But it would not be a blanket 10 per cent increase. There would be some that rise by only seven per cent,’ he said.

So there you have it: ‘Everyone hates the GST’. And that is from the very same council that the minister served on. Whatever you make of the arguments expressed in that article about cost recovery, there can be no doubt that the minister’s claim that councils love this new tax is an absolute furphy.

But the impact of the GST on regional communities is not confined simply to local councils. Earlier this year I spoke on how the GST would impact on agricultural show societies. That situation needs looking at again. When I raised it, Assistant Treasurer Senator Kemp ridiculed me and said that I did not understand the implementation of the GST. However, on advice from the tax office, I can say that it will affect every small show society in Australia. These show societies will now have to pay GST on donated trophies, complimentary passes, sponsorships, gate entry fees, memberships, site fees and sideshow ground rent. They will also have to pay GST on the competitions that they run. So not only will the people in regional and rural communities have to pay the GST when they go to hire out a local hall or swim in the town pool, they will also have to pay the GST when they go to their local show. They are going to be hit from every side by this tax. I expect that Senator Ian Macdonald will stand up and tell us that local governments will not need to raise their prices for these services because they will enjoy savings in a range of areas. Senator Ian Macdonald has already cited the reduction in fuel costs and the removal of wholesale sales tax as potential areas of savings. Considering the blow-out in petrol costs over the last few months—and everybody has felt that—I do not see how anyone can now reasonably claim that petrol will be cheaper after 1 July. It just will not happen.

The opposition are not opposed to this legislation. Indeed, we are pleased that the government will continue direct Commonwealth assistance to local government, although under the original GST package this was not the case. Unfortunately, there are a few things the bill has not done. The first is that the legislation has not restored the $15 million that the government cut in 1997. It is also worth noting that there is no real provision for any substantial support for local government with respect to the costs of implementing this new tax. For most medium-sized councils, the cost of upgrading their computers and training their staff for the GST is about $100,000. The Local Government Association of Queensland has estimated that their members will spend $7 million implementing the GST. That $7 million has to come from somebody, and it will probably come from ratepayers. At present the gov-
The government has allocated less than half that amount nationally.

The government tell us that after 1 July everything will be fine. They tell us that every Australian will be better off after 1 July. I do not think they are looking very hard, because every Australian out there knows that they are not going to be better off after 1 July. The government do not seem to have any idea that this tax is completely unfair and will hit regional and rural Australia much harder than it will hit the big cities. This is just another example of how the government are all talk and no action when it comes to the issues affecting regional and rural Australia.

Senator FORSHAW (New South Wales) (11.46 a.m.)—At the outset let me comply Senator Gibbs on her excellent contribution on the Local Government (Financial Assistance) Amendment Bill 2000. The content was so detailed that it has probably enabled me to shorten my comments in this debate. Senator Gibbs has detailed very well the real impost that is going to impact upon local government when the GST cuts in in July. The minister is not yet in the chamber but I understand he is going to grace us with his presence for once and participate in this debate. This minister and this government have no idea about the problems that local government is facing and is going to face with the introduction of the GST.

In her excellent speech, Senator Gibbs pointed to some of the comments that have been made by Senator Ian Macdonald regarding the GST and his claims that it will be of huge benefit and that he really does not have any concerns, and does not believe that local government has any concerns, about the GST. If you have ever had the torturous experience of having to sit in estimates hearings with Senator Ian Macdonald, you will know that he continually refuses to answer questions but nevertheless wants to give us the benefit of his wisdom on any number of subjects. When asked specific questions, he either refuses to answer them or, if he does not know the answer, invariably refuses to even take them on notice. Senator McGauran and Senator Mackay will recall that at the recent estimates hearings on 25 May it even got to the stage where Senator Macdonald was having an open dispute with officers of his own department about information and answers to questions that they were giving to us in those proceedings. Invariably it was Senator Macdonald sitting there saying to his departmental officers, ‘Look, I don’t know, but I think you’re wrong.’ That was the tenor of his contribution.

I will quote from the estimates Hansard on 25 May in respect of this issue of the impact of the GST upon local councils and what information this government and this minister have about that issue. It reads:

Senator MACKAY—Have you asked any of the councils how much GST implementation is going to cost?

Senator Ian Macdonald—There have been a number of independent studies done. He does not answer the question. He says, ‘There have been a number of independent studies done.’ It goes on:

Senator MACKAY—Have you asked any councils?

Senator Ian Macdonald—I don’t think so. I do not think too many councils have raised the issue with me. Perhaps late at night over a beer one or two might have. There are a lot of independent studies around.

Senator MACKAY—So, Minister, you have not received or sought any information on the implementation of GST costs in local government? Is that correct?

Senator Ian Macdonald—I have not sought or received. As I say, one or two might have spoken to me, but I have received no formal submissions from anyone on them, no.

Senator Mackay asked a question of Ms Parsons, one of the officers:

Senator MACKAY—Ms Parsons, has the office asked any councils about the cost of implementation of the GST, and whether they are happy with the LGIP?

Ms Parsons—No.

Further down that page, Senator Macdonald makes this classic statement:

We have said any number of times at any number of estimates that we have not done any assessment or analysis from within the department, nor do we intend doing it.

What an arrogant attitude for a minister and for a government to have to the implementa-
tion of what they themselves claim is the biggest ever change in the tax system in this country. Local government is an incredibly important aspect of the levels of government in this country. For many people it is essentially the area of government that they have most contact with. Senator Gibbs and Senator Mackay in their contributions pointed to the range of services that local governments around Australia provide. As federal members of parliament, we know—indeed, state members of parliament know—that when people need to approach government in their day-to-day lives, very often the particular issues of concern are local issues: roads, provision of community services and so on.

You would think that the government would regard it as an obligation, as a priority, to go out and ascertain the impact of the GST on local government. Of course they have not done that and they do not intend to do it. Why? It is all based upon this belief that they have, and they continue to believe it because they have to. They know, if they are not correct, that the consequences for them at the next election will be catastrophic. They continue to have blind faith in the view that the GST will be of benefit to everybody. Treasury has told us that and Mr Costello has told us that, so they do not have to even investigate that premise any more. This has occurred right through all the departments. Whenever any senator has attempted to ask questions in estimates hearings about what a particular department have done with respect to the implementation and application of a GST in their area, they say, ‘It’s not our business. We have not done anything.’ If you talk to the Department of Agriculture, Fisheries and Forestry, where the GST will have a huge impact right across the portfolio areas, they say, ‘No, we haven’t done any work on it.’

Senator Mackay—Regional?

Senator FORSHAW—Transport and Regional Services particularly say, ‘No, we haven’t done any work. That’s all Treasury and the department of finance. Let them worry about it.’ This is an incredible attitude but one we are not surprised at, because it demonstrates the arrogance of the government. When he came to office, Mr Howard claimed he was going to set new standards, he was not going to break any promises and he was going to remain true to his word. He is on the record as having broken one of the most solemn promises ever made in an election campaign. Remember ‘there will be no GST’? He broke that promise and it is going to cost him dearly at the next election.

In respect of local government in particular, which is what this legislation is directed at, I have to compliment the previous speaker, Senator Gibbs. She drew attention to the commitment given by the Federal Director of the Liberal Party that the GST would not apply on non-commercial activities—all those many services that Senator Gibbs read out. But Senator Macdonald, having a flash of insight, said one day at a hearing, ‘Mr Crosby is wrong. Don’t believe what he tells you. Don’t believe the solemn commitment that local government will not really be affected by the GST.’ We know, and he has admitted, that the GST will be applied to those non-commercial activities.

Is it any wonder that councils would not even bother raising their concerns with this minister and this government? In the Labor Party, we have been out there talking to many councils in New South Wales. We know that each one of them is grappling with the implementation of the GST and the problems it has raised for them. They are very concerned. Senator Macdonald hides behind the defence, ‘They haven’t rung me up.’ First of all, why would they bother? Secondly, Senator Macdonald is disingenuous in the argument that because they have not necessarily rung him with their problems, therefore one can conclude there are no problems.

What has been the factual position about this issue? The factual position is that it was not until the end of January this year that the draft determination on exempt taxes, fees and charges was made available. So local government in particular were not even made aware of precisely the range of areas where the GST would apply until the end of January this year—only a couple of months ago. They have been waiting for months for that information. I understand it had been sitting on the Treasurer’s table since about August last year. So when Senator Macdonald told us at estimates, ‘They never raised any of these
issues with me in the last 12 months,' they have not had an opportunity to because they have not been given the information by the government upon which to then examine precisely the impact. Further, presumably they were relying upon the guarantees given by various ministers in the government that they would be only slightly affected, if at all. Since January, and particularly since March when that list was finalised, they have known the full extent of the application of the GST on their services. They do not now have time to worry about ringing up Senator Macdonald because they are working overtime, spending thousands and thousands of ratepayers’ money, trying to come to grips with exactly how this system is going to work.

Only a couple of weeks ago, after the budget, I was visiting northern New South Wales, talking to local councils up there. Senator Mackay was there—she will recall it. They were telling us that they have just had to get on with the job of trying to work out how they are going to continue to fund the services that they have to provide, one, with the implementation of the GST and, two, having regard to the fact that the federal government really have no interest in local government and have said, ‘With all of your issues now, go and talk to the states.’ That is their attitude. It is just like their attitude to regional Australia generally. I think it was Minister Anderson who said the national government really do not even have any constitutional role in regional Australia. In rural Australia, it is local government that often provides basic services which, in other parts of Australia, particularly metropolitan areas, may be provided by other agencies.

For instance, many councils in rural and regional Australia are responsible for the water supply service. They are responsible for providing the sewerage service. These are services for which, in the big cities, there is often a state department or a statutory authority or even, in some cases, a privatised body; but when you get out to the local councils in rural and regional Australia, they are the last men standing in terms of providing these sorts of services. They are finding it increasingly difficult because this government has not provided any real increase in funding for local government. That was pointed out earlier by Senator Mackay. They are very much like small business—the basis of the economy of many of these country towns—and they are trying to understand and grapple with the implementation of this system. They have real problems with it. But this minister and this government are not even interested in finding out about that.

What is this minister really interested in? He is interested in interfering in local government when it suits him for political purposes. He is the minister for interfering in local government; he is not the minister for representing local government or the minister for solving the problems of local government. As I pointed out earlier, at estimates Senator Macdonald can never answer a question. He wants to sit there and argue but he will never answer a question. Yet when there is a council election on, he can answer a dorothy dixer from his own side, like he did yesterday. He was asked a question yesterday about the South Sydney Council. He tried to take the opportunity to attack the South Sydney Council. Why would he do that? Why would he pick on the South Sydney Council? He was not going to pick on the Burdekin council, was he? There might be a bit of local embarrassment.

He picked on the South Sydney Council because he knows that there is going to be an election soon. I think he probably knows what the result is going to be. His attacks in this chamber on the South Sydney Council are not going to make any difference to the result, because just as he did when he tried to attack the Brisbane City Council, again through dorothy dix questions in this chamber, he will again end up with egg all over his face. Just as the Labor Party won a resounding, overwhelming, historic victory in the Brisbane City Council, I am certain that Vic Smith and his team, who have been serving the community of South Sydney so well for so long, will again triumph at the council elections.

Let Senator Macdonald come in here and answer his dorothy dix questions, have a bit of fun and try to make a few political attacks upon the Labor councils and upon local government—but it is sad. As you travel around
rural and regional Australia, as I do whenever I get the opportunity, when we can get away from these hallowed halls here in this building, you really get to talk to people who are out there, in local government particularly, endeavouring to provide the services that their citizens need and to plug the gaps that have been created by this government federally and, at times, by state government.

When the federal government pulls the funding out, when it says it is not even interested in finding out their concerns, what do local councils do? They cannot just walk away from the problems like Senator Macdonald tries to do; they have to confront those ratepayers, those citizens, every day. They know that they just cannot put up the rates willy-nilly, because in many of these areas the rate income base is very low. They are going to be hit hard in a whole range of service areas, but they are going to continue to struggle to provide those services because people living in those areas are entitled to them. Whilst we are supporting this legislation because of its technical nature, we want to put firmly on the record that this is a minister and a government that have lost interest in local government. If you do not believe that, all you have to do next week when parliament is not sitting is get out there and talk to them. But I think it is going to be too late.

Senator McGauran (Victoria) (12.05 p.m.)—Any council that goes around saying, as Senator Forshaw has just led us to believe, that it is going to be hit hard by this GST is utterly misleading its ratepayers and ought to front before the ACCC with a few of the others, like Woolworths, who have attempted to mislead. Of all the sectors of society, local government will benefit the most from the introduction of this tax package as a whole. Senator Gibbs spent 19 minutes of her speech, which was patronisingly praised by Senator Forshaw when he knows the truth of the matter, running down this government’s tax package and its effect on local government. It was all wrong, of course. Then she spent the last minute, for those who were listening on broadcast, saying, ‘But we don’t oppose this bill.’ What empty rhetoric. If you do oppose it, what are you going to put up in its place? The benefits of this bill are actually supported by the New South Wales Treasurer, Mr Egan, a Labor Party Treasurer no less. He issued a statement totally undercutting everything you have said, Senator Forshaw, as you scuttle out of this chamber. The Treasurer of the New South Wales government, a well known Labor government, said himself that local government stands to benefit greatly from the introduction of the goods and services tax.

It is pretty simple arithmetic: $25 billion or thereabouts will be collected in respect of the GST and that full amount goes back to the states. It is more than they are receiving at the moment and it is attached to growth—to retail spending, predominantly. The states will have more to distribute amongst local government. Local government know that. The Treasurer of New South Wales, Mr Egan, knows that. Those on the other side are about the only ones who do not know that. I would say Senator Forshaw knows that, because his whole speech at least admits to being a political speech, whereas Senator Gibbs has been totally and intellectually misled. Senator Forshaw has not been misled because he is an old political player from way back. He mentions the South Sydney Council. He said it was an attack by Ian Macdonald because there is a forthcoming election. That may well be true, because we wish to alert the ratepayers of the deceit of the South Sydney Council. You never mentioned what that deceit was, nor did you deny what that deceit was. They issued a statement to their ratepayers that they will be worse off with the GST—that the rates will be GSTed. That is utterly untrue. The South Sydney Inner City News said:

Financial officers from the South Sydney and neighbouring councils fought long and hard to limit the impact on ratepayers and residents of the Howard GST—intimating, and no doubt saying publicly, that there will be GST on rates. When the package was first announced, rates were GST exempt. This is a falsehood by the South Sydney Council. What a bunch of misleading—

Senator Mackay interjecting—

The Acting Deputy President (Senator Knowles)—Senator Mackay, you
have done nothing but interject right throughout the last 40 minutes.

Senator Mackay—Madam Acting Deputy President, I rise on a point of order.

The ACTING DEPUTY PRESIDENT—
I am speaking, Senator Mackay. I would ask you to refrain from constant interjection.

Senator Mackay—Madam Acting Deputy President, I rise on a point of order. There were continual interjections from Senator Abetz previously. I notice you did not pull him up, so I would ask you to be equal in relation to your rulings.

The ACTING DEPUTY PRESIDENT—
There is no point of order, Senator Mackay, and you know it.

Senator McGauran—Now that we have seen Senator Mackay enter the debate, disorderly as it was, I should take up Senator Forshaw’s comments in regard to the rural and regional estimates committee, which I happen to be on. That would have to be the most banal committee any senator could have the misfortune to be on. When Senators Mackay, Forshaw and O’Brien enter the room, it goes for a day longer than any other estimates committee. There is not one strike. Name one strike. At least Senator Ray and Senator Faulkner get the odd strike—the curtains in the Prime Minister’s office or some little run in the Telegraph, which always loves to run those little banal issues. But let me tell you, Senator Mackay, you have not had a strike. Nor has Senator O’Brien. Nor has Senator Forshaw. Your questions go nowhere but they go for a very, very long time. Is it any wonder Senator Macdonald’s patience is tested like a saint’s? The man in fact does reply, but how many times—I am sorry I do not have the Hansard here—does a man have to reply to the same question? You know that. When he put the question to you, ‘Well, what’s your policy?’ you said, ‘We’re not announcing any policies until we are in government,’ which is in direct contradiction to Senator Sherry. At least he gave us some hope there would be policy. Some 18 months ago he told us, ‘There’ll be policy at the Hobart conference coming up in a couple of weeks.’ I thought, ‘Well, I’ll sit and wait for the Hobart conference.’ That has just been put aside now, because Senator Mackay tells us on the record, ‘No policies until we are elected.’ Senator Mackay, you will never get elected under that, but it is pretty dumb logic, nevertheless. I urge you to maintain that thought.

Senator Forshaw interjecting—

Senator McGauran—That is an indication of the dumbing down of this committee, Senator Forshaw. Senator Macdonald cannot take any more of the dumbness of this committee. It is the most banal committee—

Senator Forshaw—Maybe they should get you off it, then.

The ACTING DEPUTY PRESIDENT—
Senator Forshaw, this is not a football match.

Senator McGauran—I feel I make one of the better contributions of the committee.

Senator Forshaw—Madam Acting Deputy President, I rise on a point of order. Throughout the last five or 10 minutes, Senator McGauran has been directing his remarks directly at me. I have to confess I fell to the temptation and responded. But maybe he should be required to address his remarks through the chair.

The ACTING DEPUTY PRESIDENT—
It would be helpful if Senator McGauran did address his remarks to the chair but it would be equally helpful if opposition senators did not treat this place as a football match and keep screaming out.

Senator McGauran—Thank you, Madam Acting Deputy President. I will henceforth direct my comment through you. Back to the central issue, local government. As I said, of all the sectors of society which on balance will benefit from this legislation, local government will benefit the most. As you scuttle out of the chamber, Madam Acting Deputy President, through you—

The ACTING DEPUTY PRESIDENT—
I am not scuttling out of the chamber.

Senator McGauran—I admit I lapse in concentration. Back to the issue. Local government will benefit from the tax reform through removal of the embedded wholesale sales tax. We are going to keep drumming that in. I know you have heard it a thousand times through this debate, which is coming to
its end now. It is becoming contradictory for you. It is becoming highly political. It is becoming absurd for you. We only have another two weeks of parliament for this debate and then we will see. After 1 July, let us see. You are banking so much on this because there is nothing for you on the other side of 1 July. In regard to local government, the wholesale sales tax will be abolished. There is no greater payer of wholesale sales tax than local government itself. On all its transport costs there will be huge savings. General rates, such as water, drainage, sewerage and compulsory rubbish will be exempt. I should pick Senator Gibbs up on that. She said rubbish would be GSTed. Rubbish is not GSTed; it is GST exempt. Fines and penalties and so on will be GST free. All in all, in conclusion I would have to say that local government is a great beneficiary of the whole tax package, as are their ratepayers.

Senator HUTCHINS (New South Wales) (12.14 p.m.)—In this debate on the Local Government (Financial Assistance) Amendment Bill 2000 I would like to make a few comments on how this bill, and the way it facilitates the introduction of the GST, will impact on areas that I am associated with in Sydney. The Labor Party of New South Wales has a very fine record of having members in this federal parliament who have had extensive experience in local government. Mrs Crosio, the member for Prospect, was the Mayor of Fairfield. The Chief Whip, Leo McLeay, was on Marrickville Council. Bob Horne was on a council up on the north coast; I cannot recall the name of it. Roger Price was the Deputy Mayor of Blacktown. John Murphy was, I think, the Mayor of Drummoyne. A number of other members in the federal parliament have had a distinguished career in local government.

People who have had that experience—I note there would be very few people in the government who would have experience in local government—can tell you exactly and directly the impact the GST will have on local government services and facilities. I have never had any experience in local government, but I have been involved in many local government campaigns in my life and I make sure that we get them up.

Senator McGauran—I have.

Senator HUTCHINS—For the benefit of Senator McGauran, we have a term in Sydney called ‘Pitt Street farmers’. I am told that in Victoria you call them ‘Collins Street farmers’. I talk from experience, having been involved in regional and rural councils in New South Wales. I have been advised by my colleagues of the detrimental effect the introduction of this GST will have on council services and facilities. In the 1997-98 budget the Howard government cut assistance to local government by $15 million, which has not been reinstated. We were told before the 1998 election that nobody would be worse off under the GST. As I will demonstrate in a moment, that is clearly untrue.

One of the areas I look after as a duty senator, Parramatta—a council that has a Labor lord mayor but is not controlled by the Labor Party—have advised me of what they see as the start-up costs of the implementation of the GST. Among the expenses they will have to find as a result of the GST coming in after 1 July will be the following. They believe that the use of their swimming pools will cost an additional $35,640 to their ratepayers. The hiring of sporting fields will cost $10,908. Library fees and services will cost $5,172. Parking fees will increase by $315,000 and golf course fees by $74,000. The hire of council halls will incur an additional cost to the ratepayers of $16,061.

These higher costs will affect school holiday programs, senior leisure centre learning, site inspection and testing fees and senior leisure learning activities. But that is not the end of it for a council the size of Parramatta. What they will have to do in addition—which they are already budgeting for—is to work out the derived costs of the GST. They are budgeting for expenses of over $160,000 this financial year to cover the implementation of the GST. This money will go to the purchase of new software for their accounting systems, computer upgrades, and labour associated costs for training and retention of an additional accountant to coordinate the council’s quarterly tax returns.

This council will have to find another half a million dollars to continue the services they are currently providing to their ratepayers.
Yet the government have only budgeted for $2.5 million to assist councils throughout Australia with the implementation of the GST. Parramatta Council, which is not a large council in terms of the size of Sydney, will have to find an additional half a million dollars. The Howard government went to the last election and said ‘No-one will be worse off.’ That is clearly untrue. I would like to say more at the end of my comments about the truth that we should be trying to articulate as politicians.

I turn to another area I am involved with. I am a ratepayer of Penrith. Once again, we have an independent mayor there and a Labor minority. So these councils are not Labor controlled. I have been advised that for the hiring of sporting fields, say, the netball courts in Penrith—I think there are 28 or 30 or maybe even more netball courts—they are going to have to find an additional $14 per court per season, that is, little girls who run around on the netball courts all day Saturday are going to be slugged with an additional cost. If you hire a sporting field to play rugby league or rugby union or soccer, costs in the same category will increase by between $28 and $68 for each sporting club. You may notice, Madam Acting Deputy President, that I did not mention AFL because it is not all that popular up in Sydney, but it may be down in Tasmania.

The cost of hiring council halls in places like Cambridge Park, Andromeda Drive, Kingswood Park and Autumn Leaf Neighbourhood Centre, which may be used for twenty-firsts, weddings and sporting club presentations, will go up anywhere between $10 and $20. A yearly pass for a family into Penrith pool will cost an additional $64. The cost for that family will go up to $484. The Gold Squad Swimming Coaching Team there will have to pay an additional $13.50 per month per child. That adds up to $162 per annum. These are our future Olympians. They are going to get slugged by this mean government.

The council estimates that they will have to spend over $20,000 initially to upgrade and comply with the costs of collecting this tax. But it is not only there that the people of Penrith are being taken for granted. Miss Kelly, the member for Lindsay, seems to have some sort of direct pipeline to the Prime Minister. She might have a pipeline to the Prime Minister in publicity but we cannot get anything out of the Howard government for the residents of Penrith. The people of Penrith have been asking for funding for the preservation of parts of the ADI site at St Marys—refused. They have been asking for assistance in the flood mitigation works along the Hawkesbury River—refused. They have been asking for funds for the hydrotherapy pool at St Marys—refused. They have sought funding for several Federation Fund projects, and they have similarly been refused.

But I suppose one of the worst aspects of what the government has done that has been identified out there is a problem of community safety in the ramps off the M4 onto The Northern Road. The residents of Penrith went to the Commonwealth and asked for assistance in the black spot funding and, once again, it was refused. One lucky thing that came out of Western Sydney is the fact that we have a sympathetic and caring state Labor government and, because of community safety, that money was found and the problem has been fixed up. They are some of the difficulties that local governments will experience come 1 July. It is simply untrue that people will not be worse off. They simply will be worse off. Already councils are rightly preparing themselves for the backlash that will occur.

I said earlier that I wanted to speak briefly about people making promises that they cannot keep. I think it is really a difficulty for politicians, whatever side we are on, that, if we keep making these sorts of undertakings, then we should keep them because people despair of public affairs at the moment. I do not think we do ourselves any good by making outlandish promises that we never have any intention of keeping. If the government had made promises and they are going to keep them and look after their constituency—all well and fine. That is the nature of things. But when the they go to an election, when they mislead people, when they try to pull the wool over their eyes, people are rightly angry and frustrated when they do not deliver. If we
look at it in terms of the politics of the day, you will note that both parties can get only between 77 per cent and 80 per cent of the primary vote—that has slipped in the last 20 years. It does not matter whether it is us or those on the government side, you should not make promises that you cannot keep, and you have misled people time and time again. I will tell you one thing, Madam Acting Deputy President—and I suppose senators here are lucky: your colleagues in the House of Representatives are going to get it in the neck next federal election, no matter what you do.

**Senator CALVERT (Tasmania)** (12.24 p.m.)—I believe that Senator Hutchins during his speech made the assertion that hardly anyone in the government has experienced local government. I am not too sure what the situation with the coalition is in the other place, but in this place—

**Senator Sherry**—This is not a point of order.

**The ACTING DEPUTY PRESIDENT (Senator Knowles)**—Senator Calvert, to the best of my knowledge, has not raised a point of order. He is speaking to the bill.

**Senator Mackay**—You are not on the list!

**Senator Calvert**—So what!

**The ACTING DEPUTY PRESIDENT**—I would ask honourable senators to resume their seats. Someone does not have to be on a list to get a speaking—

**Senator Sherry**—You know the procedures of this place. You are breaking the procedures of this place.

**The ACTING DEPUTY PRESIDENT**—Senator, if you wish to challenge the chair, I suggest you do so formally. I am trying to advise the Senate of procedure. The procedure is that a senator will be called from alternate sides. If a senator jumps on the other side and seeks the call, he or she is entitled to be given the call. I call Senator Calvert.

**Senator Sherry**—I rise on a point of order. My point of order goes to the understanding of the way procedures operate in this place. You well know them, and particularly the Government Whip well knows the procedures that operate in this place. If those procedures are to operate so that this chamber can operate effectively, then speakers such as Senator Calvert cannot jump the speakers list. That is well known. If we are not to follow those procedures, then this place will not operate effectively.

**Senator Vanstone**—On the point of order: there is normally a speakers list for each bill and, more often than not, that is followed. What you said is correct: speakers are taken from one side and then the other. During the 16 years that I have been here, if someone decides that they want to speak, they come in and, if there are no other speakers on their side and they jump, they are given the call. The speakers list is there as a means of trying to give everybody the best understanding of what is happening. This has been the case when I was in opposition and has remained the case while I have been in government. If people want to speak, they are entitled to, unless the whips have come to an agreement that there is a limited—

**Senator Sherry**—What is the speakers list then—an agreement between the whips?

**The ACTING DEPUTY PRESIDENT**—Senator Sherry, Senator Vanstone has the call.

**Senator Vanstone**—Unless there is a formal agreement, as there sometimes is in relation to some debates that there will be a limited number of speakers who will all speak for a limited number of times, the rule remains that any senator who wants to speak can come in and get the call.

**The ACTING DEPUTY PRESIDENT**—There is no point of order, Senator Sherry. I call Senator Calvert.

**Senator CALVERT**—I did not want to create all this fuss and bother. All I wanted to do was put on the record, which I am entitled to do—

**Senator Sherry**—At the correct time.

**Senator CALVERT**—I point out that Senator Julian McGauran spoke a while ago and I do not see his name on the speakers list. I can tell you this as whip: speakers lists change all the time as we are going through. People drop off, people jump up the list, people come down the list. I am not particularly interested in that. All I wanted to do was to put on the record for those people who may
have thought that there were no people in the Senate, in particular, who did not have local government experience that there are 10 members of this government who have been members of local government. I would like to know how many on that side of the chamber have been members of local government.

Senator SHERRY (Tasmania) (12.29 p.m.)—In respect of Senator Calvert’s contribution, it is well known in this chamber that there is a speakers list. It is agreed to by the whips on both sides. For this chamber to operate effectively, we all know that these informal mechanisms that are agreed to have to be followed. I find it appalling that, because the Government Whip in particular, Senator Calvert, wants to make a point, he should jump the speakers list. I do not object to him making a point; it is where he does it and how he does it that is important. This chamber will not operate effectively unless these informal mechanisms are followed. This is a matter that I am sure our leader and our whip will take up in the appropriate forums. But to come to the legislation before us, which deals with local government financial assistance and relates to amendments—

Government senators interjecting—

Senator Vanstone—Mr Acting Deputy President McKiernan, I wish to raise a point of order. I am sorry you have not been here, because you have been in this chamber as long as I have and you will understand that a speakers list is put together in order to give everybody some idea of what is meant to be happening, but speakers go from one side to the other. If someone comes in and they are not on the list, they are entitled to get the call in order. The point is that Senator Sherry was wanting to speak and was not on the list. Now a revised list has come around because he has had himself popped on. Mr Acting Deputy President, I am just asking you to confirm that, if people come in who are not on the list, they can in fact get the call if there is no-one on their side on the list.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—I understand that the matter was resolved during the course of an earlier series of points of order. I lost the train of the debate from my office to the chamber, and that is why I allowed you to make a more lengthy contribution than I would have normally done. There is no point of order. I call Senator Sherry.

Senator SHERRY—This matter will be dealt with in another forum. It is an important issue.

Senator Vanstone—We’re shaking in our boots.

Senator SHERRY—If you want to get through your legislation, Senator Vanstone, I suggest you pay some attention to it. The claim you just made, Senator Vanstone, was incorrect: I am on the speakers list. I was informed by a whip, and you well know how these informal arrangements operate, Minister. If you want to get through legislation—

The ACTING DEPUTY PRESIDENT—Order! Senator Sherry, you should address your remarks through the chair.

Senator SHERRY—in the time that has been allocated—through you, of course, Mr Acting Deputy President—you will not pull stunts like this again. I will return to bill that we are considering. The Local Government (Financial Assistance) Amendment Bill 2000 makes amendments to the Local Government (Financial Assistance) Act with respect to tax reform. Of course, tax reform is a euphemism for the implementation of the goods and services tax. The formula to be applied by the Treasurer each year to determine the increase in the level of local government financial assistance grants is the issue that we are considering. This formula is based on the annual increase in state financial assistance grants and special revenue assistance. Since 1994-95, the state grants—and hence the grants to local government—have generally increased annually in line with both population and consumer price index movements. Under the 1995 act, local governments should receive around $1.32 billion in financial assistance grants in the year 2000-01. I think it is worth while reminding the chamber that Commonwealth government grants to local government were an initiative of a Labor government—the Whitlam Labor government. Up until that time and since the initiative of the Whitlam government, this government and previous Liberal-National Party governments
have generally ignored the financial interests of local government.

The bill we are considering has two main effects. Firstly, it breaks the link between local government financial assistance grants and state financial grants. The state financial grants will be abolished from 1 July, consistent with the intergovernmental agreement on the reform of Commonwealth-state financial relations. Secondly, the legislation provides for the continuation of the escalation factor for local government financial assistance.

Senator Vanstone—You’re not reading your speech, are you?

Senator SHERRY—Do you want to take a point of order on that, Senator Vanstone, because you will have even more problems in the coming weeks. You dill!

Senator Vanstone—Bully, bully! I might have a heart attack out of fear!

The ACTING DEPUTY PRESIDENT—Senator Vanstone, order!

Senator SHERRY—I will come back to the comments I was making before I was interrupted by Senator Vanstone. There will be the continuation of the escalation factor for local government financial assistance on a real per capita basis for previous years. As with the existing provisions, the amendments provide the Treasurer with the discretion to increase or decrease the escalation factor in special circumstances. This bill also amends the act to implement clause 18 of that intergovernmental agreement to require states and the Northern Territory to withhold from any local government authority that does not pay voluntary or notional GST payments a sum representing the amount of unpaid voluntary or notional GST payments. In other words, it puts the onus on state governments. This is an interesting aspect that I will return to later.

This legislation is a legacy of the government’s attempt to shift all responsibility for local government funding to state and territory governments. In the negotiations that have occurred on GST legislation in this chamber, it was in fact the Labor Party and my colleague from Tasmania, the shadow minister, Senator Mackay, who quite rightly led the debate on this particular issue. Of course, in the later stages of that debate, the Democrats finally accepted the points that our shadow minister and the Labor Party were making with respect to this issue. I would note that, like so many other issues on the GST that the Democrats missed, they had to be alerted by the Labor opposition on this matter. So the Commonwealth will still have a direct financial link to local government. I said earlier that the current Liberal-National government were attempting to shift all responsibility in this area to state governments, in the same way as they have attempted to portray the GST as a state tax when clearly the GST is not a state tax; it is a Commonwealth tax. The GST is legislated for under a Commonwealth head of power. If you go to Budget Paper No. 1 at 4.14 and look at note 4, ‘Indirect taxation’, it lists GST revenue as Commonwealth revenue. No matter what pretence this government attempts to make about it being a state tax, it is clearly not. Interestingly, the GST revenue is listed for the year 2000-01 at $24,053 million, rising to $30,737 million in the year 2003-04. What a massive new tax the GST is with respect to the Australian community.

I will deal more directly with the so-called assistance that is being given to states. In the case of my own state of Tasmania, there will be a base allocation of $67,000 and a notional council allocation of $58,000—a total of $125,000. I will come back to that matter a little later. One of the central arguments by the government in the lead-up to the election and since is that local government will not be hurt by the GST. But this is not correct. The direct rate charges of local government will not be subject to a GST, but there is a long list of what are classified by this government as commercial services that will be subject to a GST. This is on the basis of the so-called competitive neutrality principle. The Treasurer, Mr Costello, has defended the application of the GST with respect to a wide range of local government services on the basis of competitive neutrality. I will come back to that issue a little later.

There is an enormous list of areas that local government are involved in where the GST will be applied. The list includes cremation fees, fire maps, sales of bins, sundry rubbish removal, library membership, library
fax machine charges, sports grounds and reserve hire fees, catering fees, netball court hire, dog obedience classes, plant and machine hire fees, car parking charges, fire hazard inspection fees, sale of rainwater tanks, swimming pool admission fees, library photocopying charges, senior citizen centre hire fees, recreation centre fees, tennis court hire, basketball court hire, adult day centres and fees for removing rubbish. And that is not an exclusive list.

The competitive neutrality argument is that, where a council delivers a service such as those I read out—and there are others—because there is either in reality or potentially a commercial competitor, the GST should apply. This is not an easy principle to apply in practice, particularly in rural and regional Australia, because in many areas of rural and regional Australia the only organisation in a community that will provide many of these services is local government. The fact is that it is simply not commercially viable for a private sector organisation to provide these sorts of services, so why should residents—particularly in rural and regional Australia—be disadvantaged by the impractical application of the so-called competitive neutrality principle?

I will turn to a couple of examples of particular problems that have arisen on the north-west coast of Tasmania. These were highlighted in an excellent article by my local paper, the Advocate, which did a survey of various problems being encountered by councils on the north-west coast of Tasmania. I acknowledge that this survey was also prompted by our shadow minister and my colleague from Tasmania Senator Mackay. I will go through this survey by the Advocate briefly. I make the point that the people who were asked in local government were not councillors; they were not politically biased or motivated in any way. With respect to the Circular Head Council, the financial services manager, Mr Brett Russell, said that the council was unable to estimate how much compliance would be, but that costs were certain to outweigh the savings. The article goes on. The Latrobe general manager, Mr Grant Atkins, estimated that $40,000 had been spent in recent months. He did admit that this was only a guess, but he is in a good position to know. The accountant of the Waratah-Wynyard Council, Ms Lisa Dixon, said that GST factors were putting pressure on the council’s resources. The general manager of the West Coast Council, Mr Paul West, said that he had not kept count of its total compliance costs, but he believed the figure would be very significant. I referred earlier to the allocation made to councils to cover these costs. With an allocation of approximately $2,000 per council, it is obviously woefully inadequate. I think the most revealing comment was from the Burnie general manager, Mr Paul Arnold, who said that the council would lose half a million dollars in productivity costs due to the implementation of the GST. Local government, in some areas, is going to have to wait until 1 July to know what the true costs of the implementation of the GST will be.

I will conclude with a few other remarks. I do attend Senate estimates, usually Finance and Public Administration, and Economics—

Senator Vanstone—Big deal!

Senator Sherry—It is certainly not a big deal, Senator Vanstone, when you have Senator Kemp before you, let me assure you of that. Senator Kemp is well known for his approach to questions, both in question time and in estimates. Senator Kemp answers by being very evasive or irrelevant. But when you compare his performance, which is very poor, with that of Senator Ian Macdonald, Senator Ian Macdonald is the worst performer. At Senate estimates Senator Ian Macdonald does not even attempt to answer any questions. He tries to shut down the estimates by not addressing any issues at all, particularly on the GST, but when Senator Ian Macdonald comes into question time, he can answer questions posed by his side—dorothy dixers—particularly in relation to local government elections. He has done that on a number of occasions. He answered a dorothy dixer in respect of the Brisbane City Council elections. He was attempting to support the Liberal team that was running in those elections. In doing so, he thought he would increase the profile of the Liberal Party team and increase their vote. Of course, we all know the result. The Labor Party won with a crushing majority. One other aspect of
crushing majority. One other aspect of those local council elections, of course, is that the Liberal Party attempted to run a fundraiser for the Liberal candidate. They had to cancel the fundraiser. Guess who was the guest speaker scheduled to attract the Liberal Party faithful to the luncheon? It was none other than Senator Ian Macdonald.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Order! It being 12.45 p.m., I call on matters of public interest.

Mandatory Sentencing

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.44 p.m.)—There has been an enormous amount of publicity recently regarding the issue of mandatory sentencing. It is an unfortunate reality that, amidst this publicity, many of the true issues and facts that should have been addressed in this debate were ignored, derided as being untrue or politically incorrect or described as political propaganda. There is no greater example of inflammatory or misleading statements than those made by the Leader of the Opposition on 4 April 2000 in the parliament. Mr Beazley claimed that a pregnant mother with three young children had been jailed for 14 days as a result of mandatory sentencing. This is totally false and was very obviously part of a campaign by the federal Labor Party to overturn the Territory’s mandatory sentencing laws to benefit their Territory colleagues politically. This was a shameful act by Mr Beazley and his party. He should apologise to the federal parliament for the statement and also to the Northern Territory government.

By virtue of all the misinformation being bandied about, it is also an unfortunate reality that some people will still continue to attempt to overturn the legislation of a democratically elected parliament. I am astounded that Senator Brian Greig can say in this chamber: There is, I think, a strong feeling in the general community and certainly with the government that the issue of mandatory sentencing is over, that it is finished, it is complete and should no longer be dealt with because it has been finalised. He then went on to say that the Democrats do not think it is finalised. So what will they do? They will effectively ignore the wishes of the Northern Territory voters, and the wider community, by attempting to once again ignite this debate and overturn the legislation of a democratically elected parliament. Senator Greig is attempting to do this by tacking an amendment to the Transport and Territories Legislation Amendment Bill 1999, which attacks the Territory’s mandatory minimum sentencing legislation. It is an arrogant and inappropriate response to a very serious issue. Even Senator Faulkner, the Leader of the Opposition in the Senate, thinks that Senator Greig’s actions are inappropriate. He said: I think we have to consider the appropriateness or otherwise of dealing with the mandatory sentencing issue in portfolio bills such as the one we have before the chamber at the moment.

I agree with Senator Faulkner, and it is not too often that that happens. Senator Greig should recognise that the debate has been had; it is over. The legislation will remain. It is appropriate, though, that I as the Country Liberal Party senator for the Northern Territory take this opportunity, now that the hype has died down to a quiet roar and sensible debate can finally take place, to put on the public record many of the facts and positives that were totally ignored amid the hysteria and political opportunism over the last few months.

The media and others totally ignored the most important fact relating to mandatory sentencing: it is legislation that was introduced by a democratically elected government that had put forward mandatory sentencing as one of its main platforms at an election in which it had its most resounding victory ever. The vast majority of people in the Northern Territory agree with mandatory sentencing. They wanted it to be implemented and they want it to remain. Senator Greig must understand that, although he does not like it, Territorians do and that is their right. He must not continue to interfere in the legitimate governance of the Northern Territory.
The issue of juvenile justice and mandatory sentencing attracted the greatest interest in the debate. It should be noted that mandatory sentencing only applies to juveniles aged 15, 16 and 17. I would first like to outline the options for juveniles that are available through the many diversionary programs that have already been approved by the Northern Territory government. These programs may be used when a juvenile appears before a court for the second time and is found guilty of a property offence. The court may require the juvenile to participate in a diversionary program as an alternative to spending time in a detention centre such as the Don Dale Juvenile Detention Centre, which I believe has been described by Amnesty International as one of the best facilities of its type in the world—a model facility.

If the juvenile satisfactorily completes a diversionary program, the court may discharge the juvenile without penalty. There are 21 approved diversionary programs and they include, amongst others: the community services component of the Duke of Edinburgh’s Award in Australia; a Somerville Functional Family Therapy/Intervention Program; a Tangentyere Council Indigenous Five-a-Side Soccer Program; a Victim/Offender Conferencing Program; and programs at Imanpa, Santa Teresa, Papunya, Yuendumu and Titjikala. Proposed programs by 10 Aboriginal communities throughout the Territory are still being considered.

There was a quite absurd situation in the Territory during this debate where the government was criticised because some diversionary programs had not had any juveniles go through them. There is a simple answer for this: the number of juveniles in detention or in need of the programs is so low that, inevitably, there will be programs with no participants. At this very moment, there are 13 juveniles in detention, and only one of them is detained for offences under mandatory sentencing. It is important to note that mandatory minimum sentencing laws are only a part of the Northern Territory government’s broad range of programs to deal with antisocial behaviour. There are many innovative schemes provided by both government and non-government agencies that offer prevention, intervention and diversionary programs aimed at minimising antisocial behaviour and assisting those with problems. The vast majority of these schemes receive substantial Northern Territory government funding.

A major cause of social problems in the Northern Territory is alcohol and alcohol related issues. It is an unfortunate fact that this is a very big problem in the Territory, and the government has many schemes aimed at addressing the issues. I would like to point out that, for the past six years, the Northern Territory government has been recognised by the Alcohol and Other Drugs Council of Australia as the No.1 ranked jurisdiction in Australia in terms of funding for alcohol and other drugs programs. That is but one example of a Territory health program at work.

Returning to the issue of young people at risk, funding has been provided by way of the wine cask levy to some 17 organisations throughout the Northern Territory which have a particular youth focus. The Anyinginyi Congress is receiving funding to implement a community development program addressing antisocial behaviour in Tennant Creek, with youth as a priority. There are two Palmerston Town Council programs, one of which aims to develop recreational and developmental strategies for young people in Palmerston, particularly drug and alcohol diversions, and another which develops and implements a strategic plan for young people in the Palmerston region. The Katherine Youth Group funds a camp during school holidays for at-risk teenage girls, and the Barunga Manyalaluk will progress a junior warden scheme with youth volunteers.

In spite of its efforts in implementing many innovative and highly successful schemes, the Northern Territory has been painted by some in the media—and, unfortunately, even some here in this chamber—as being uncaring, unresponsive and irresponsible when dealing with many social issues. This is simply not true, and it is unfortunate that I do not have more time to describe the innovative and successful social programs the Territory is undertaking.

I would like to table a document entitled *Mandatory Minimum Sentencing: what it is all about, the facts and myths*. This document
not only debunks many falsehoods relating to mandatory sentencing but also gives a good outline of the many programs relating to social issues. I would draw it to the attention of senators and, very particularly, to the attention of the media. Some of the myths that this document debunks include the following: juveniles are jailed the first time they commit a crime; mandatory minimum sentencing laws target Aborigines; people are being sent to jail for trivial offences; a person will receive the same sentence for a trivial offence as for a more serious one; jail should be the last resort for a juvenile offender; a mother of five received 14 days' jail for stealing a pram for her baby; Aborigines, particularly juveniles, are being jailed in large numbers because of mandatory sentencing; mandatory sentencing is sending women to jail in large numbers; mandatory sentencing is wrong in principle; and innocent people are being jailed because of mandatory minimum sentencing. I believe all senators should peruse this document, because it shows the innovative attempts that are taking place at the community level in the Northern Territory to address these very significant problems.

The ACTING DEPUTY PRESIDENT
(Senator McKiernan)—Is leave granted for the tabling of the document? Leave is granted.

Aged Care: Complaints System

Senator CHRIS EVANS (Western Australia) (12.54 p.m.)—I wish to speak today on the question of aged care and the fundamental failure of this government’s aged care complaints system to protect the rights of one of the most vulnerable groups in society—frail, older Australians living in residential care. The recent focus on aged care has revealed systemic problems in the government’s aged care system. The minister has attempted to portray the Riverside case as an isolated one. She claims to have dealt with the problem by closing the facility. The reality is that Riverside was just one example of where the government’s complaints system failed to protect older Australians. The problems are widespread and are impacting on the care of thousands of residents.

The fact that it took a month to respond to serious complaints from nursing home staff about the treatment of residents—and they had been bathed in kerosene despite some having open wounds and some being terminally ill—is just a symptom of the systemic failure of the system. A total review of the complaints system is urgently needed, and major changes must be made if residents are to be properly protected. The minister’s response to date has been to make minor changes, more for appearance than any real attempt to address the problems identified in the system. An effective complaints system is vital for ensuring quality of care of aged people living in residential accommodation.

In a succession of Senate estimates hearings, Labor has pursued the department and the standards agency over the handling of complaints. The responses and excuses stand as a damning indictment of the complaints resolution system. The flaws are at a system level. We have a complaints system which fails to hold anyone responsible for investigating serious complaints about the care of an individual. The system can examine broadbrush issues, facility issues, but it cannot get down to care and treatment issues specific to individuals. It is a system that is reluctant to take action unless continually pushed by the resident or their family. When a problem is identified, the system fails to do the follow-up. The arrangements to monitor standards and to manage known risks are ineffective. They are infrequent and poorly targeted, and inspection visits come with early warnings. It is a system that does not know how to effectively investigate allegations concerning the suitability of aged care providers. Finally, the complaints system does not set out any procedures or protocols to ensure that, if a complaint about an aged care facility is made to a state authority, this complaint is immediately forwarded to the department or the agency. Systems are not in place to guarantee that whenever a complaint is made the Commonwealth authorities know about it.

The first of these problems is perhaps the most basic. Under the government’s system, there is no-one in the department or the standards agency who is responsible for investigating specific complaints about an individual. The department’s complaints resolution scheme, where complaints are first lodged, is
essentially a mediation service. It has no role in properly investigating specific complaints. Its modus operandi is to relay the complaint to the provider and the provider’s response back to the complainant, in an effort to find an agreeable compromise between the parties. That might be appropriate where the complaint is relatively minor, such as an issue about the quality of food. But clearly, where a family has serious concerns about the care being delivered to their relative, this mediation process will not always be appropriate. The complaints about kerosene baths at Riverside were totally inappropriately sent down this process of mediation. The experience of many families which have been in contact with me is that this mediation process can go on for months and even years without any proper resolution of their concerns and without giving them the finality or the peace of mind that they deserve.

Throughout the process, complainants are constantly asked by the department if they are satisfied, and they have to continually initiate more action. Inevitably, many just give up and walk away with their concerns unresolved. The reality is that the system seems to be designed to wear down complainants rather than to address their concerns. Where the complaints relate to serious concerns about care, the process is patently inappropriate. In one case that Senator Schacht and I have been involved with, where a man was placed in Alchera Park Nursing Home in Queensland, the man’s family lodged such a serious complaint in September last year. The department began the process of mediation. Weeks later, the resident was admitted to the nearby public hospital, suffering from dehydration and gangrenous wounds, in a condition that physically distressed experienced nurses at the hospital. He died within days of admission.

Unaware of the man’s death, the department contacted his daughter, having got the provider’s comments on the complaint, with a view to finding an agreeable compromise. The department did not even know that the man had died in the meantime. During that process the department forwarded the complaint to the standards agency. Here we enter the world of Joseph Heller, as the department does not investigate complaints but can refer them to the agency which has such inspection powers. However, this is where catch-22 comes in. The agency does not investigate specific complaints but will carry out only a general review of the care standards and the facility at the time. The agency will not deal with individual complaints or complainants. By the time the agency visited Alchera Park on 30 November last year, after providing a week’s notice of the visit, the complainant’s father had passed away six weeks earlier.

This is a complaint about the standard of care he received prior to his death. The agency did not and does not attempt to find out what specifically happened in relation to the care of the deceased resident just prior to his death. The very real and serious concerns of the daughter over just how her father’s condition deteriorated to such an extent remain unanswered. Not surprisingly, the daughter remains completely unsatisfied with the whole process, as do the families of at least three other residents who have died at Alchera Park under similar circumstances.

But under the government’s complaints system, these very serious complaints effectively fall between the cracks. A complaints system which does not deal with the deaths of residents is fundamentally flawed. The case of Alchera also highlights concerns over the effectiveness of the monitoring of nursing homes that are known to have problems with residents’ care. The agency admitted that risks to residents were identified in the nursing home early in 1999. The provider convinced the agency that these were being resolved, yet when the agency went back in November it found many of the same problems still occurring. This mirrors exactly the situation in Riverside, where it was given the all clear in November 1999 but fundamentally failed to meet care standards only months later. It so fundamentally failed that the minister said the home had to be closed, but they gave it a tick only months earlier.

These cases raise serious concerns about the effectiveness of the monitoring of nursing homes where problems are identified. Where complainants do raise concerns and these are vindicated by the standards agency, the system provides no assurance that these prob-
lems will be addressed. Many in the sector have concerns that the agency provides notice of any visit, and there is evidence of providers being allowed to cover up evidence of problems or put in temporary fixes. It has also emerged that within the system there are Chinese walls existing between the department, the agency and state investigative bodies. The Riverside case highlighted the lack of communication between the department and the agency. A serious complaint was not referred by the department to the agency, which has powers of inspection. The department and the agency also do not communicate with relevant state organisations, which means that people can lodge complaints with the state health rights body and the Commonwealth remains blissfully unaware of the concerns. The agency does not bother to check with these other regulatory bodies when accrediting a facility.

Given the Commonwealth’s responsibility for ensuring standards of care, basic protocols for communications with state bodies should and must be established. Breakdowns in communication and delays in action are also evident in the department’s failure to investigate allegations over the suitability of a provider in Victoria. It was alleged that the provider had a conviction for stalking an employee, an indictable offence that is grounds for having his licence revoked. The department received the allegation in May 1998, yet it took them 18 months to write to the provider in December 1999 asking if the allegations were true. That was the level of response to the complaint—18 months late and then write him a letter saying, ‘Are these allegations about you true?’ Funnily enough, he replied that they were not.

As of May this year, the department has been unable to ascertain the truth of the allegations despite a number of media reports of what seems like an admission by the provider that the allegations are based on fact. This is a nursing home provider who owns at least two homes which have been the subject of numerous poor reports, identifying low levels of care, inadequate care and poor management. The provider is currently under sanctions in both homes. I note that the sanctions have been imposed quite recently. The system is clearly failing when a serious allegation is made against the suitability of a provider who is charged with caring for the frail elderly and two years later the department has not investigated the claim or brought the claim to any conclusion.

There are major systemic problems in the complaints system in aged care in this country. The failures are not isolated cases. They are not issues purely to do with the training of staff, et cetera. The minister’s response has been totally inadequate. There is now a real crisis of confidence in the aged care complaints system in this country. Families who have been devastated by the loss of a loved one get no satisfaction from pursuing legitimate concerns through the system. The system has failed those families, has failed the residents and continues to fail in providing an effective complaints mechanism. Something must be done. The system must be revised. We need better checks and balances. We need better investigative powers. We need better coordination.

It is not acceptable to say that the examples I have used are somehow just isolated examples of individual error. There are systemic problems in the system. It is failing to protect older Australians. The fact that the complaints system can get a complaint about dying residents being bathed in kerosene baths and for a month not treat that complaint seriously but seek to mediate it shows there is something wrong. The fact that you can have four deaths in one nursing home where each of the deaths is accompanied by allegations of a lack of proper care and still there has not been a proper investigation into those deaths conducted several years later is an indictment again of the failure of the system.

We have a system where a convicted stalker continues to be allowed to run two nursing homes, despite the fact that they have consistently been found to provide poor quality care, they have been the subject of numerous bad reports as to the standard of care provided and it has been on the public record that this provider has been convicted of an indictable offence. Yet the department sat on the complaint for 18 months, and a further six months later—now two years since the complaint was made—no effective
action has been taken and they cannot even ascertain whether or not he has been convicted of an indictable offence, which would result in the loss of his licence. They are just three examples of a system that is failing older Australians.

We cannot get a more serious allegation than the one in relation to Alchera Park. That lack of care contributed to the early death of a resident of that home and still there has not been a proper investigation of the incident. Still there has not been a proper investigation as to whether proper care was given. The only body that has expressed any interest, apart from the opposition, in pursuing this matter, has been the Department of Veterans' Affairs. When it heard of the concerns about the treatment of a couple of veterans at Alchera Park, it wrote to the Department of Health and Aged Care expressing its concern about what it understood to be the treatment of those diggers, one of whose relatives described the treatment he received there as being worse than he got at Changi.

These are very serious concerns but they are symptomatic of a system that has failed to deliver, a system that is fundamentally flawed and a system that is not meeting the needs of older Australians and their families. Unless we fix it and unless the minister makes fundamental reform, the problems will continue and people will continue to suffer because complaints are not dealt with adequately, complaints are not investigated properly and issues are not resolved to the satisfaction of the parties concerned. We need fundamental change. I offer the Labor opposition's cooperation in drawing up a much more effective complaints mechanism that better serves the needs of older Australians living in residential care.

Schools Funding

Senator ALLISON (Victoria) (1.10 p.m.)—I rise to speak about the May budget and the educational problems that it failed to address. This budget has entrenched Dr Kemp's strategy of throwing a substantial amount of new money to non-government schools while government schools got only the scraps. Even Dr Kemp has admitted that funding to non-government schools will increase by 40 per cent over the next four years and by only 21 per cent for government schools. We all know that that 21 per cent, when it is spread over four years, is only five per cent a year and, therefore, not much more than indexation, if anything at all. He says this will address inequities in non-government school funding using the new SES funding formula for non-government schools.

The question really, though, is whether the SES means windfalls to the wealthier schools that do not need it. Already I have been contacted by some disadvantaged independent schools who are angry because they expect to receive no more money than wealthy schools nearby, even though they have far less in the way of resources to offer students. This would suggest that the proposed model is not needs based, as we have been led to believe by the minister. But we still do not have the legislation on which to judge this, even though it was about 18 months ago that it was first announced this was the way the government would proceed and 12 months ago, May 1999, when we all received very glossy brochures telling us how it would work. This kind of delay not only exacerbates funding uncertainty for non-government schools but also delays an important public debate over the future of Australian schooling.

A bit over $6,000 a year all up is spent on students in government secondary schools. Twice that amount is spent on students in many even moderately well off private schools. I ask the Senate to consider today what sort of public policy provides for 65 per cent of secondary students remaining in public education with far less resources than those available to most of the other 35 per cent.

Two weeks ago there was, quite rightly, another public outcry about the enrolment benchmark adjustment. The 1999 enrolment figures came out and $27 million will be wiped from public education budgets nationally. Yet already amounts are being deducted from the Commonwealth financial assistance grants to the states in recognition of any changes in government school enrolments. So Dr Kemp’s arguments that the enrolment benchmark adjustment eases the taxpayers’ burden is a complete fallacy. In fact, for the
$27 million deduction, government school enrolments increased by 8,300 across the board. It was only a minor deduction in enrolments in New South Wales, South Australia and the Northern Territory, but in Victoria and Queensland the new enrolments in government schools were very substantial.

But back to the budget. Spending on targeted programs will increase by 9.4 per cent for government schools and 13 per cent for non-government schools over four years. The Advanced English for Migrants Program loses $20 million and gets absorbed into general literacy spending; and that, of course, continues Dr Kemp’s practice of subsuming many programs tackling English as a second language and disadvantage into the catch-all of literacy funding. It is easy to then point to a literacy crisis and pretend that you are actually doing a lot about it.

Educational disadvantage is not solely a function of poor literacy but has many causes, particularly socioeconomic. Family dysfunction, alienation, poverty and fragmented communities all have a role. In rural and remote areas many children, particularly indigenous children, go to school with nothing in their bellies. It is hard to learn on an empty stomach, yet Dr Kemp is trying to make us believe that extra literacy and numeracy classes will fix everything. Well, of course, they will not. It is much easier too if you can blame teachers for poor literacy and numeracy rates and then attribute school leaving to poor literacy and numeracy. It ultimately blames teachers for failing to fix society’s ills.

The people who are supposed to be fixing all of these problems, our teachers, are receiving a very raw deal indeed from the government. There was no extra money in the budget towards tackling the teacher shortage, which officially does not exist according to the minister. Our teachers are going overseas, thanks to the marketing savvy of the 12 British agencies now recruiting in Australia, and they are teachers that we in this country cannot afford to lose. The Australian Council of Deans of Education estimates that we will experience shortages of graduate teachers of up 40 per cent at primary level and up to 50 per cent at secondary level. The question is: just exactly from where are we going to recruit our new teachers? New Zealand? The example there is that New Zealand teachers also are going overseas.

To its credit, the government has introduced the quality teacher program, a professional development program that, by all accounts, is fulfilling many objectives. But it is not designed to alleviate teacher shortage and, I must say, it is a shadow of its former self. Federal funding is now $77 million over four years compared with $44 million every year for professional development between 1993 and 1996. As of December, teachers also can expect far less assistance to help their most difficult students. The full service schools program will be gone by the end of this year. I have heard nothing but praise for this program—run on a shoestring, $24 million over the entire country over three years. It worked on a regional basis in which schools in some of our most disadvantaged areas were working together to help children at risk of leaving school and those returning to school through changes to the common youth allowance. The Senate will remember that three years ago under-18-year-olds had their unemployment benefits removed and needed to be in full-time education to receive income support. That problem is still with us—the problem of young people in years 11 and 12 being somehow alienated from their schools and not wishing to return, preferring instead to be looking for work.

The schools used the money to employ literacy and numeracy specialists. They used the money for counsellors, they provided vocational education, they did outdoor education, they liaised with community agencies and generally they sought to re-engage students in education. Frankston in Victoria, in Melbourne’s south, has the lowest retention rate for young males and females in Victoria, outstripping even rural areas in Gippsland. Forty-five per cent of Frankston males leave school before completing year 12, as do 27 per cent of females. Now a much-needed program to assist those students has gone. It is a pity that these young people live where they do and not a little further down the train line in Dr Kemp’s electorate of Goldstein.
This program has been cut despite the fact that departmental evaluation of it is not due until December this year. In spite of that, Dr Kemp has decided to axe the program and there is nothing, as far as I can see, in the budget to take its place. We do not know whether state governments will continue to provide any funding. Their funding was matched by Commonwealth contributions. It is difficult to get accurate figures, but in Victoria more than half of the students who leave after year 11 do not go on to full-time work, training or further education. For those who leave after year 10 the situation is even more bleak, with 60 per cent not accessing full-time work or education. Far fewer young people than anticipated actually returned to school following the youth allowance changes. The question we need to ask is: where exactly are they? We simply do not know the answer to that question. Many have slipped through the cracks of society. An article in the *Age* of Monday this week gives us some insight into what is going on in some of those disadvantaged schools. An article by Mr Chris Wheat, who is a teacher at the Sunshine Secondary College, reads:

I must speak out. A great many government secondary schools are awash with illiterate students; many classrooms hold gaggles of them, products of institutionalised neglect.

Most independent schools, and those government schools with elite selection policies, are free of the problem, and that helps them to flourish.

But other than to engage experts to devise programs for interested schools, for the past three decades there has never been a concerted effort by government to deal with illiterate students at the secondary level. Schools have always been expected to find the staff and money to deal with their own problems, and schools with the greatest number of illiterate students—schools that are likely to have the most dubious public standing—have much to gain by playing down the problem.

He goes on to say:

Because schools are humane places and all teachers are intensely aware of the problem—it impinges on their teaching every time they face a class—most schools try to do something about literacy. But far too many put up ersatz programs run by staff with a few periods to spare, using leftover rooms, and operating on minimal budgets—and having a lifespan of one school year. On-the-cheap programs soon become, not essential parts of the curriculum, but acts of charity.

And so it goes: thousands of illiterate adolescents will leave government schools by the end of this year. Every teacher knows this.

I commend this article to honourable senators for a complete read because I think it tells us a bit more about what is going on in our government schools than we would otherwise want to admit.

I hear nothing from Dr Kemp’s office about help for students at risk that acknowledges that they need more than just literacy assistance. The 1996 House of Representatives inquiry into truancy and school exclusion mentioned a raft of programs that no longer exist. There used to be a transient and mobile students program that monitored student movements between schools. There was also a children in residential care project. We do not have a national overview of truancy. Records are haphazard. Yet the Australian Council of State School Organisations estimates that many children do not even make it to primary school, let alone navigate the problematic transition from primary to secondary school.

In rural and remote areas, these problems are usually worse. The country area program did not receive any additional funding in the budget. This program costs about $20 million annually and in 1996 reached about 1,300 schools Australia-wide. About 90 per cent of these are government schools. We are gaining a lot of valuable information as the Human Rights and Equal Opportunity Commission inquiry into remote education unfolds. Rural and regional kids have far less access to technology and to teachers qualified in the subject areas that they teach. Primary education, let alone preschool or equivalent, is not universally accessible, but the federal government is still sitting on its hands. It is giving money to people who leave their communities and nothing to balance the exodus.

The Assistance for Isolated Children Scheme receives an additional $16 million over four years. This is indeed warranted, but again we see Dr Kemp’s divide and rule strategy of favouring programs that predominantly benefit the private sector and give
nothing to the public sector. Many families simply cannot afford boarding school for their children and some indigenous students suffer enormous culture shock when sent away to board. We need to focus on offering quality government education in rural and remote areas. We do not need more spending on parent surveys, league tables and benchmarks. Comedian Max Gillies, a public school graduate, said in today’s Age:

It seems to me that the ideological pendulum has swung back recently towards the exam as the most effective measure of learning and intellectual development. While this may be true for specific areas of knowledge, in most cases what it measures is the ability to pass exams ...

Without the commitment of a number of teachers whose educational values extended beyond a set of measurable outcomes, I may have left school without a sense of infinite possibility for the future.

I am sure if Mr Max Gillies were a child today, he would not have been inspired by the dogged, exclusive emphasis of this government on benchmarking and the three Rs. The May schools budget was seriously lacking in ideas at a time when Australia needs them most.

**Online Gambling**

Senator TIERNEY (New South Wales)  
(1.23 p.m.)—Tempted though I am to respond point by point to what Senator Allison has just said about education—and I might come back to the Senate at a later stage and do that—I rise today to speak on another topic, which is online gambling. It is part of a series of speeches I intend making on online gambling because, with this new development, we are now facing in Australia a continuation of the major social and financial problems of the thousands of Australians that have been created by the explosion in gambling over the last five years. With Internet gambling, the possibility of that explosion developing even further now faces this country. For example, technology is coming within the next year that will mean that with just a click of a mouse thousands of dollars could be lost—

that is, if governments do not move to regulate this environment more thoroughly. This new technology has the potential to turn every home in Australia into a casino.

What I want to touch on in today’s speech are the latest developments in the online gambling industry, including its growth, the impact of the gambling industry so far in Australia, the impact of online gambling in the United States and the potential impact on young people. First I want to touch on some of the new developments since I last spoke on this matter in the chamber. States and territories around Australia are currently granting online gambling licences, despite a call by Minister Jocelyn Newman for a moratorium on the issue of such licences. That call was made by the minister in April as the Chair of the Ministerial Council on Gambling, which all states and territories attended. Despite this call for a national approach, in the last few months the Tasmanian Gaming Commission approved five new licences for online casino and sports bets and the ACT recently issued two new online gambling licences.

The federal government is not happy with these current developments in Internet gambling. We are looking to impose at least a 12-month moratorium on those processes, possibly effective from 19 May 2000. But the alarming point has already been reached, before the reviews can be carried out and before proper controls can be put in place, where states are going ahead off their own bats. This is unprecedented if we have a look at the introduction of new products and new technologies into Australia. What normally happens—if I can use the example of bringing new drugs into the country for medical purposes—is that they are all tested very carefully first; the impact of them is very carefully assessed. What the states are proposing to do at the moment by going ahead off their own bats is to bring into Australia a technology that could potentially have devastating effects on the families and communities in this country. Social impact studies have not been conducted. As a result, we could have a continuation of what the Productivity Commission saw as the development of a major social problem with gambling in Australia.

Regulation of gambling is currently done on a state by state basis, but this new technology with the Internet knows no borders. The online gambling developments that are
likely to come will threaten the welfare systems of each of our states. We are now calling on the states to look at this whole matter from a national perspective and to not take a competitive approach with each other. Reverend Tim Costello appeared before the Senate Select Committee on Information Technologies during its Netbets inquiry in Melbourne and stated that, if a competitive approach is taken between the states, it will be a race for the bottom in terms of standards. The Northern Territory actually set this up before this regulatory approach was suggested nationwide. It has taken a responsible approach and set up a proper regulatory regime. We now call on all states and territories to fall in line with a very similar approach to make sure that we come up with a national approach. We have some evidence internationally on what is likely to happen if such an international approach is not taken. The effects on the economy with the expansion of this new technology can be quite devastating to society.

Frank Feather, the author of FutureConsumer.com, recently spoke at the Global Interactive Gaming Summit and Expo in Canada. He estimated that the online gambling industry will be worth over $90 billion worldwide by the end of the decade. Australian gambling operators have already shown the start of the effects of this sort of explosion happening in Australia. Lassiters in the Northern Territory is our only legalised online site at this time. Between April and November 1999 they attracted over 16,000 players with a turnover of $18 million. The company now predicts that turnover will grow from this point by 75 per cent a month. The 1998-99 turnover of Canbet Pty Ltd in the ACT was $47 million and the company expects to almost double that this year.

A review of online gambling by the Senate Information Technology Committee in the Netbets inquiry found that there are 14 corporations now involved in online gambling in Australia. These corporations say most of their clients are from overseas. These Australian corporations are competing with overseas providers. Australia is actually seen as a world leader in the regulating of gambling but there are many concerns about overseas operators. When you understand the way in which they set up and get their licences, you can see what the concern is.

There are some very shonky operators in the international field operating out of the Caribbean and Asia. Some countries such as Antigua are charging $100,000 for an online gambling licence and they do not have a strict regulatory system. I heard one story of an operator who wanted to set up an international gambling site. He went down to the local police chief, paid him $100,000, got his licence and then off he went—no questions asked. Nothing about regulation or standards was said.

Some of these companies try to lure Australian players by actually putting Australian flags, koala bears or kangaroos on the front of their site. People then think they are gambling on an Australian site which has a good reputation in terms of regulation. This is a real trap for consumers. Australians can currently access these sites around the world. Some obviously are more regulated than others, as I have indicated.

The basic question we have to ask ourselves is: does Australia really need more access to gambling sites? We already have 20 per cent of the world’s poker machines. New South Wales alone has 10 per cent of the world’s poker machines. New South Wales has one-thousandth of the world’s population but it has one-tenth of the world’s poker machines. That shows how out of kilter we are in this field.

Online gambling licences are now being granted despite evidence that problem gambling with the current forms of gambling could now directly affect 200,000 people in Australia. That is 200,000 people with a gambling problem. That is the equivalent of the size of Canberra. If we put the knock-on effect of that to their families, their work and the other people that they relate to—and that is estimated conservatively to be between another five and seven people—we are up to over one million people, the equivalent of a city the size of Adelaide.

All this problem gambling has come into effect without the Internet taking off at this point. That is why we have concerns about
the development of this new technology. Even with the current technology, Australia now faces major social and personal problems because of the rapid expansion in gambling over the last five years. Since 1995, gambling expenditure has gone from $7.5 billion to $11 billion. That is a 50 per cent increase in four years. The number of bankruptcies in this time has almost doubled. This is fed, in the main, by poker machine growth. We now have 190,000 poker machines in Australia. In the town of Cootamundra there is one poker machine for every 40 people. One would have thought that this is just a little over the top. It is over the top when you particularly consider the costs to the community.

The Productivity Commission has estimated the gambling cost to the community could be as high as $5 billion a year. This includes legal costs, lost productivity, counselling services, bankruptcy and crime. So the question is: why do we actually need more gambling outlets? Australians can already bet in a massive range—pubs, clubs, Lotto, TAB, casinos such as Star City, Crown and Lassiters, for some Australians, and there are many other examples. Do we need access to more gambling outlets?

The United States is finding very similar problems to Australia in this regard. The track that they are moving down at the moment is towards banning online gambling. The Kyl bill, put forward by Senator Kyl from Arizona, has passed through the Senate and is now before the US Congress. It is heading towards a total ban on Internet gambling. They are taking that approach based on a number of studies on the effects of gambling in the United States. They have found, for example, in studies from the University of Illinois, that up to 90 per cent of pathological gamblers commit crimes to pay off their wagering debt. For every dollar that goes to the state from gambling, they pay out $3 in social and criminal costs.

Concerns about gambling problems were highlighted during hearings on the Internet Gambling Prohibition Act in the US. Jeffrey Pach, the executive vice-president of the National Football League, told the inquiry that gambling and sports should not mix. Sports betting is a growing concern in high schools, with high school and college students developing serious addictions as a result of being introduced to sports betting that is often considered harmless. Other witnesses at the hearing—for example, the Ohio Attorney-General Betty Montgomery—told the inquiry that people can gamble away their life savings at the click of a mouse. She was struck by the way that gambling web sites look like video games.

It takes no time at all for someone to find the site, set up an account and wager a lot of money. A child could do it. No photo ID is required. How can they tell these people are under age? The Attorney-General in the US has highlighted problems in regulation. Traditional forms of gambling systems that check people’s background, verify the game’s integrity, resolve consumer disputes and verify the age of players do not exist in terms of Internet gambling. Unfortunately, thousands of Australians are gambling on overseas sites that have not met proper consumer protection criteria. The same Attorney-General says that what makes the Internet so attractive is its anonymity—children can easily pose as adults and adults can easily pose as other people. There are tremendous consumer protection risks in the development of this industry.

The Australian Bureau of Statistics has identified people aged 25 and below as some of the main users of the Internet. We found in our Netbets report that the appeal of the Internet to young people threatens to develop into a new generation of problem gamblers. The Australian newspaper reported on 18 April on the incidence of problem gambling among Asian university students. People will recall the article in the West Australian about Burswood Casino, which has become very popular, with some overseas students reportedly losing between $500 and $4,000 a night.

The president of the Indonesian Students Society commented that casinos are becoming a playground for these students from wealthy families. This is attributed mainly to problems of boredom. This is just one example of the problems developing with problem gamblers. Online gambling could end up like the cocaine of gambling. The consequences
to families from this could be quite disastrous. All governments in Australia must act in a united way to reduce the risks to young people and to people with gambling addictions. The identification of harm minimisation policies by the Senate committee must be applied nationwide to prevent this developing social problem.

**Goods and Services Tax: Advertisements**

**Senator GEORGE CAMPBELL** (New South Wales) (1.38 p.m.)—I rise to speak today on a matter of considerable public interest, and that is the issue of GST advertising. This government’s GST advertising campaign is the worst and most blatant re-election campaign for a government that this country has ever seen. It has unashamedly tapped into the public purse to pay for what is a blatant political campaign and the cost is growing at a rate that has never been seen before in the history of this parliament. The hidden truth of this GST advertising campaign needs to be exposed so the public can see what it has really cost Australians. The *Chaser*, a fine Sydney satirical political newspaper, sums up the GST advertising situation concisely in its latest issue. I take this opportunity to thank Charles Firth and his team at the *Chaser* for exposing tax reform for what it really is—a sick joke on average Australians. Let us take a look at the *Chaser*, which ran a centre page spread on GST advertisements in its latest issue. The *Chaser* looks at the GST and the advertising campaign comprehensively in order to explain what it really means to Australians for Australians. What do the GST ads really mean for families? The *Chaser*, under the heading ‘More money for families’, states:

The new system includes a new advertising package that will provide extra assistance worth more than $380 million to two million (a) families: the Packers and the Murdochs.

These Australian ... families found a benefit in several ways from the tax system.

I might add that my old secretary when I was with the Metal Workers Union also has benefited from this new tax system and from the ads. She does a bit of acting around the place and I notice she has a permanent role in one of the ads in relation to how the GST affects pensioners. So she is doing pretty well out of the GST advertising.

**Senator Boswell**—Has she still got her ALP membership?

**Senator GEORGE CAMPBELL**—You mean the Democrats!

**Senator GEORGE CAMPBELL**—You know the old party I am referring to. Also the *Chaser* looked at how taxpayers would benefit from the GST information campaign, and under the heading ‘Everyone gets to pay for the ads’—which is true—it says:

From 1 July, all Australian taxpayers will benefit by paying between $26 and $42 each for the privilege of receiving government propaganda in their homes. That’s about 11,000 extra school teachers. Or about ten million books for our libraries. Or 3,500 funded public hospital beds.

In the past, only people who were able to pay income tax would have paid for this rort by the government. But now that the GST taxes everybody who pays anything, even those who previously would have been too poor to pay tax, will now share the burden along with CEOs and company management. That is so much fairer because it means that everyone who sees this ad will have had to pay for it, not just the rich and those who can read. The *Chaser* also went on to discuss the issue of loopholes and tax avoidance and how that will operate under the GST. According to the *Chaser*:

As before, there are exceptions. If you’re rich enough to be able to employ a team of lawyers and accountants, you can easily use a myriad of New Loopholes. In fact, if you’re rich enough to set yourself up as a company with an ABN, you don’t even have to pay the GST on your purchases—just claim they were business inputs and the Government will refund you money.

The article went on to look at the issue of tax cuts—the other side of the equation of the GST. Under the heading ‘Every taxpayer gets an income tax cut’, it reads:
From July 1, all Australian taxpayers will get $12 billion worth of tax cuts. That is very significant. This government has consistently let us know loudly, and by using taxpayers’ money to tell us, that there is a significant tax cut on 1 July for Australians.

The _Chaser_ goes on to say:

Of course, the $12 billion worth of progressive taxation will be replaced by $24 billion worth of regressive taxation, but we never said it would be fair. Oh, wait a minute, yes we did.

This tax cut immediately puts extra money in the pay packet of every Australian worker only to be taken out again as soon as you go down to the shops to buy the paper and a drink. And let’s not even talk about beer.

It then goes on to discuss the question of what the GST ads do for education. Again, the _Chaser_ reads:

Of course, our ads don’t mention any of these bad things about the GST—even though they’re the whole point.

That’s because these ads are not educating people about the New Tax System itself. They’re just a cynical and corrupt use of taxpayer money— to save the government’s backside— before the next election.

It goes on to talk about how tax reform will impact upon families. It points out:

Family assistance will increase by at least $140 per year per dependent child and the costs of having a dependent child will increase by at least double that. Which will mean that you’ll be further behind than ever before. But you won’t see any ads mentioning that fact...

There have been no advertisements taken out on how this GST will impact upon families, nor will you see the ACCC promoting the interests of families. If you did take out ads mentioning that fact you are more likely to see the ACCC coming down on you like a tonne of bricks. It goes on to discuss the impact of the GST on students. It says:

Students of Australian educational institutions, or their parents, will have the extra benefit of an 8% subsidy on the retail price of textbooks, which will cost 10% more. That’s like having the benefit of being 2% behind. And to claim the subsidy you’ll have to fill out another form, of course.

It then goes on to talk about the issue of how the GST will simplify the tax system. One of the major claims made by this government for introducing the GST was that it would be a simplified tax system, it would be simple and fair. It is much more complicated than the previous tax system. I think the latest weigh-in for the documentation surrounding the GST was up to 5.5 kilos. It continues to get heavier by the day. We have now reached 1,200 amendments to the original bill that was brought into this parliament with respect to the GST. The article goes on to say:

One of the great benefits of tax reform is getting rid of heaps of hidden taxes that were only targeting certain sections of the community, such as high income earners or the wealthy. Taxes on everyday items like sports, cars, jewellery, land, shares and debentures. Now the poor pay as much as the rich, even though they earn less.

With one broad-based tax, that indiscriminately taxes books, cars, clothes and caviar at the one low rate, the entire effect will be to shift a higher proportion of the tax burden on to low and middle income families. Doesn’t that sound fairer?

And because the tax is not hidden on receipts, unlike that nasty wholesale sales tax, people will continue to resent the GST for years and years to come, that will allow conservative politicians to keep championing lower tax cause thus eroding the revenue base of the government and ensuring our schools, hospitals and welfare system remains underfunded.

This is a fairly satirical piece that the _Chaser_ has done on the impact of the GST on average Australians. It was very pointed in the way in which it demonstrated in a number of key areas the impact of the GST but more importantly it demonstrated how this government used a very significant slice of taxpayers’ money to promote in a propaganda way what is a dog’s breakfast of a tax.

The GST, according to the _Chaser_, is good for the rich and bad for the rest of us. An incredible amount of taxpayers’ money has been wasted in a desperate attempt by this government to minimise the political fallout from the introduction of the GST and to save their own political hides. What is clear is that the campaign is not working. Even the Prime Minister has conceded that people are tuning out and that the ads are an absolute disaster. Not only are they uninformative and blatant propaganda; they are costing the taxpayer an
absolute fortune: $421 million, I think, at the latest count.

In conclusion, I want to quote to you some of the creative options that the Chaser identifies as alternatives on which the government could have spent the $410 million—instead of the GST ads—and probably would have spent it more productively. The Chaser has put out a package of options that could have been picked up for the $410 million. The first item on its list of options was education. As the average teacher costs about $35,000, the $410 million could have employed 11,714 new teachers, which would have made a major contribution to more literate families in our community. Significant social benefit could have been provided by the use of this advertising money.

Alternatively, if we thought we did not need more teachers, we could have used it to pay for more nurses. At a cost of around $27,000 per nurse, the Chaser indicates, we could have had 15,185 more nurses in the system, the contribution being to healthier families. Alternatively, if we wanted to give a bonus to the community, we could have provided beer at $25 a case, which would have provided 16.4 million cases of beer, the result being we probably would have had much happier families running around the place.

Senator Boswell—And a lot of headaches.

Senator GEORGE CAMPBELL—The one thing that the Prime Minister does not want to do is talk about beer. You spent a fortune getting the beer ads off on 20 May before you would let them run, because that is a very sensitive area for the Prime Minister, Senator Boswell. What you did on beer was reprehensible.

To continue with examples, with cigarettes at $8 a pack, you could buy 51.3 million packets of cigarettes. The Chaser makes the point that it probably would contribute to smaller families at the end of the day if we encourage people to smoke. But you could spend the money on roads, for example: at $410,000 a kilometre, you could get another 100 kilometres of new roads, which would mean safer families. Or you could spend—

Senator Boswell—Who did this, George? Tell them to improve their writing.
for them in the new tax reforms—a four per cent increase from 1 July in government allowances and benefits—and for the one million self-funded retirees and the 2½ million businesses. I am pleased to say that the number of registrations for the ABN has exceeded our expectations, and this has been due to the information campaign that we have carried out as a government telling business of the benefits of registering for the ABN. If the opposition think that we should not be telling the people of Australia about tax reform, then they should be bold enough to say so. And next time they put an advertisement in the paper criticising our information campaign, let us see the Labor opposition tell the Australian people what they are going to do with the GST, how they are going to keep it and what parts they are going to roll back. This government makes no apology for informing the Australian people about the tax reform which is coming in on 1 July, the biggest tax reform this country has seen since World War II.

Senator CARR—Madam President, I ask a supplementary question. The minister says he does not want to discuss what goes on in the party room, but is it not the fact that the official spokesperson for the Liberal Party briefed the media after the party room meeting and made those comments? Is it not a fact that the Prime Minister has made the comments about the public switching off on this issue in forums other than the party room? Is it not a fact that the real reason this government is spending hundreds of thousands of taxpayers’ dollars on this media campaign is that, in fact, all the polling are telling this government that the public is acutely aware of what this GST is all about and that they do not want a bar of it?

Senator ELLISON—I note Senator Carr talks about someone else talking about what goes on in the party room. My answer was about what I speak about—and he asked me about what went on. I told him that it is not my business to talk about what goes on in the party room, and it will not be. I notice that Senator Carr talks about the GST. What he does not want to talk about is the abolition of the wholesale sales tax. He does not want to talk about tax cuts and the fact that 80 per cent of Australian workers will be on 30 cents in the dollar or less in relation to marginal tax rates. What Labor do not want to talk about is the four per cent increase in pensions and government allowances. All Labor want to talk about is the GST. They do not want to talk about tax reform because they have not got a policy.

Workplace Relations: Families

Senator LIGHTFOOT (2.04 p.m.)—My question is addressed to the Minister representing the Minister for Employment, Workplace Relations and Small Business, Senator Alston. Will the minister inform the Senate of how the government has increased family friendly practices and encouraged increased flexibility in the Australian work force? Is the minister aware of any alternative policy approaches? What would be the impact if these were implemented?

Senator ALSTON—Senator Lightfoot very properly asks whether the approach that we have taken to workplace relations has a family friendly element—and, of course, it does. In fact, the thing that families appreciate most of all is a significant increase in their real incomes. Under the current government they have had a real increase in wages of up to 9.5 per cent; on the other hand, low income workers under Labor suffered a cut of five per cent. You could not get a starker contrast than that between minus five per cent and plus 9.5 per cent, so there should not be any doubt at all of the merits of our approach. But it goes a lot further than that. I mentioned yesterday that jobs growth has been dramatic for us, particularly in terms of full-time jobs—381,000 to date; under Labor, 27,000 full-time jobs. Of course, we have now got more than nine million Australians in jobs and the unemployment rate is down to 6.9 per cent. Of course, it got to its highest under the current world record holder, Mr Beazley, who managed to preside over an 11 per cent rate of unemployment.

Senator Robert Ray—Exactly what John Howard did as Treasurer; exactly the same.

Senator ALSTON—I see, so John Howard back in the early 1980s was responsible
for unemployment getting to 11 per cent about eight years later. I have heard some good ones in my time but that is pretty desperate stuff. All right, let Mr Beazley put out a press release explaining it was not really his fault and that it was the fault of the Treasurer of a preceding government some six years back. Let us see him put out that release. It would be a classic example of the ‘little ticker’ man: does not have the guts to stand up and take responsibility for his own performance, always wanting to blame someone else.

Senator Robert Ray interjecting—

The PRESIDENT—Order! Senator Ray, you have been shouting during this answer and ought not to do so. Senator Alston, I invite you to ignore interjections.

Senator ALSTON—I am delighted that Senator Ray has chosen to come into question time today. We do not see him very often these days, but at least we know he is alive. I am sure he is ashamed when he ponders Labor’s record on family friendly policies, because the latest ABS figures show that families are benefiting from increased flexibility in the workplace. In fact, 68 per cent of women in the work force are now able to make flexible work arrangements with their employers. They can do it under AWAs, they can do it by direct negotiations; they do not need unions looking over their shoulders. They also appreciate the fact that apprenticeships have increased dramatically under us, that industrial disputation is down, that youth unemployment is down and that interest rates have come down. In other words, all the essential ingredients for families are there in spades. So what is the alternative from the party that has 20 per cent of the work force as its principal sponsor and yet has 60 per cent of its representatives in this parliament? A classic example that Senator Murray is probably still crying about occurred recently in an estimates hearing when he questioned the AMWU Assistant National Secretary, Mr Oliver. The AMWU is represented in this parliament by Senator Kerry O’Brien, so I am sure he agrees with this. Mr Oliver was asked, ‘Are you aware that you cannot intimidate a senator?’ And his answer was ‘No.’ He was not aware of that at all. He was asked ‘Are you threatening me?’ His answer was ‘I’ll just say no.’ In other words, complete contempt bordering on perjury. He was not in the slightest bit interested in anything other than industrial muscle. He was throwing his weight around and making it crystal clear that anyone who gets in his way will be trampled on. That is not the way to deliver family friendly policies.

Senator LIGHTFOOT—I thank the minister for his erudite, detailed and entertaining answer. Madam President, I ask a supplementary question. Could the minister explain to what extent the government’s approach to further workplace relations reform has community support?

Senator ALSTON—It has very widespread community support, particularly from ordinary families but also from some of the most unlikely quarters. Senator Ian Campbell, for example, received this email today: Please accept my appreciation for the time and effort involved in the consideration of the Workplace Relations Amendment Bill. I understand this imposed considerable work on you, but your efforts were instrumental in securing a sound outcome from the Senate hearings. I can only express my utmost appreciation for the concern and support you have shown for the unions and the ACTU.

Do you think that they might have made a mistake and meant to send it to George Campbell—the greatest union lackey of them all, undoubtedly lazier than Senator Forshaw ever dreamed of being? This is what you get for services rendered. You turn up, earn your keep and ask all the questions that have been handfed to you, and you get a nice little email from the president of the ACTU, who was unfortunately too lazy to check the address.

Senator Robert Ray—We know the disclosure rules.

The PRESIDENT—Senator Ray, I have already called you to order.

Goods and Services Tax: Advertisements

Senator FAULKNER (2.11 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. Can the minister who chairs the ministerial committee on government advertising confirm that the gov-
ernment’s media buying agency, Mitchell Media Partners, arranged with Channel 9 for the chains ads to sponsor the prime time, first-run Austin Powers movie on Sunday night, 28 May? Didn’t this sponsorship operate to exclude any other ads seen to be in competition, and in this case the only ads which could have been affected were the brewers’ ads criticising broken prime ministerial promises?

Senator ELLISON—I have already put out a statement on this, and I answered the question yesterday. But I will repeat the answer for the benefit of the Senate and Senator Faulkner. Neither the government nor its agency sought exclusivity with Channel 9 or any other media outlet. If any decision was made with regard to exclusivity, it was solely a decision of the channel and was not conveyed to the government or its agency. What I have said in this chamber and have said publicly is that neither the government nor its agency sought exclusivity, as alleged by Senator Faulkner, and that any decision by Channel 9 was entirely a decision by Channel 9. It was not something that we bargained for. We paid for a prime time spot, and I have already said that the government does not apologise for using prime time television to communicate information to the people of Australia about the coming tax reform.

Senator FAULKNER—Madam President, I ask a supplementary question. My question went to the issue of sponsorship. Minister, how much was the premium paid for the sponsorship of the Austin Powers movie, and precisely how much did Commonwealth taxpayers fork out to have these political ads run during that prime time movie? Given that the minister has denied that the government sought exclusivity for its ads, does the minister also deny that the government was offered, and in fact received, an arrangement which was tantamount to exclusivity?

Senator ELLISON—As I have stated, the Sunday night in question that Senator Faulkner refers to related to a negotiation for a program advertising package in keeping with normal commercial rates. I repeat: the government did not seek exclusivity as Senator Faulkner is trying to make out. What we did with the program package was to use prime time television to communicate information to the people of Australia. It is as simple as that. We have an agency, Mitchell Media, that goes out with a block booking and gets the best possible deal for the Australian taxpayer. This is an entirely normal practice in relation to government advertising information.

Tax Reform: Income Tax

Senator WATSON (2.14 p.m.)—My question is directed to the Assistant Treasurer, Senator Kemp. Will the minister outline the benefits that $12 billion of personal income tax cuts will deliver to Australian families? Is the minister aware of any alternative policies and the implications of such proposals for the government’s income tax cuts?

Senator KEMP—I thank my distinguished colleague Senator Watson for that very important question, which again shows how much on the game Senator Watson always is. The great news for Australian taxpayers is that on 1 July they will receive very substantial tax cuts: $12 billion in personal income tax cuts will be delivered in full and on time.

Senator Hill—$12 billion!

Senator KEMP—Yes, Senator Hill, $12 billion in personal income tax cuts will be delivered in full. Senator Watson asked whether there are any alternative policies. I have to say we are still not sure where the Labor Party stand on these important tax cuts. The Labor Party have been asked many times, inside and out of this chamber, to indicate whether they will guarantee in their policy the tax cuts that we are bringing in on 1 July. I have to say that each time the Labor Party refuse to answer that question. Let me make it clear that the ALP are currently engaged in a major political fraud. They attack the GST but they intend to keep it. Mr Beazley has indicated that the GST will not be repealed by the Labor Party. Yesterday we saw the shadow Treasurer waving ladies’ cardigans around in question time. The question was appropriately asked in the House of Representatives whether this means that the ALP has adopted Doug Cameron’s policy to roll back the GST on clothing. This would
represent, I am advised, a roll-back of $1.7 billion. If they do not intend to roll it back, they should not go out and attempt to mislead the public the way they attempted to do yesterday. The fact of the matter is that the Labor Party, as I said, are indulging in the politics of deceit. Look at the confusion and the contradictions that we are now seeing. Senator Sherry in this very chamber said that we would see the tax policy at the ALP conference in July. The shadow Treasurer, Mr Crean, says that they will announce their policy just before the election. Sometimes Senator Cook is too honest, it has to be said. Senator Cook announced that major parts of their policy would in fact be announced after the election, which I must say I think is not exactly on message, but it does show, I believe, the confusion that we are seeing from the Labor Party ranks.

There is another issue which I should bring to attention. Yesterday Senator Lightfoot in his contribution said that they are not going to roll it back because they are going to increase personal income tax. Or are they going to increase company tax? Senator Cook, bless his heart, said no, they are not. So Senator Cook seems to have again gone on record stating Labor Party policy in relation to income tax and company tax. The trouble is, or perhaps the good thing is, that Senator Cook is not the Labor Party leader. It adds to the massive confusion we are seeing in Labor Party ranks. What we want to know from the Labor Party is how they can roll back the GST by billions of dollars, maintain the revenue to the states and not increase taxes. (Time expired)

**Goods and Services Tax: Advertisements**

Senator FAULKNER (2.19 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. Is the minister aware that sources at Channel 9 have confirmed both to Australian Associated Brewers and the *Sydney Morning Herald* that the Australian Taxation Office had entered into an exclusivity arrangement for the screening of the chains ads on Sunday night, 28 May, and that this had the effect of preventing the screening of the brewers’ ads? My question is, given the minister’s categorical denial on the record yesterday and again in a press release today, has he checked these claims directly with Channel 9? If not, why not? If so, what was the outcome of that checking?

**Senator ELLISON**—It is amazing that Senator Faulkner cannot understand the clarity of the answer which I have put to him. It is this: the government did not seek exclusivity with the placement of the advertisements that he refers to. I have checked with our agency. The agency did not do that. Can I say that you cannot be clearer than that. We purchased prime time television space to communicate information to the Australian people relating to tax reform. What someone at Channel 9 says or what the brewers might say, bearing in mind that the brewers are running a campaign of their own interest at the moment—

*Honourable senators interjecting—*

**The PRESIDENT**—Order! Senators on both sides will abide by the standing orders and not talk across the chamber or interject.

**Senator ELLISON**—I will say once again that the government, in its purchase of these advertisements, contracted for a placement in prime time viewing, and again it does not apologise for that. What someone at Channel 9 says is of no consequence, because I know, as the minister involved with this, what we contracted for, and that was for prime time television to communicate to the people of Australia important information on tax reform. I have checked with the agency, and the agency has advised me that they did not seek exclusivity either. You cannot be clearer than that.

**Senator FAULKNER**—Madam President, I ask a supplementary question. Is the minister aware that a premium is a sum paid in addition to the normal price? Will he inform the Senate what premium the government paid to run its chains ads on Channel 9 on Sunday night, 28 May, for prime time, late lodgment, sponsorship or whatever? Will the minister explain why, when the GST advertising campaign was apparently planned well in advance, and when the government allegedly saved taxpayers’ money by taking block bookings for the ads, the government was scrambling to make its booking for Sunday
night, 28 May, late in the same week, according to you, Minister, yesterday?

Senator ELLISON—Senator Faulkner displays his ignorance in relation to how advertising is purchased. It is good sense to have block bookings. That is standard practice. I believe it was practice even under the previous government. When you get to a time when advertisements need to be run, you firm up on your booking. That is entirely normal practice and is done in a variety of campaigns because things can change due to prevailing conditions. I say to Senator Faulkner that this is absolutely normal practice. Since he is such an expert, he can tell us what normal prices are and what a premium is. What we purchased in this case was prime time television and we paid a rate for that. Senator Faulkner needs to understand how you purchase television advertisements.

Honourable senators interjecting—

The PRESIDENT—Order! There is far too much shouting in the chamber.

Senator ELLISON—I have gone on the record as to the purchase of these advertisements.

Senator Carr interjecting—

The PRESIDENT—Senator Carr, I have just called the Senate to order!

Senator ELLISON—Senator Faulkner exhibits an entire lack of understanding of how this is done.

(Time expired)

The PRESIDENT—Senator Carr, when I call the Senate to order, it is totally disorderly for you to shout immediately thereafter.

Radio Australia: Funding

Senator BOURNE (2.25 p.m.)—My question is addressed to the Minister for Communications, Information Technology and the Arts, Senator Alston. How much additional funding was sought by the ABC in its last triennial funding request specifically to allow Radio Australia to be broadcast by short wave into Asia? Was this funding provided by the government? If the funding was not provided, what arrangements is the government now making to enable Radio Australia to broadcast by short wave into Asia?

Senator ALSTON—I am not sure to what extent the ABC’s submission is a public document, but I think there was a summary of it posted on the Internet. However, I can say that, despite a report in yesterday’s Australian that the ABC asked for extra money to cover Radio Australia’s private leases in their last budget submission, there was no specific request in relation to either Cox Peninsula or Taiwan. It is also correct to say that they did seek some very modest additional funding in relation to Radio Australia generally, but given the extent of their budget allocation and the announcement today that they are entering into discussions with Christian Vision, presumably with a view to a commercial arrangement to lease space on that transmitter, one would assume that they regard themselves as having sufficient existing funds to meet any potential transmission costs. On that basis, it would seem to me that the ABC are able to meet those concerns out of their own resources.

It is worth remembering the Cox Peninsula was described last year by the general manager of Radio Australia as ‘just one small issue that is off to the side, that should not detract from the service’s other short wave and Internet coverage’. The Department of Foreign Affairs and Trade said that Cox is not needed to provide information to expats, that there are other much more effective means. In September last year, the Managing Director of the ABC put out a media release saying the web site had received almost a quarter of a million hits per week. The network manager wrote to the Financial Review saying that Radio Australia had been quick to embrace new technologies and that Radio Australia had negotiated rebroadcast deals which put its programs onto 83 radio stations in 23 countries. One can gather from that that there are indeed many other avenues open to both Radio Australia and the ABC. Indeed, the Canberra Times said last year: ‘The rumours of Radio Australia’s death are much exaggerated.’ The IT section in the Australian in May this year stated that ‘Radio Australia engineers were using Internet audio technology MP3 to compress its transmissions and make them available to transmitters in Taiwan.’ The general manager said that three years ago the transmitter was closed down ‘but now we can broadcast again on
short wave and AM, at no cost to us, on someone else's air waves'.

It seems clear that the ABC is well and truly able to cope from its own resources. If it chooses to upgrade those facilities or the coverage, then that is a matter for it, but remember that back in April 1997 the government contributed an additional $7.2 million which included $1.5 million for Tok Pisin language programming, $3.2 million for English language programming and satellite costs and $2½ million for continuance of the short wave transmission services from Shepparton and Brandon.

Resources have been made available. Obviously, we are concerned to ensure that the message gets out, but I am sure we all remember the fact that, when Mr Mansfield handed down his report recommending that the ABC concentrate on domestic broadcasting, the ABC itself acknowledged that this was not a top priority. It was one of those items that could be included in the $55 million budget cut which was necessary—not for singling out the ABC, but across-the-board—to attempt to fill in Mr Beazley's $10 billion black hole.

**Senator BOURNE**—Madam President, I ask a supplementary question. Minister, I am sure that you are aware that if I had half an hour or so I could respond to every one of those points and probably so could most people. However, let us get back to the question. Did you or did you not provide any extra funding? I do not think it is obvious from anything. Anybody who has looked at the ABC's funding will realise that it is not obvious that the ABC has the money for anything extra, and that includes broadcasting short wave into Asia. Did you or did you not provide for that in the ABC's public document, which you can get off the web, which says that there was a small increase in funding that would allow them to lease transmission time—and they did mean to Taiwan, I imagine, or possibly to Singapore, even though Singapore does not like us very much—to provide a limited quality service to targeted overseas audiences? What they were talking about was Asia. Have you given them the money to do that?

**Senator ALSTON**—I am sure Senator Bourne would appreciate that it is not our job to fund particular projects within the ABC. We provide a bottom line, one-line allocation of funds and then they determine their own priorities from within that funding envelope. To the extent that they identify upgrading Radio Australia as a priority for them, then of course they have the capacity within the budget allocation to accommodate that. You may recall that, when we granted that additional $7.2 million, the ABC board itself chose to provide, from memory, a couple of million dollars to assist in that process. It is ultimately a matter for the ABC board to determine its own priorities from within the single-line allocation. I would have thought you would be screaming blue murder if we said to the ABC, 'We want you to spend more money on Bilko or some BBC comedy program or The Bill, but we want you to spend less money on this and we are only setting aside a certain amount.' That is not the way it works and it never has. (Time expired)

**Goods and Services Tax: Advertisements**

**Senator FAULKNER** (2.31 p.m.)—Madam President, my question is directed to Senator Ellison, the Special Minister of State. In reference to the minister's answer to my earlier question, I now ask: does the minister deny that the Australian Taxation Office entered into an arrangement to sponsor the Austin Powers movie on Channel 9 on 28 May? Does he deny that sponsorship amounts to exclusivity?

**Senator ELLISON**—I have already answered that and I stated that the advertising was negotiated as a program advertising package in keeping with normal commercial rates and that there was no exclusivity sought—that is, asking them to exclude other advertisements. That was not sought by the government. That was not sought by the agency. What the channel does is its own concern. It was not communicated to us what it did or what it was going to do. That is a decision made by Channel 9 on its own; it was not part of any purchasing arrangement.

**Senator FAULKNER**—Madam President, I ask a supplementary question. Can the
minister now clarify whether the ‘program advertising package’, a term he has used in the chamber and in his press release, is another term for sponsorship?

Senator ELLISON—Senator Faulkner tells us what a premium is and what normal pricing is. He is the expert, apparently, on what is done with advertising. He, from what he says, should be telling us. This was a normal purchasing arrangement which did not involve the exclusivity which is alleged by the opposition. They are trying to beat this up because what they do not want—

Senator Faulkner—Madam President, I raise a point of order.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Cook and Senator Carr, it is Senator Faulkner’s question. Senator Ellison has been called upon to answer it. Senator Faulkner wants to take a point of order and it is not only disorderly but rude for you to be interrupting your leader in that fashion.

Senator Faulkner—My point of order is on relevance. I have asked this minister what I thought was a comparatively simple question—that is, whether a ‘program advertising package’—his words—is another term for sponsorship. Would you direct him to answer the question please?

The PRESIDENT—The minister’s answer is relevant to the question. There is no point of order.

Senator ELLISON—Senator Faulkner is saying that the government, in this purchase, sought exclusivity, which means that we were supposedly getting rid of other advertisements. That was not part of the arrangement. He is saying that that is what a sponsorship is. I am saying that the program package that we had with our purchasing of advertising space was for prime time advertising which did not involve exclusivity.

DISTINGUISHED VISITORS

The PRESIDENT (2.35 p.m.)—Order! I draw the attention of honourable senators to the presence in the chamber of the New Zealand House of Representatives Social Affairs Committee, chaired by Mr Taito Phillip Field. The committee is visiting Canberra and Melbourne under the Australia-New Zealand Committee Exchange Program. On behalf of honourable senators, I have pleasure in welcoming you to the Senate and trust that your visit will be informative and enjoyable.

Honourable senators—Hear, hear!

QUESTIONS WITHOUT NOTICE

Rural and Regional Australia: Services

Senator SANDY MACDONALD (2.35 p.m.)—Madam President, my question is to Senator Ian Macdonald, the Minister for Regional Services, Territories and Local Government. Will the minister outline some of the practical initiatives the coalition government is implementing to improve services for rural and regional Australia? Will the minister also outline any alternative approaches to public policy in this area?

Senator IAN MACDONALD—I thank my namesake but no relation, Senator Sandy Macdonald, for that question. I know that as a senator representing rural New South Wales he is vitally interested in these matters. Since 1996 this government has provided a lot of money for rural and regional Australia: $1 billion from the Natural Heritage Trust, $464 million for regional telecommunications, $70 million for rural transaction centres and, in the last budget, another $1.8 billion for rural and regional Australia. That comprised money for the Stronger Families and Communities Strategy, over half a billion dollars for health assistance to disadvantaged people in rural and regional Australia, almost $14 million for the Assistance for Isolated Children Scheme, increases in the basic boarding allowance, the new Dairy Regional Assistance Program of some $15 million and over $500 million for the petrol and diesel price fuel grants scheme—all good initiatives for rural and regional Australia and initiatives that will help out considerably.

I am also asked if I am aware of any alternative approaches to public policy in this area. Well may Senator Sandy Macdonald ask because he, if he listens to question time, and anyone who views question time will know that the Labor Party are not interested in this at all, do not enter into the debate, and Senator Mackay, the spokesman, has not asked a question on rural and regional Aus-
tralia since 19 October last century. That is how interested the Labor Party are. You ask me about alternative approaches. Where would you go to find that out? Perhaps you would go to the Internet and click on ‘countrylabor’ to see what that says about some other ideas. If you searched for ‘Country Labor’ you would be sent through to ‘Country Labor dot con’—that is c-o-n—and with one click you would be referred back to Sussex Street in Sydney. That is Country Labor for you.

Mr Beazley came out with this great proposal for Country Labor. It lasted all of one day before being bagged by Mr Beattie, the Labor Premier of Queensland, by Mr Bracks, the Labor Premier of Victoria, and by his deputy, Mr Crean, and his regional spokesman, Mr Martin Ferguson. That is how long Country Labor lasted. What is Country Labor’s record—not their rhetoric, because we do not know anything about their current policies? Let us have a look at their record. They abandoned the black spots road scheme, they voted against regional forest laws designed to protect timber workers, they voted against a cut in diesel fuel prices for regional transport, they promised to cut the successful—

Honourable senators interjecting—

The PRESIDENT—Order! The shouting that is going on is absolutely disorderly. I ask senators to abide by the standing orders and at least allow me to hear the answer to the question.

Senator IAN MACDONALD—They also want to cut the successful Networking the Nation program, they opposed the rural transaction centres until Mr Beazley came along and in a moment of honesty said, ‘That’s not a bad idea; we’ll keep that.’ They closed some 277 post office branches. That was Labor’s action in government. So we know what Labor oppose. But whether it is Country Labor, City Labor, Champagne Labor or whatever they want to call it, we might know what they want their name to be but we still know nothing about their policies. Their spokesman in this chamber, Senator Mackay, when asked in estimates about their policies, said, ‘We’ll tell you our policies after the election’—not before but after the election. That is their policies. (Time expired)

Goods and Services Tax: Information Campaign

Senator ROBERT RAY (2.40 p.m.)—I direct my question to Senator Ellison in his capacity as Chairman of the Ministerial Committee on Government Communications. Is the minister aware that officers of the tax office cannot recall where the idea for a direct GST mail-out to all electors via a personal letter from the Prime Minister originated? Was this proposal an initiative of the ministerial council? If not, was it approved by the ministerial council, and when? How much more expensive is a direct mail compared with householder delivery? Finally, why is the material being delivered to electors rather than taxpayers?

Senator ELLISON—Dealing with the last part first, the electoral roll is an efficient way to deal with any mail-out, especially when you are communicating information to the people of Australia. In relation to the provision of the information, the Electoral Commission has received legal advice today confirming the lawfulness of the supply of that information. That confirms prior legal advice that the Australian Electoral Commissioner had on this very point. It makes absolute sense to use the electoral roll as a base for mailing out to the people of Australia information in relation to the tax reform that we are looking at on 1 July this year. The mail-out that Senator Ray refers to is an initiative of the Australian tax office. It has a booklet with information in it in relation to tax reform.

Honourable senators interjecting—

The PRESIDENT—Order! There is an appropriate time for Labor senators to debate this issue and it is not appropriate for all of them to be shouting out during the answer to the question.

Senator ELLISON—It is well known that this mail-out is an information mail-out from the Australian tax office and this is an initiative, just as any other information campaign from the Australian tax office, of disseminating information to the people of Australia. There is nothing wrong with that, and that is
not being denied by officials as alleged by the opposition. We are intent on getting out to all Australians information about tax reform—the benefits, the tax cuts, the removal of wholesale sales tax and the fact that some government allowances and pensions will be going up by four per cent. That is what the people of Australia ought to be told. All Labor want to talk about is the GST. They do not want the people of Australia to know about the benefits of the new tax system.

Senator ROBERT RAY—Madam President, I ask a supplementary question. The minister has not addressed most of the questions I put to him. I repeat: is the minister aware that no-one in the tax office can say where the idea originated from? I am asking whether it was considered by the ministerial council, when it was considered by the ministerial council and what the differential in cost is between a direct mail and a household delivery. Finally, are you aware, Minister, that many people will not get this information—those that are silently enrolled, those who are permanent residents not on the roll—and that a household delivery at a much cheaper rate would get to all those people? Isn’t the letter from the Prime Minister simply another political exercise run by the ministerial council?

Senator ELLISON—I can confirm that this mail-out went through the normal processes as does any other mail-out or government advertising or information—that is, through the Ministerial Committee on Government Communications. The sponsoring department was the Australian tax office. If Senator Ray wants the date of that, I will get back to him on it.

Cape York Natural Heritage Trust Fund

Senator BARTLETT (2.44 p.m.)—My question is to the Minister for the Environment and Heritage. It relates to the Mid-Term Review of the Cape York Natural Heritage Trust Fund. Is the minister aware of the conclusion of the mid-term review—that in relation to achieving the objectives of the agreement ‘very little has actually been achieved on the ground’? How does the minister explain this damming conclusion about the apparent inadequacy of the government’s natural heritage fund in the Cape York region? Is it a fact that key issues from the agreement, such as voluntary buy-back of land for Aboriginal communities and national parks, have been left languishing? How much of the $40 million actually promised by the Prime Minister for Cape York has so far been spent?

Senator HILL—It took this government some time, I have to confess, to reach agreement with the then Queensland government on drawing up and putting in place a process for implementation of the Cape York strategic plan—not surprisingly, because it is a complex situation in an area where it has been difficult to make progress on these issues in the past. The community is suspicious of government help, which they see as intervention. There is a long history of differences between various important stakeholders, whether they be the pastoral industry, the fishing industry, conservationists or indigenous interests. Nevertheless, the strategy that we finally agreed on was a good strategy and we set about the task of implementing it in cooperation with the Queensland government. This required the setting up of a structure for that implementation and that was put in place.

Pursuant to that strategy, a number of projects have been approved and implemented; important practical projects to do with nature conservation and reducing feral animals. In regard to pigs, in particular, I can recall a project in cooperation with the council at Cooktown. Most importantly, a process was put in place for property planning assessments which would look at ways in which the interests of pastoralists, indigenous people and conservationists could be effectively achieved. Ten pilot projects were selected and a technical team was set up and funded. That team has been implementing the process of developing these property plans. They are not completed as yet, but we expect them to provide a model which will then be appropriate for use over the rest of the cape. It is complex because each party is looking for a different outcome in these agreements. The indigenous interests are obviously looking for better protection of native title rights and other matters that are important to them. Pastoralists want greater security of tenure than they currently have in their existing
leases. Conservationists are obviously looking for proper protection of what is a unique and very special natural environment.

I received a draft of that report, I think it was late last year. I also was disappointed with some of the conclusions and immediately called a meeting in Cairns of all stakeholders. As a result of that meeting processes were modified and streamlined somewhat and have been progressing since then. So the report in this instance was taken up by me early and some further progress has been made, although I have to say that still it is not as much as I would like.

In relation to acquisitions, we have been seeking to settle issues of title arising out of previous acquisitions. We have been supporting at least one, if not two, further acquisitions. They are in the process of negotiation with the Queensland government at the moment. As far as the natural asset is concerned it would ultimately be held by the Queensland government in a tenure of national park or something the equivalent thereof. But out of those negotiations the Aboriginal interests have to be identified and protected as well, which adds an extra element of complexity. 

( Time expired)

Senator BARTLETT—Does the minister agree with conclusions from a recent meeting held earlier this year by the Cattlemen’s Association, the Cape York Land Council, the Australian Conservation Foundation and the Wilderness Society—groups that have a long history of agreement on this issue, not differences—that things are going backwards, not forwards, for the Cape? Does the minister agree that the Cape York Heads of Agreement is an important and indeed historic opportunity to ensure the protection of the Cape’s cultural and conservation values, along with recognising the rights of the region’s indigenous peoples? If the government does agree with this, will it honour its commitment to ensure that this opportunity is grasped and that $40 million is not spent without those objectives being achieved?

Senator HILL—I certainly do believe that it is an historic opportunity. It should not be missed. I do not agree that it is going backwards. I think it is going forward, but not at a pace that we would like. But probably we are applying a southern expectation to the process, which is inappropriate. We have to build a confidence that has not existed between key stakeholders in the past. Money that has been spent has only been spent in accordance with the goals and strategy as publicly set out. So the money is being used for the stated purposes. If the projects are not good enough or if they are not flowing through, then the money simply is not being spent.

Goods and Services Tax: Compliance Costs

Senator CONROY (2.51 p.m.)—My question is to the Assistant Treasurer. Is the minister aware that the collective GST compliance costs for state and territory governments are likely to be more than $500 million? Can the minister confirm that the Prime Minister’s preferred modeller, Mr Murphy, stated in his report titled The Implications of a New Tax System, dated May 2000 that ‘ANTS leads to a gain in annual national economic welfare of about $0.5 billion’, that is, $500 million? Does this not mean that all the supposed gains from the GST are swallowed up by the GST compliance costs of the states even before we consider the compliance costs faced by business?

Senator KEMP—What an utterly absurd question from Senator Conroy. The fact of the matter is, Senator Conroy, that all state governments have signed up to the intergovernment agreement on tax reform. Everyone has signed up. There is one group in the community which has an acute sense of its own self-interest—and I do not think anyone would query this—and that is state governments.

Senator Herron—And the ALP.

Senator KEMP—I point out—and thank you, Senator Herron—that a number of the governments that signed this agreement were Labor governments. Labor governments have signed this agreement. Senator Conroy, I can assure you with absolute confidence that no state governments would have signed up to this agreement unless they believed it was in their interest, which it is. What we have done with the tax reform package is provide a growth tax to the state governments—the
state governments get all the GST revenues. It is astonishing to have a Labor senator stand up in this chamber and, by implication, say that Mr Carr got it wrong, Mr Bacon got it wrong and Mr Beattie got it wrong and Senator Conroy got it right. I do not think state governments will wear that, and I do not wear that. The fact is that tax reform is hugely in the interests of state governments and that is the reason why they signed up.

Senator CONROY—Madam President, I ask a supplementary question. Isn’t it also a fact that Mr Murphy’s supposed gain to economic welfare is a long-term estimate, as there would be no positive gain to economic welfare in the short term? Doesn’t this help explain why the two largest states, Victoria and New South Wales, are not better off with the GST until 2007-08?

Senator KEMP—Perhaps Senator Conroy is a bit upset that he was not employed as an adviser to Mr Carr on federal-state financial relations and particularly in relation to tax reform. Does anyone believe that Mr Carr would have signed this agreement if he did not believe it was in the interests of New South Wales? Let me conclude by saying that this is nonsense on the GST when, as we know, Mr Beazley has said Labor will not be repealing the GST.

University Access

Senator PAYNE (2.55 p.m.)—My question without notice is to the Special Minister of State, Senator Ellison, representing the Minister for Education, Training and Youth Affairs. Would the minister please inform the Senate about the recent $15 million federal government initiative to improve access to university for disadvantaged students and for students from rural and regional backgrounds in particular?

Senator Carr—While you’re there tell us about how HECS is going up as well.

The PRESIDENT—Senator Carr, I have spoken to you earlier in question time and would warn you about your behaviour.

Senator ELLISON—Young Australians, particularly those from a disadvantaged background, are set to benefit from a new one-off $15 million scholarship endowment. The new endowment to mark the Centenary of Federation will be given to the newly formed Foundation for Young Australians. The Foundation for Young Australians is an amalgamation of the Australian Youth Foundation and the Queen’s Trust for Young Australians. The foundation will use the $15 million to fund a range of practical initiatives for young people. The scholarships will be available for both undergraduate and postgraduate study in academic and vocational areas. The scholarships will be valued at $10,000 per annum for each recipient. Priority will be given to disadvantaged youth, especially from rural and regional areas. These young people are particularly disadvantaged in their access to tertiary education. Family income in rural and regional Australia is below the national average and students have to travel and board away from home. There is often a lack of community and family support in the areas that they have to move to for their studies.

This comes on the back of a great deal of success and progress that we have achieved in government in relation to education, and particularly in relation to higher education. We have now 42,000 more people in higher education than in Labor’s last year of office. This is good news for Australians, and especially those younger Australians who want to go on to tertiary education. There is a total of almost 465,000 full-time equivalent students studying at Australian universities, and of course there is even greater opportunity and choice for those students than there has been previously. This has been backed up by $49 million that the Howard government paid to universities for enrolment in 1999. Under Labor, not one cent was provided for additional funding for overenrolment. This is a great step forward in relation to providing extra places for those people who want to study in tertiary education institutions.

When Mr Beazley was education minister, he spent his time telling university applicants to go somewhere else. This government is not. This government is committed to making sure that all Australians are able to reach their full potential. We have already seen this in the outstanding success of the New Apprenticeships scheme where we have a record number of people in formal training in Aus-
australia—and, of course, that spells good news, particularly for young Australians who want to embark on training. We have seen this in our higher education enrolment figures. I have pointed to that previously: greater opportunity and choice for those Australians who want to go on to tertiary studies, particularly young Australians.

This new foundation will continue on the excellent work done by its predecessors. This is a more than fitting way to celebrate the Centenary of Federation. It is indeed a great initiative which demonstrates the crucial value of community partnerships in the continued development of the Australian community. By investing in the education of Australians, and particularly young Australians, we are investing for the future of this country so that, when we do come to the Centenary of Federation, we will stand here as a nation proud of what we have achieved, particularly under this government—the highest number ever of people in formal training.

Senator Chris Evans—The most number of platitudes used in the one speech.

Senator ELLISON—The opposition yells ‘platitudes’. There are no platitudes in record figures of people in training and in higher education. We are going to build on initiatives such as the benchmarking for literacy and the proposed benchmarking for numeracy in our schools so that our young people will go on to bigger and greater things. (Time expired)

Senator PAYNE—Madam President, I ask a supplementary question. The minister has informed the Senate about several initiatives, particularly for disadvantaged students both in training and higher education. In relation to students from rural and regional areas in vocational education and training, can the minister further advise the Senate of information regarding their opportunities?

Senator Mackay—Come on, Marise; you can do better than that.

Senator ELLISON—Madam President, it is outrageous to hear the opposition denigrate Senator Payne’s question, which is a very important one. It goes to training young Australians and training Australians in the bush. The opposition is not interested in that. We have announced initiatives for increasing new apprenticeships in regional Australia. We announced that before the election and we are carrying that through so that there will be more opportunity for Australians in regional Australia. This is very important because of the disadvantage that people suffer living in regional and rural Australia. We stand on our record: a record that is going to advance Australia not only in the city but also in the regions—something that the opposition is just not interested in.

Senator Hill—Madam President, I ask that further questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Centrelink: Client Privacy

Senator HERRON (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs) (3.01 p.m.)—Senator Ludwig asked me a question yesterday—I apologise for calling him Senator Hogg; it is Tweedledum and Tweedledee over there—and I said that I would provide an answer. I seek leave to have the answer incorporated in Hansard.

Leave granted.

The answer read as follows—

Senator Ludwig, asked Senator Herron, who is representing the Acting Minister for Family and Community Services in the Senate a number of questions which Senator Herron took on notice. The answers to these questions are now supplied:

a) Can the Minister inform the Senate how many pension or benefit recipients have been contacted by the Morgan research organisation in its current or recent broad polling exercise?

In the current (May/June 2000) round of customer research, as at the close of Sunday 4 June 2000, 64,899 customers had been interviewed.

b) Can the Minister confirm Centrelink has passed personal particulars on to Morgan polling including contact details?

Yes.

c) What other personal details have been forwarded to the polling organisation for this survey?

The ‘personal information’ provided to Roy Morgan Research is limited to the minimal
details necessary to ensure that the results of the survey reflect a good cross-section of Centrelink’s customers. However, the Roy Morgan Research interviewer only has access to the customers’ name and telephone number.

The details provided are:

- Regional Office Code (a 3 digit identifier of the customer’s local office)
- Date of last contact
- Title (Mr, Mrs, Ms)
- First Name
- Last Name
- Address 1 - street number and name (this is a ‘care of’ address - most records do not have one)
- Address 2 - street number and name (the customer’s address)
- Suburb
- Postcode
- State
- Phone
- Sex
- Age
- Payment type (a 3 digit code), subpayment type or activity code
- Country of birth
- Language of birth
- Aboriginal and Torres Straight Islander identifier (either ‘Y’ or ‘N’).

What privacy safeguards have been put in place to protect the privacy of these Centrelink clients?

Centrelink’s contracts for customer satisfaction research have legally binding provisions to ensure that customers’ personal information remains confidential. The provisions include:

- employees of the contractor must sign legally binding Deeds of Confidentiality stating that they will not use the information provided to them for any purpose not related to the Centrelink survey;
- the contractor must destroy or return all information provided to them at the completion of the survey; and
- the contractor is bound by the Information Privacy Principles of the Privacy Act 1988.

e) Is Roy Morgan polling also covered by the Commonwealth Privacy Act in regard to this information?

The company is bound contractually to the privacy and confidential information provisions of the Privacy Act through nine separate provisions contained in the contract. The contractor must destroy or return information provided to them at the completion of the survey.

f) Is the Minister aware that many of these Centrelink clients are also very concerned about their personal details being provided to a commercial polling organisation?

From time to time the Minister’s Office receives complaints from customers about being asked to participate in a survey.

g) Did Centrelink attempt to inform clients about this polling exercise and about their rights and privacy protections? If not, why not? If it did, it could not have been very effective - could it Minister?

Centrelink has a range of measures in place to ensure customers are aware about Centrelink’s regular customer research and to be given the opportunity to be excluded from such research if they do not wish to participate.

Goods and Services Tax: Information Campaign

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.01 p.m.)—I move:

That the Senate take note of the answers given by the Special Minister of State (Senator Ellison), to questions without notice asked today, relating to advertising for the goods and services tax.

The situation that we have in this country at the moment is that a desperate Howard government are spending $430 million of taxpayers’ money to promote an unpopular tax through a political propaganda campaign. But not only that: the government are becoming more desperate in their approach. They are resorting to misuse of the electoral roll for a mail-out and they are also resorting to knocking competing views to those of the Howard government off the media. The bill is mounting, as Mr Howard and his Liberal lackey in the Australian Taxation Office, Mark Pearson, throw taxpayers’ dollars down the drain promoting, publicising and selling the GST. That amount of money has reached in excess of $430 million.

What has happened now is that the government have tried to knock other advertise-
ments off the media. The irony of the brewers’ ads is that they are not advertisements directly related to the GST at all; in fact, it is actually an excise issue—but no matter. The Howard government have been shown to be so desperate to keep these ads off prime time television that they are willing to splash out with hundreds of thousands of taxpayers’ dollars to sponsor a prime time first run movie just to gazump the launch of the brewers’ advertisements. That is what has happened. We all know that the brewers had planned to launch their ads on Sunday, 28 May. They had had media space, air space, booked for well over a week. When the government found out about the brewers’ launch timing and they realised the danger of the ads running during the highest rating television program for the week, what did they do? They sponsored the movie with massive extra expense borne by Australian taxpayers.

How many times was the Special Minister of State asked in Senate question time today about whether there were sponsorship arrangements in relation to the evening of Sunday, 28 May? Not once would the minister answer those questions. He would not tell us whether there has been a sponsorship deal. He would not tell us whether the weasel words that he uses, ‘program advertising package’, are actually another term for sponsorship. He would not deny that ‘sponsorship’ amounts, in fact, to ‘exclusivity’. Of course, that is what we are talking about here: sponsorship deal meaning exclusivity.

We know that such a sponsorship carries a hefty premium over and above the normal advertising rates. The opposition has been advised that that sort of premium is normally about 100 per cent extra. We know that the sponsorship entailed the government to exclusivity—that no ads seen to be in competition with the government’s political propaganda on the GST, on the chains ads, could run in that timeslot. But how could the ads be in competition if the chains ads were truly an information campaign, as the government claim; as they assert? There could not be any competition to an information campaign. How could there be competition to so-called information? Of course, there is a competitive situation when you are trying to sell something—in this case, peddling political propaganda on the GST. That is what the government are doing through a misuse of $430 million of taxpayers’ money—peddling propaganda on the GST. And today they have been exposed for a sponsorship deal that the Special Minister of State has not yet even owned up to in this chamber. (Time expired)

Senator COONAN (New South Wales) (3.07 p.m.)—This would have to rate as one of the most threadbare arguments that have been run in the Senate, at least since I have been here. Labor has been in a lather for weeks over the GST and these ads. It is extraordinary. Is Labor really suggesting that there is no obligation on the government to inform the Australian people about the most significant tax changes this country has ever seen? What we have not been told about the much impugned $430 million is that $200 million of it has been spent on the business assistance program, not on advertising. Is the Labor Party seriously suggesting that there should not be information about the ABN or information to assist businesses to make the conversion? This is the most extraordinary proposition that I have heard for a very long time.

The other thing about the impugned $430 million is that $30 million of it was also spent on something that was an absolutely bipartisan policy of the Labor Party and the government for a very long time—on the PAYG system and on the ABN. It is an utterly defensible program. Those listening to this debate would be interested to know that the new tax system not only affects the whole Australian community but it affects people in different ways. There are 18 million consumers, and there are 2.5 million businesses requiring 2.2 million ABNs. There are 4.9 million pensioners and other income benefit recipients, 2.2 million families who receive government assistance, and one million self-funded retirees. The same ad and the same information does not really affect everybody equally. Targeted information is utterly defensible; in fact, it would be remiss of the government not to engage in this program.
Senator Faulkner went into some extraordinary niceties about what are premiums and what are normal prices. First of all, it is not at all clear what a ‘normal’ price might be, and it is certainly not clear what a premium on top of the normal price might be. Senator Faulkner seems to be suggesting that, somehow or other, sponsorship can be implied. There is absolutely nothing in any answer from the minister, or any information that was given in the Senate earlier, which would allow that inference to be drawn. There is certainly no contractual obligation. The minister said very clearly that the government did not seek exclusivity, that the agency did not seek exclusivity and that that had been checked. Prime time advertising space to educate the Australian public on the tax system had been purchased in the normal course and through the normal processes, and for no other reason than to communicate important information on tax reform. The attack on what is normal practice of block booking simply disguises Labor’s threadbare policies on tax, or indeed on anything else for that matter. Every day the ALP criticise some aspect of the GST without telling the Australian people what they propose to do about tax.

Senator Abetz—They’ll keep it; they’ll keep the GST.

Senator COONAN—That is exactly what they will do. The ALP hate the GST so much, Senator Abetz, that they are going to keep it. They must really hate it when they are going to keep it! Are they going to roll back any part of the GST? If so, I wonder what will be rolled back. What is proposed to be done with the revenue that the states are going to lose from such a roll-back? The Australian people ought to be well aware that, if the GST is rolled back, it has to be paid for somehow. Either there will have to be an increase in income tax to pay compensation, or it will mean raiding the budget surplus to pay compensation, or it will mean another special levy or reinstating the GST. I suggest that it would not be safe to leave the national economy alone in the same room with the ALP, and that is exactly what will happen if Labor get their hands on the Treasury benches ever again in this country. Labor have no policies and no honest approach to informing the Australian people what they need to know about the new tax system. (Time expired)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.12 p.m.)—The movie was Austin Powers: International Man of Mystery, and it went to air in Melbourne last Sunday week on Channel 9 in prime time. It was regarded as the rating winner of the week, or at least of Sunday night viewing, well in advance. The Australian Brewers Association had booked their ‘It’s your shout’ ads, which shafted the government, in my view rightly, because of the way in which the government manipulated the GST to impose higher costs on beer drinkers in Australia. They had done so at some extra expense on top of the cost of normal advertising. You do pay a premium for prime time. They had booked their ads.

What do we know about the movie Austin Powers: International Man of Mystery? It is a spoof on spy movies—full of corny double entendre and sex-laden sight gags. What we have seen here in the Senate today may not go to sight gags or double entendre, but it goes to a spoof on what a minister should do in answering questions. We should send the tape of today’s question time to central casting. Mike Myers, move aside. You have Chris Ellison, the Special Minister of State in Australia, to rival you in a spoof on ministerial responsibility in answering questions directly, honestly and forthrightly when they are put in this chamber. What we have seen is a minister twisting in the wind, trying to find every which way to avoid the point.

The facts are that the brewers had organised this campaign. It embarrassed the government. The government has obtained exclusivity by whatever means at a higher than normal cost to blank out the brewers ads and to put on their unchained ads, which in themselves are a vast rip-off of Australian taxpayers and the most gross campaign that has ever been conducted on public television by a government. It did so because it wanted to stop the embarrassing ads, and it did so because it was happy to plunder the public purse and to make taxpayers pay for political censorship in order to do so. The extra pre-
mium is to pay for government propaganda. There is nothing here at all about education.

The fact is that the brewers had the booking for prime time. The fact is that on 26 May, the Friday before the Sunday night viewing, in came the government insisting on their unchained ads, and winning exclusive rights. The fact is that their exclusivity dislodged the ads that the Australian brewers wanted. Game, set and match to the government. You might have thought behind your hand, ‘What a smart move this is!’ The mask has slipped. When the minister talks about a program advertising package he embraces within that: the cost of a standard advertisement, the extra premium you pay on a standard advertisement in order to get prime time, the additional premium you pay on top of that prime time special levy for exclusivity, and the additional premium you pay on top of all of that because you have a late booking. The minister was invited to explain what these extra costs were. Did he answer the question? In a spoof on ministerial responsibility he evaded the question not once, not twice, but at least three or four times. Questions now have to be asked not only about what the government did but also the propriety of a minister who declines to actually fess up and be honest in this chamber as to what the facts are.

Minister Ellison chose his words very carefully. If you read what he said and compare it to the questions that were asked, you can see he is preparing a defence argument for himself in case the facts do come out. But the facts are, at base, once again: when the government does something that in its conscience it knows is crook, rather than admit that it has done something crook, it covers up. The mistake is in covering up. If you had admitted it, if you had corrected it, if you had moved aside and let the brewers ads continue, if you had not plundered the public purse to pay for political propaganda and if you had conducted yourselves appropriately, there would be some understanding on this point. But, because you have covered up, you have compounded the evil of what you have tried to do and shown how bankrupt the whole position is.

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence)

—The people of Australia have just witnessed one of the most pathetic performances in this chamber by a Leader and Deputy Leader of the Opposition in the Senate. The issue before us is whether or not exclusive rights were obtained. Indeed, Senator Ellison has already said on the public record a number of times—and allow me to repeat it for those listening in—that the government did not seek nor did it pay a premium for exclusivity for its tax reform advertising campaign on any medium, including during the movie on Channel 9 on 28 May this year. That is the end of it; game, set and match; over and out.

The Labor Party has been trying to stir up innuendo in relation to this matter. Senator Ellison, who has an excellent reputation in this place, and indeed around Australia, will be believed in relation to this, unlike Senators Faulkner and Cook, whose ministerial records, I have to say, are something I am sure they would not wish to be reminded of. If they were to be reminded, they would be reminded of such people as Laurie Oakes saying that Senator Faulkner wanted to be a Graham Richardson but that he emerged rather like a Ros Kelly. And, of course, Senator Cook as a minister was absolutely devoid of any policy initiatives. He is only remembered for famous quotes which have had to be expunged, I understand, from the Hansard record. But the records of these two former failed ministers from a former failed government are such that they have no credibility in seeking to make any impact on the honesty and integrity of this government, and especially in relation to the Special Minister of State.

Indeed, when the Labor Party have no policies—which has been ever since we have got into government; they have never come up with policies—what do they do? They trawl the gutters, trying to throw a bit of mud. But they forget that if you try to fling mud there is a lot of mud left on yourself. Senators Faulkner and Cook have got mud all over themselves. They do not distinguish themselves by trawling the gutter. I am sure that Senator Ray will undoubtedly participate
in this debate, making his weekly appearance in question time—very good. He is a former distinguished minister, but now all he ever does is trawl around in the gutter trying to sling a bit of mud instead of getting into the real task of policy building. I would have thought that the Labor Party in opposition would have been saying, ‘We need to develop policies.’ We know they have one policy: if elected, and heaven help this country if they are ever elected, what they would do is keep the GST. They hate it so much they will keep the GST and they will keep the tax reforms. Indeed, just before lunch, speaker after speaker from the Australian Labor Party—Senator Crossin and others—condemned, allegedly, the tax reform for local government. They were very impassioned speeches. But then they finished their speeches by saying, ‘We will support the legislation.’ How duplicitous can one get? You condemn the tax reforms being proposed by this government but then you say, ‘We will keep those reforms if ever we are elected.’

The Leader of the Opposition in the Senate asked some six questions, I understand, of Senator Ellison. Senator Ellison responded in a detailed manner to each and every one of them. And no matter how much Senator Faulkner and Senator Cook try to twist and turn, they cannot get around the unequivocal answer given by Senator Ellison. He said that the government did not seek nor did it pay a premium for exclusivity for its tax reform advertising campaign. End of story. If you have proof to the contrary, present it. But do not go sneaking around trying to create innuendo by asking questions when you know what the answer is. You have been given the answer. It is time for the Australian Labor Party to put up or shut up. The fact is that they cannot put up so I would invite them on this occasion, yet again, to shut up and get on with the real business of a bit of policy development.

Senator ROBERT RAY (Victoria) (3.22 p.m.)—We have heard from the two coalition wannabes today: Senators Coonan and Abetz.

Senator Abetz—You are a has-been.

Senator ROBERT RAY—I am happy to say that the best part of my career is behind me. But at least I made it, Senator Abetz, while you are still sycophantically crawling around the Prime Minister, hoping for the phone call. I have to say to the Senate: Senator Abetz is sixth in line for the ministry. That is pretty impressive—to be sixth in line. The reason he is sixth in line is that every government must have a Tasmanian minister. When Senator Newman goes off into the sunset at some stage, who is left? Senator Abetz has made sure there are not many. Through his poisonous activities in the Tasmanian branch of the Liberal Party, they have lost all House of Representatives seats. Every one he has touched is lost. Then he went into the last Senate election, and they barely got two quotas after preferences.

The Abetz factor has destroyed the Liberal Party in Tasmania. But when the Prime Minister has to look for a future minister there, who can they look towards? No-one other than Senator Abetz. Already Senator Calvert is whip; Senator Gibson has been tried and found wanting; Senator Watson would be too dubious a proposition, because Senator Abetz is trying to backdoor him and destroy his career. So all we get out of Senator Abetz is this sycophantic fawning on the Prime Minister. Senator Coonan, on the other hand, I am not going to give a character reference to one way or the other, because she is involved in an upcoming preselection and, frankly, I am not going to take sides. I wish them both well.

I want to go to the question that I asked Senator Ellison, because Senator Abetz said we got detailed answers today. Well, I did not get a detailed answer.

Senator Abetz—Of course you did.

Senator ROBERT RAY—I did not get a detailed answer. I asked whose idea it was for a direct mail letter. No answer. I asked what the difference was between the direct mail costs and household delivery. No answer. I asked when the decision was made. No answer. We cannot get answers on this. We have gone to estimates committees and we have had the tax office in front of us: not one of those officials can remember whose idea it was. They do not own up to it themselves, but they cannot remember. Let me assist them. If you had made a decision just a few
weeks ago to spend $10 million on an unprecedented mail-out, using the AEC database for the first time, you would think someone in government would remember it. When you are using what is a very sophisticated political tool, it does not come by accident.

I have got some suggestions to make about where these ideas came from. They came from the Prime Minister’s office. They came from their paid party lackey, Mark Pearson, who is being paid $195,000 to coordinate the GST campaign—the very same Mark Pearson who directed the advertising campaign for the Liberal Party in the 1996 and 1998 elections. He was not even on the database of the Government Communications Unit. Of all the hundreds of people they could have chosen to do this job, they picked the insider, they picked the Liberal stooge. He is, in fact, responsible, along with the Prime Minister’s office, for this direct mail-out. Why not a household delivery? It is half the price of direct mail, it gets to more people, it gets to those who are silently enrolled—

Senator Abetz—Like you.

Senator ROBERT RAY—Not like me.

Senator Abetz—You are very loud.

Senator ROBERT RAY—I am not silently enrolled. I do not have to worry like you, Senator Abetz, because I do not go around backstabbing fellow party members like you have a reputation for doing. Robin Gray got you absolutely right. I am actually going to donate to your farewell present, because you have done the Labor Party in Tasmania more good than all the rest of the efforts we have ever put in. You are our trump card, Senator Abetz. Your undermining and backstabbing in the Tasmanian branch of the Liberal Party has helped deliver five House of Representatives seats, five Labor senators, and it has ensured that Senators Harradine and Brown came into this chamber. It is all down to Senator Abetz: the hero of the Labor Party in Tasmania, the destroyer of the Liberal Party in Tasmania. Comrade, we salute you! (Time expired)

Question resolved in the affirmative.

Radio Australia: Funding

Senator BOURNE (New South Wales) (3.27 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications, Information Technology and the Arts (Senator Alston), to a question without notice asked by Senator Bourne today, relating to Radio Australia and broadcast transmissions to Asia.

I do not think we could call what Senator Alston said an answer; it was more like a commentary. I asked Senator Alston, in essence, whether the government had funded or intended to fund the ABC for Radio Australia to be broadcast by short wave into Asia. I do not think Senator Alston actually answered that question; however, by his not answering that question, I assume the answer to be no. I assume the answer to be that the government has not funded Radio Australia to be broadcast by short wave into Asia and does not intend to do so. I assume that if they did fund them or if they intended to fund them, he would have told me so. So that obviously has not happened.

I was scribbling furiously as Senator Alston answered—or made a commentary on—my question, and I will just respond to a few of the things he said. He said, first of all, that one would assume that the ABC regard themselves as having sufficient resources to be able to broadcast by short wave into Asia. I do not think that one can assume that at all. I think that because of the fact that they asked for extra resources to be able to do that and the fact that they have been cut down in their funding over the past several years since this government came into office—cut down to a point where they are absolutely, thoroughly, inadequately funded for everything, and especially for the services of Radio Australia into our neighbouring region—one can assume that they do not have sufficient funds to go into Asia on short wave. I think everybody would be making that assumption, except this minister. He said that DFAT say that they do not need Radio Australia by short wave to tell expatriates what is going on in countries in times of need—or words to that effect. I guess he asked DFAT about that. He said to DFAT, ‘Do you have the necessary resources’—and I urge him to tell me if I am saying the wrong thing—to tell our expatriates that they need to be somewhere else if
there is danger?' And I guess DFAT said yes. I cannot imagine they are going to say no.

DFAT is very good at a lot of things but we do not have the money to have DFAT officers out in the countryside of Cambodia, Laos, Vietnam, southern China, India or anywhere else—all of them out there in the countryside—telling our expats that they should be somewhere else in times of trouble. They say, ‘Listen to Radio Australia,’ but you cannot anymore and you certainly will not be able to after August, when the Taiwan transmitter is turned off to Radio Australia. You will not have any short wave: there will be no short wave from Radio Australia going out into Asia—none, full stop—unless the money is forthcoming. It does not sound to me, from what Senator Alston said today, that the money will be forthcoming. I hope I am wrong.

The next thing he said was that the web site has had a quarter of a million hits. I assume that is over a year and I assume that is worldwide. A quarter of a million is nothing like the audience that was accepted for Radio Australia in Asia—in South-East Asia, China, Indonesia and India. This is our neighbourhood. As for all these people, even though the use of the Internet is going up in this area, it is not going up anywhere near what you can have with short-wave radio. I have a short-wave radio that I take with me overseas. I do not know why I bother taking it to Asia anymore; I will not after August. It cost me $40-odd. It costs a lot more money to be connected to the Internet, and most people in South-East Asia do not have it. So that one is useless. He told us there are rebroadcast deals. Yes, there are. In most of those countries in Asia ‘rebroadcast’ does not include news and current affairs, because they are considered too sensitive. They are also the most important parts. They are also the things people most want to hear about their own country—what is really going on—and often do not know. So rebroadcast deals are very sensitive, very delicate and usually do not include news and current affairs.

He mentioned the Mansfield report and said what that reported—thank you very much, we all know that Mr Mansfield was not asked to report on this. Mr Mansfield reported on this off his own bat without any submissions on it. In fact, he did get a few submissions on it but he got them because people just decided to write in. He did not ask for submissions on it; he reported on this just because that was how he felt like he should report. Finally, Senator Alston said he thought I would be screaming blue murder if he tried to direct the ABC. He tries to direct the ABC all the time: I scream blue murder all the time, most of this parliament, including his own side, screams blue murder all the time when he does it. People are screaming blue murder now because there is no funding for short wave for Radio Australia into Asia and there should be.

Question resolved in the affirmative.

COMMITTEES
Selection of Bills Committee
Report
Senator COONAN (New South Wales) (3.32 p.m.)—On behalf of Senator Calvert, I present report No. 8 of 2000 of the Selection of Bills Committee.

Ordered that the report be adopted.
Senator COONAN—I also seek leave to have the report incorporated in Hansard.
Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 8 OF 2000
1. The committee met on 6 June 2000.
2. The committee resolved to recommend—
   (a) That the provisions of the following bills be referred to a committee:
<table>
<thead>
<tr>
<th>Bill Title</th>
<th>Stage at which referred</th>
<th>Committee</th>
<th>Reporting date</th>
</tr>
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<tbody>
<tr>
<td>New Business Tax System (Integrity Measures) Bill 2000 (see Appendix 1 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Economics</td>
<td>20 June 2000</td>
</tr>
<tr>
<td>A New Tax System (Tax Administration) Bill (No. 2) 2000 (see Appendix 2 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Economics</td>
<td>22 June 2000</td>
</tr>
</tbody>
</table>

(b) That the following bills be referred to a committee:

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<thead>
<tr>
<th>Bill Title</th>
<th>Stage at which referred</th>
<th>Legislation Committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax (Customs) (Industrial Safety Equipment) Bill 2000</td>
<td>Immediately</td>
<td>Economics</td>
<td>22 June 2000</td>
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<tr>
<td>Sales Tax (Excise) (Industrial Safety Equipment) Bill 2000</td>
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<td>Sales Tax (General) (Industrial Safety Equipment) Bill 2000</td>
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<td>Sales Tax (Industrial Safety Equipment (Transitional Provisions) Bill 2000</td>
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That the following bills not be referred to committees:
Taxation Laws Amendment Bill (No. 10) 1999
Datacasting Charge (Imposition) Amendment Bill 2000
Financial Management and Accountability Amendment Bill 2000
Indirect Tax Legislation Amendment Bill 2000
Local Government (Financial Assistance) Amendment Bill 2000
Taxation Laws Amendment Bill (No. 6) 2000

The Committee recommends accordingly.

The Committee deferred consideration of the following bills to the next meeting:
Customs Amendment (Anti-Radioactive Waste Storage Dump) Bill 1999
Customs Amendment (Anti-Radioactive Waste Storage Dump) Bill 1999
Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Bill 1999
Customs Amendment (Alcoholic Beverages) Bill 2000
Excise Amendment (Alcoholic Beverages) Bill 2000
International Tax Agreements Amendment Bill (No. 1) 2000
Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000
Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000
Environmental Legislation Amendment Bill (No. 1) 2000
Financial Sector Legislation Amendment Bill (No. 1) 2000
Fuel Sales Grants Bill 2000
Fuel Sales Grants (Consequential Amendments) Bill 2000
Product Grants and Benefits Administration Bill 2000
New Business Tax System (Miscellaneous) Bill (No. 2) 2000
Privacy Amendment (Private Sector) Bill 2000
Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 2000
Diesel and Alternative Fuels Grants Scheme Amendment Bill 2000
Health Legislation Amendment Bill (No. 3) 2000
National Health Amendment Bill (No. 1) 2000

Possible submissions or evidence from:
Australian Society of Authors, Arts Law Centre (Sydney), National Farmers Federation, Australian Managed Investments Association
Committee to which bill is referred:
Economics Legislation Committee
Possible hearing date: 13 16 June 2000
Possible reporting date(s): 20 June 2000
(sign)
Kerry O’Brien
Whip/Selection of Bills Committee member

New Business Tax System (Integrity Measures) Bill 2000
Reasons for referral/principal issues for consideration:
Non commercial loss provisions
13 month prepayment rule

Possible submissions or evidence from:
Accounting bodies, Tax Institute, legal representatives
Committee to which bill is referred:
Economics Legislation Committee
Possible hearing date: June 2000
Possible reporting date(s): 27 June 2000
(sign)
Kerry O’Brien
Whip/Selection of Bills Committee member
Appendix 3

Name of bill(s):
Sales Tax (Customs) (Industrial Safety Equipment) Bill 2000

Reasons for referral/principal issues for consideration
To examine the provisions of the bills which will remove an existing sales tax exemption on, among other things, sunglasses that are used for protective purposes by people in outdoor occupations; the implications on the not-for-profit sector of this increased impost; and the retrospectivity of the measures

Possible submissions or evidence from:
Australian Cancer Society
ICAA and ASCPA and Law Council of Australia
Australian Retailers Association
Sunglasses Industry Association

Committee to which bill is referred:
Economics Legislation Committee

Possible hearing date: as soon as practicable
Possible reporting date(s): 22 June 2000

Whip/Selection of Bills Committee member
Vicki Bourne

LEAVE OF ABSENCE
Motion (by Senator Coonan)—by leave—agreed to:

That leave of absence be granted to Senator Sandy Macdonald from 8 June to 30 June 2000, to Senator Patterson from 26 June to 30 June 2000, and to Senator Payne from 26 June to 28 June 2000, on account of parliamentary business overseas.

NOTICES

Presentation

Senator Bourne to move, on the next day of sitting:
That the Senate—

(a) expresses:
(i) its concerns about the Vietnamese Government’s continued detention, house arrest, and harassment of political dissidents and religious leaders; and
(ii) its concern in respect of the restriction of freedom of speech, the press, assembly and association in Vietnam; and
(b) calls on the Australian Government:
(i) to take concrete steps to monitor the human rights situation in Vietnam, including requesting the Vietnamese Government to allow Australian diplomats to visit those alleged to be prisoners of conscience, and to do so on a regular basis,
(ii) to make regular representations to relevant Vietnamese ministers and officials in Vietnam and to the Vietnamese Embassy in Canberra for the immediate release of all prisoners of conscience and for accelerated progress in moves to wind back restrictions on democratic freedoms, and
(iii) to provide the Parliament with regular reporting on its human rights representations to the Government of Vietnam, on the responses by Vietnam and the overall human rights situation in Vietnam.

Senator Watson to move, on the next day of sitting:
That the time for the presentation of reports of the Select Committee on Superannuation and Financial Services be extended as follows:

(a) initial terms of reference—7 December 2000; and
(b) the provisions of the Family Law Legislation Amendment (Superannuation) Bill 2000—31 October 2000.

Senator Hogg to move, on the next day of sitting:
That the time for the presentation of reports of the Foreign Affairs, Defence and Trade References Committee be extended as follows:

(a) the economic, social and political conditions in East Timor—17 August 2000; and
(b) Australia in relation to Asia Pacific Economic Cooperation (APEC)—29 June 2000.

Senator Mark Bishop to move, on the next day of sitting:
That the Senate—

(a) deprecates the loss of the Cox Peninsula transmitter in 1997 and the more recent sale of the transmitter to a foreign interest group;
(b) notes that the sale of the transmitter:
(i) betrays Australia’s national interest in Asia,
(ii) confirms to listeners the lack of interest of the Australian Government in the Asia region, and
(iii) conveys an intent by the Australian Government to nullify an Australian voice to the region;
(c) urges the Australian Government to take all necessary steps to ensure that Radio Australia regains immediate access to the transmitter; and
(d) calls on the Australian Government to make sufficient funds available immediately so that Radio Australia can access the transmitter.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) Impulse Airlines’ launch of cheaper airfares in the week beginning 4 June 2000 and the company’s efforts to introduce real competition into the airline industry, and
(ii) that Impulse is the first domestic carrier to enter the Australian market since Compass left the market in 1991 and that the company has a commitment to providing flights to regional areas;
(b) calls for increased competition in Australian airfares, which for too long have been dominated by Qantas and Ansett with high prices;
(c) welcomes new players into the airline industry, including Impulse, whose aim is to reduce airfares with ‘no-frills’ flights while maintaining a high standard of service; and
(d) requests that the Australian Competition and Consumer Commission keep a special eye on competition in the airline industry and stamp out any emerging unfair trade practices to ensure a level playing field for competition.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes that:
(i) the Federal Government has delivered on its promise to help workers through the Employee Entitlement Support Scheme by assisting former workers of Scone Fresh Meats, and
(ii) the Minister for Employment, Workplace Relations and Small Business (Mr Reith) visited Scone to tell workers personally that they would be receiving assistance under the scheme, with a total contribution of more than $205 000;
(b) condemns the New South Wales Australian Labor Party Government for not matching the Commonwealth dollar for dollar in helping workers receive their entitlements; and
(c) urges all states in Australia to support the scheme, which for the first time in Australia provides a safety net for the protection of worker entitlements.

Postponements
Items of business were postponed as follows:
General business notice of motion no. 562 standing in the name of Senator Allison for today, relating to the Albury-Wodonga bypass, postponed till 15 August 2000.
General business notice of motion no. 581 standing in the name of Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to advertising of the goods and services tax, postponed till 8 June 2000.

COMMITTEES
Scrutiny of Bills Committee
Meeting
Motion (by Senator O’Brien, at the request of Senator Cooney) agreed to:
That so much of standing order 36 be suspended as would prevent the Scrutiny of Bills Committee holding a private deliberative meeting on 21 June 2000 with members of the Scrutiny of Acts and Regulations Committee of the Victorian Parliament in attendance.

AIR FACILITIES: DOCUMENTS
Motion (by Senator O’Brien) put:
That there be laid on the table by the Minister representing the Minister for Transport and Regional Services (Senator Ian Macdonald), no later than 5 p.m. on Thursday, 8 June 2000, the following documents: All files, reports and all other materials, including Civil Aviation Safety Authority Board and Board Committee agenda papers and minutes held by the Civil Aviation Safety Authority, that relate to the operation of the
The Senate divided. [3.39 p.m.]

(The President—Senator the Hon. Margaret Reid)

Ayes………… 35
Noes………… 30
Majority………   5

AYES
Allison, L.F. 
Bishop, T.M. 
Bourne, V.W. 
Campbell, G. 
Collins, J.M.A. 
Cook, P.F.S. 
Crowley, R.A. 
Faulkner, J.P. 
Gibbs, B. 
Harradine, B. 
Lees, M.H. 
Lundy, K.A. 
McKieran, J.P. 
Murphy, S.M. 
Quirke, J.A. 
Ridgeway, A.D. 
Sherry, N.J. 
Woodley, J. 

NOES
Abetz, E. 
Boswell, R.L.D. 
Calvert, P.H. * 
Chapman, H.G.P. 
Eggleston, A. 
Ferguson, A.B. 
Gibson, B.F. 
Herron, J.J. 
Knowles, S.C. 
Macdonald, I. 
Mason, B.J. 
Minchin, N.H. 
Pavey, M.A. 
Tchen, T. 
Vanstone, A.E. 

PAIRS
Hutchins, S.P. 
Denman, K.J. 
Crossin, P.M. 
Stott Despoja, N. 
Murray, A.J.M. 

The failure of the Federal Government to adequately respond to the crisis in the Australian sugar industry.

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

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

Senator WOODLEY (Queensland) (3.42 p.m.)—Let me underline the matter that we are discussing this afternoon: the failure of the federal government to adequately respond to the crisis in the Australian sugar industry. Let me emphasise that I am not saying that the federal government has done nothing.

Senator McGauran—Back-peddling from almost the first minute!

Senator WOODLEY—I am not back-peddling; if you read the motion properly, that is exactly what it says, Senator McGauran. The problem is that the federal government have responded in a manner which is too little, too late. They have addressed one issue amongst a host of issues which concern sugar growers in Queensland. They have addressed one issue which is important in one local area. But in terms of the crisis which is facing the whole sugar industry in Queensland and in northern New South Wales, it is a minor issue compared with all the issues which are vexing sugar growers in those areas at the moment.

I want to deal with the issue of the South Johnstone mill—and I will get to that in a minute—because I think there are some things that need to be said about the government’s action on that issue. Having met with sugar growers and people concerned about the sugar industry on the Atherton Tableland, in South Johnstone, in Ayr and in other parts of Queensland in the last couple of months, I can tell you that there are many issues which the federal government is simply not addressing at all.

I am going to read into the record some of the issues which have been put on the record in all those places, and I did not mention Ingham, where I spent at least a day with those people. They all asked me to bring the message to Canberra that, while the federal government is addressing one issue amongst

MATTERS OF PUBLIC IMPORTANCE
Sugar Industry

The PRESIDENT—I have received a letter from Senator Woodley proposing that a definite matter of public importance be submitted to the Senate for discussion, namely:

Albury-based airline ARCAS, which trades as Air Facilities.
many—the issue of the South Johnstone mill—many other issues are vexing the minds of these sugar growers and in fact there is a very deep crisis in the Australian sugar industry. Fixing up the South Johnstone sugar mill, whilst it is welcome in that area, is simply not going to save the sugar industry in this country. I want to put on the record some of the things I discovered, and in fact I will read into the record some of the things which were given to me in writing. But first of all, let me address the issue of the South Johnstone sugar mill. I read from the minister’s press release:

“The Federal Government has offered to underwrite Canegrowers for a loan to provide the necessary capital to enable the crush to proceed on schedule next month,” Mr Truss said.

It is good that they did that. But let me relate what I discovered when I visited South Johnstone. I want to ask whether the federal government’s initiative will actually address, even in that local area, all the issues that surround the problems in the South Johnstone mill. One of the problems is to do with the whole area of preparation to open the mill, which takes quite a bit of time, a bit of capital and also a lot of work. I discovered that none of those preparations have been able to begin. There is a problem with the drainage into the creek system, and that has not been cleared for a number of years. There is the problem of maintenance of the tracks which lead into the mill and carry much of the sugar.

Senator Boswell—What are we supposed to do?

Senator WOODLEY—There is an incredible problem in terms of roads. Senator Boswell, particularly up on the Atherton Tableland, as much of the sugar that is being grown in the southern Atherton Tableland comes into the South Johnstone mill. The roads are falling apart. So these are some of the issues—Senator Boswell might like to address them in his contribution—and I need to know whether or not they are being addressed by the government in addressing this one particular issue in the sugar industry in North Queensland. I wonder whether that mill’s debt is going to be just too big to jump over and whether this is just a temporary relief for this year. I wonder whether the federal government is prepared to put in funding. I could give a figure but, because that could be commercial-in-confidence, I will not mention it. But I understand that the debt on the mill is very large indeed. Part of this was caused by the mill’s purchase of land near Tully from the King Ranch, and that itself increased the debt. I visited a number of businesses in South Johnstone and there are many of them ready to close their doors. Is the federal government’s package for South Johnstone really going to address those issues? That is the question that needs to be answered.

Let me note that it says in the minister’s press release on the South Johnstone sugar mill that ‘cane farmers in North Queensland are currently facing a difficult situation with poor seasonal weather’. I certainly do not expect the federal government to be able to do anything about that, Senator Boswell. But let me say that low prices and a corrupt world market are mentioned in the minister’s press release, and I have to ask whether or not the federal government is taking enough account of that. The problem is that, once we removed the very small tariff which helped to support the domestic price for sugar in Queensland and we moved to export parity pricing, immediately we exposed the sugar growers in North Queensland to that corrupt world market. That meant that not only our export sugar but also sugar sold into the domestic market, which is about 20 per cent of the market, had to cop a price which is just unsustainable. This is one place where the Democrats disagree strongly with the major parties, in that we believe that domestic markets at least ought to be supported by government and that, while we are subject to export markets and it is difficult to do anything about the prices that we get for our export product, in terms of our domestic markets we do have control over the price. To expose domestic markets to that same export parity pricing means that growers cannot, even in their own domestic market, control the price that they get.

I notice that the minister said:
The loan is dependent on the growers contributing to a 5 per cent levy on their proceeds for the next two seasons’ supply, as already agreed.

I again ask whether the assistance that the government says it is giving is really about farmers themselves paying for their own government assistance. I notice also that Mr Truss said:

By the end of this year a plan must be in place to rationalise industry infrastructure. The loan does not avoid the need for restructure.

I must say that rural communities and primary industry have come to fear the word ‘restructure’ because what it really means is less farmers, lower incomes and a decline in the population of rural communities.

Senator Forshaw—And higher domestic prices for the consumer.

Senator WOODLEY—That is right. I have addressed the issue of the South Johnstone mill. Even though I commend the government for the initiative, even that one initiative which has been taken I believe will be only a very temporary measure that will be paid for by farmers in the end and will not address many of the other issues surrounding that one particular place.

In my visits to North Queensland, I discovered a number of other things. A group of sugar farmers in Ayr drew attention to the fact that, while we are subject in this country to export parity pricing, African cane farmers and those in the United States get three—Senator Boswell—Are you talking about state governments?

Senator WOODLEY—Yes, I will give them a bit of a serve, too.

The DEPUTY PRESIDENT—Order! Senator Boswell, cease interjecting.

Senator WOODLEY—Sugar farmers in the USA and African cane farmers get three times the world market price because of support which is given to those farmers. How do we expect our farmers to compete at world parity prices when other sugar exporting nations give support to their farmers to the extent that they get three times the export parity price that our farmers have to survive on?

The farmers in Ayr said that refiners in Australia—who really pushed the whole issue of getting rid of the sugar tariff—are now paying $200 a tonne less for sugar. At the same time, the consumer price has increased—the same story as with dairy. While the middle people, the processors and refiners, are getting cheaper sugar, at the same time consumers are paying more to buy sugar in the supermarket, more for soft drinks and more for confectionery. One has to ask what is happening and why it is that this government seems bent on taking money out of the pockets of farmers and transferring it to food processors, because that is what is happening in so many of our industries.

Senator Boswell—What about Golden Circle?

Senator WOODLEY—You can talk about that.

Senator Boswell—You have to tell them it is going to—

The DEPUTY PRESIDENT—Order! Senator Boswell, you will have your turn shortly.

Senator WOODLEY—Thank you, Madam Deputy President. I guess we should not have these kinds of discussions.

The DEPUTY PRESIDENT—No. You should be addressing the chair.

Senator WOODLEY—Let me go to the meetings I had in Ingham. It might be good if I read to you a speech which was handed to me. This person, a woman, asked me to talk about these things. She said:

Not only are we facing severe hardship with low world prices—the lowest on record—since 1997 we have had 6 floods in this district within four years. We have had unseasonal rains as well which has produced the lowest CCS on record and over 2 years our crops and ratoons have been damaged to such an extent that a lot of us have not been able to meet our bank payments and have had to operate on overdrafts larger than normal.

I am not blaming the federal government for weather conditions, but in these kinds of conditions, the federal government is the one who must respond. She continued:

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It has been a very stressful experience when, as farmers, we have worked for 12 months and are not even making the basic wage ... It is a very distressing fact that we are not going to be paid
money from harvesting our cane this year that will
even cover our costs ...
We cannot fight seasonal weather, low world
prices and government policies—and the banks—
anyone who has borrowed money needs between
$25 to $27 a tonne just to survive.
The federal government is saying to these
farmers, ‘Borrow more money,’ but even at a
lower interest rate it just cannot be done. She
continued:
This money still has to be paid back. Even when
prices lift we would be no better off than we are
now because of these extra borrowings.
And she goes on. She talks about stress on
the family and wants to know why govern-
ments are bent on killing farmers and small
businesses in this country. In closing she said:
I would like to say we have had a gut full. We are
not going to take any more of what has been
dished out. We are going to come out fighting.
The fight has already started. Please take this
message to Canberra.
I hope that today, at least in this debate, we
are able to address some of these issues. The
other issues which are biting in the country
are national competition policy and the whole
issue of global free trade which is certainly
not fair trade. Our farmers are having to
compete, without any real support from gov-
ernments, against subsidised and corrupt
world markets. (Time expired)

Senator BOSWELL (Queensland—
Leader of the National Party of Australia in
the Senate and Parliamentary Secretary to the
Minister for Transport and Regional Serv-
ces) (3.58 p.m.)—Words fail me after that
contribution by Senator Woodley. He has
picked absolutely the wrong time to move an
MPI in these terms. Only today, there is a
person up from Warren Truss’s department
negotiating and putting the final touches to
the South Johnstone loan. Three weeks ago, I
had a phone call from South Johnstone say-
ing, ‘We have about eight days to go. Can
you help us?’ Bob Katter was in my office.
We sat down and worked this through. Three
weeks later, this government has agreed to
underwrite the South Johnstone mill. It took
three weeks to get it through. That is the re-
sponse to your MPI—three weeks to get un-
derwriting in place for $3½ million.

About two weeks ago, I was invited to
open the Australian Canefarmers Conference.
No-one understands the plight of the sugar
industry more than I. Some of the proposi-
tions that Senator Woodley raises about
weather and low CCS prices are totally accu-
rate, but then to come in and say that the
government has not done anything to support
the sugar industry is totally wrong. About
three months ago, I addressed their manage-
ment committee.

Senator Forshaw—How long ago?

Senator BOSWELL—About three
months ago, and I said, ‘If you want the gov-
ernment to help you, then you have to put a
plan together and present that plan to the
government.’ De-Anne Kelly has been run-
ing around Queensland and she has been in
charge of the sugar task force. Only a week
or maybe three or four days after the confer-
ce, which was about two weeks ago, or
even later than that, the sugar industry, the
milling council, the Australian Cane Farmers
Association and the Queensland Canegrow-
ers presented a united package of support on
behalf of the sugar growers. Does Senator
Woodley expect that the government should
respond to this package in less than a week?
The Prime Minister was up at the sugar
growers conference. By some chance he
turned up in Cairns when I was opening it. I
rang his office and I rang his mobile phone
and I said, ‘Would you come around and say
a few words to the growers?’ He did come
around there and he gave a very good ad-
dress. He said that their package would be
looked at sympathetically. Senator Woodley,
how can you do anything more? Within three
weeks we responded to the South Johnstone
mill. Within one week the Prime Minister
invited the sugar industry to put a plan to-
gether and to come to the government and
present that plan to Warren Truss. And now
you are up here demanding that we do
something.

Senator Woodley, there are always people
who are going to be unhappy. There are al-
ways those types of people. I understand
them and I understand their needs. But you
cannot go around rural Australia like a scav-
enger looking at some people who are un-
happy and then reflecting their prejudices
back to the electorate. That is One Nation stuff—but you are making One Nation look like half a nation the way you are carrying on. You are an opportunist, Senator Woodley. You go out there and cost this government millions of dollars by traipsing around rural Australia demanding that we have inquiries on everything, from dairy to sugar, so it gives you an opportunity and a platform to grandstand in front of rural Australia. What has it ever achieved? Not one thing. I defy you to get up in this place and say what you have ever achieved for rural Australia. You are using it like a scavenger, and that is not the purpose—

Senator Woodley—Address the chair or he will get angry with you.

Senator BOSWELL—Mr Acting Deputy President, Senator Woodley is not acting in any way that enhances the Senate—the way he goes around promoting these Senate inquiries to give himself a platform.

Let us just have a look at the tariff issue. I have press releases here that I will table from the Australian Cane Farmers Association. These press releases relate to the sugar industry report tabled. Mr Allison, General Manager of the Australian Cane Farmers Association, said that he believed the general industry would accept the report as a ‘united, solid approach to the future direction of the industry’. In so doing, he believes the report ‘reflects the maturity of the industry’. That is a report from one of the industry’s peak bodies supporting the removal of the tariff. And then the Canegrowers come in and say:

The sugar industry is a balanced package of measures recommended by the working party and now accepted by the government. It vindicates Canegrowers’ consistently stated argument that total deregulation would be disastrous.

The representatives of those two industry bodies came down to Canberra and asked the federal government members and senators to remove the tariffs. We responded to the needs of the industry. Yet Senator Woodley goes out there and continues to stir the industry up.

We talk about tariffs and global group trade reform. Together with 13 other sugar producing countries, the global alliance of sugar producers supports the government’s efforts and shares the aim of dismantling tariffs and non-tariff barriers and the elimination of all export subsidies and trade distortions that provide domestic price support for sugar. Average tariffs are three times higher for agriculture than for non-agriculture goods. It seems beyond comprehension that in US terms $362 billion was given to farmers in wealthier countries last year to support less than three per cent of their economies. The EU, Japan and America support their farmers by $362 billion. I ask Senator Woodley: does he think that with our economy, if we get into a subsidy war, we can possibly match those subsidies? The sugar industry do not think so. They think the only way out is to try to remove trade barriers. They think that, and 13 other leading sugar industry countries think it. The only way through to them is to reduce the tariff barriers and get out there. Senator Woodley, I do not know whether you were here at the time, but when the embargo was lifted it was I who called for a Senate inquiry and actually did something. We actually had a report that said there should be a tariff on sugar. Do you recall that? I do not know that you were here.

Senator Woodley—You got rolled.

Senator BOSWELL—No, we did not get rolled. There was a tariff that went on sugar when the embargo was lifted. Then the Labor Party tried to remove the tariff, and it was I and a couple of others who crossed the floor and supported it.

Senator Woodley—You voted to remove the tariff, too.

Senator BOSWELL—No, I never voted to remove the tariff.

Senator Forshaw—Yes, you did.

Senator BOSWELL—You are correct; I certainly voted to remove the tariff when the sugar industry requested it of me. The two peak bodies and the milling council requested that the tariff go, and that was when I voted for it to be removed.

In these inquiries that you run around Australia, which cost the taxpayers millions and millions of dollars, you fail to lead with the facts and fail to tell the people the real options facing them. You take an easy, popu-
list path denying rural families the truth about world sugar. You exploit the position.

Senator Woodley interjecting—

Senator BOSWELL—Senator Woodley, it does not become you at all, doing this. You really should not do it.

Let us just look through some of the things that we have done. As a government, we have supported the amalgamation of the refining of Mackay and CSR, a thing that the sugar industry asked us to do. We have given the industry a $19 million infrastructure package. We put a $13.45 million package together for research into low CCS in the northern region where it is declining. We have underwritten the South Johnstone. We have put out guidelines for restructuring which the industry understand. The Prime Minister attended the sugar growers conference two weeks ago. The Deputy Prime Minister also attended the conference and had someone there all the time. The PM gave an undertaking to consider a package coming from the whole industry and agreed to by the whole industry. This came from groups representing the whole industry. The ACFA put that package forward together with the Canegrowers, together with the milling council.

We recognise that commodity prices are low around the world. We recognise that the prices have been the worst in Australian history, down as low as 4c a pound and now gradually climbing back to around 7c a pound. We understand that and we understand the five cyclones that have gone through the superwet belt and we have responded to that by inviting the sugar industry to put forward their package—their ideas. We said to them, ‘You put forward a package that has the support of your total industry.’ It has taken them a couple of months to get that package together. They will have a very early response as to what this government is going to do.

We have supported a number of initiatives that the sugar industry has required. In fact, I do not believe there is anything the sugar industry has asked us that we have not responded to positively. When I opened the conference three weeks ago, I announced there would be no 43c excise on ethanol. That was greeted with great acclamation. The government has made it a policy position that there would be no ethanol excise and that has shown the way forward for a positive, new industry based on sugar. We have supported the bagasse cogeneration. We have put a very substantial package into that, to plough electricity back into the grid from the by-product, bagasse, burnt off in their furnaces. There probably would not be a week go by when I would not speak to this industry once or twice a week, either the Australian Cane Farmers or the Australian Canegrowers. I cannot recall anything that we have not responded to as a government. When they wanted the single desk legislation placed, it was this government that stopped the native title debate to squeeze through an amendment on the Trade Practices Act that would put the single desk selling in place in the best way possible under legislation.

Senator Woodley—Until national competition policy reviews it.

Senator BOSWELL—The national competition policy cannot review it at all, because it is in legislation put into this parliament, put in by this government, rock solid and cemented in. One desk selling of the sugar industry is a fact of life and it will never be taken away unless this government is rolled. We had the support of the Labor Party and the Democrats. Senator Woodley, I appeal to you. I know what you are doing. You are playing base, crude politics. You are going to some of the industry, but not the leaders of the industry, the people that are elected to represent their industry. I did not see you at the conference. You were not even there. I take it that you would have got an invitation, but you were not there. You do not want to deal with the elected leaders. You want to find some people that are hurt and downtrodden and you want to take them back into the fifties. Senator Woodley, you cannot do it. Ninety per cent of the sugar crop of Australia is exported. (Time expired)

Senator FORSHAW (New South Wales) (4.13 p.m.)—I am just amazed at that contribution from Senator Boswell. About three-quarters of it was a personal attack on Senator Woodley and by implication an attack upon all the other members of the Senate.
Rural and Regional Affairs and Transport Committee. On a number of occasions, often at the suggestion of members of the government, the Senate committee has conducted inquiries into a range of agricultural industries, including this industry, and brought down unanimous reports in just about all cases. But Senator Boswell thinks that is a waste of taxpayers’ money. He probably thinks the report we brought down the other day on the salmon industry was a waste of taxpayers’ money, even though members of both coalition parties took a very active interest in that inquiry, which travelled around various parts of Australia.

Senator Boswell also tried to make out that this was a problem that really only arose a couple of weeks ago. He said that it has only been in the last three or four weeks that the issue of the crisis in the sugar industry really came before the government. I do not know where Senator Boswell has been. If, as he said, not a week goes by when he does not talk to the industry once or twice, then he must have heard about the concerns within the sugar industry, about the parlous state of their industry because of low world prices. This is not something that has been hidden in the back pages. You only have to pick up the Land newspaper or get onto the net sites or even contact the Parliamentary Library here and you will get reams and reams of paper. Senator Boswell can keep in touch with what is happening in the industry whilst he is sitting in this chamber, let alone go and talk to them.

This problem has been around for a couple of years. At the ABARE Outlook conference earlier this year, ABARE predicted a substantial further drop in world sugar prices: world sugar prices for the year 1999-2000 would end up being about 16 per cent lower than they were last year. Further, as the industry associations themselves have been saying for some time, historically low world prices, record production levels over a number of years and the highly regulated industries in the EU and America have brought about huge production levels, far exceeding consumption. Our industry has been suffering for some time as a result. It has not just come to light because of the situation at the South Johnstone mill. The situation at the South Johnstone mill is the end result of a problem that has been around for at least a couple of years.

The minister, Mr Truss, and other members of the government have been aware of this. They have visited these areas, like other members of parliament, and they have been informed of the problem. An added problem in Queensland—on top of the other ones I have mentioned—has been the huge rainfall and the floods and the devastating cyclone, particularly Cyclone Rona. This industry has copped everything. Even an industry as efficient as the sugar industry is going to have trouble coping when it gets hit with four or five problems such as the ones I have identified.

Mr Truss, the minister, visited the Burdekin region, I am advised, in August of last year. An article in the local newspaper, the Ayr Advocate, on 25 August described his visit as ‘a lacklustre visit’. The farmers up there did not get any comfort from Mr Truss’s visit at that time. His response to requests from the industry for assistance was, in the words of the newspaper article, ‘You are on your own.’ Parliamentary secretary for agriculture, Senator Judith Troeth, told the sugar industry on 6 September last year that the solution to its problems lay in further tightening its belt. She said about the sugar industry: ‘It has to find ways of reducing on-farm costs.’ This statement was made to an industry which is widely acknowledged as being one of the most efficient in the world. It has not had the levels of protection that exist in the EU and in the US. The PM is on the record as saying that he sympathises with the plight of the sugar industry and the farmers but that it was really all Bill Clinton’s fault or the WTO’s fault because they did not get any resolution in Seattle. He was hoping things would get better, maybe after the next US presidential elections.

Senator Woodley—What about the next Australian election?

Senator FORSHAW—I have no doubt that things will get better for all Australia after the next federal election. In the last few weeks the situation at South Johnstone mill has reached a critical point. The government
has been forced to act. Minister Truss announced on 2 June a loan package to assist that mill. The government is talking to the industry about a broader and longer lasting package, we understand. But once again it has been far too late.

This is a government that has not been proactive when it needed to be. We saw that in the dairying industry. Minister Truss sat on his hands for months and months. The same attitude was adopted that Senator Boswell has just acknowledged here today. The government’s attitude to the industry is ‘If you get into trouble and it is not your fault, if your industry gets hit with world economic problems and cyclones and all these things, you have to develop a plan and then bring it to us.’ The attitude of this government is that it will sit here and wait until the industry develops the plan. God knows, they have enough to do to survive. That is what happened in the dairying industry.

There is nothing about this government, and particularly this minister, that would give any confidence to agricultural industries that the government will take notice of the advice they get from their department, or from ABARE, a specialist body, or that the government is maybe going start to think ahead, to think, ‘Maybe this industry is going to need some assistance, maybe this industry is going to need a plan to help it restructure and survive.’ No—it sits back and waits, unlike the previous Labor government. As a government we developed plans for industry in consultation and cooperation with industry: the Kerin plan, the Crean plan, and the Button plan for the motor vehicle industry.

We did not sit back and just wait till industry finally came crawling through the door on their knees, saying: ‘Please help us.’ We did not say, ‘You go away and develop a plan, bring it back to us and we will think about whether or not we can support it.’ And if they do happen to support it, what will happen? This government will claim the credit for it. They claimed the credit for the dairying industry restructure plan, even though it was never their idea and it is being funded ultimately by taxpayers and by the industry itself. So we can criticise this government. They are far too tardy. They have come to this issue, again, far too late.

I want to make another point: whilst this proposal is certainly welcome for the South Johnstone mill, there are other mills in danger of closing and there are workers at those mills who are in danger of losing their jobs. We should not be focusing purely on the situation in terms of the farmers. For instance, the workers at the South Johnstone mill have for a number of months been working reduced hours by agreement between the union and the management to help reduce some of the costs of that mill in order to help it to survive. They have been aware of the problem and they have been accepting reduced working hours and, therefore, lower take-home pay in order to help the mill. It is about time Minister Truss started to recognise that he has a responsibility as a minister to think forward, not backwards, to not just be reactive but to start to get proactive in dealing with some of the very important issues and some of the problems that exist within his portfolio, particularly in the sugar industry.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (4.23 p.m.)—In speaking in this debate, perhaps I should first of all declare an interest, as I am required to do. I am the only senator in this chamber who has a direct interest in the sugar industry. That is because my biggest investment, like the biggest investment of most Australians, is my residence in the town of Ayr, in the very successful sugar growing district of the Lower Burdekin, Ayr, Home Hill and Giru. These cyclical difficulties that the sugar industry has been facing impact not only on home owners like me—the value of my house falls quite considerably when sugar prices are low—but also on small businesses in areas that rely on sugar for their livelihood. Whilst we, in this debate, talk about the sugar industry as such, there is a wider difficulty for all those people who rely on the sugar industry right up the coast of Queensland and the Northern Rivers district of New South Wales.
The government recognises that if the sugar industry were to be in real difficulty and to hypothetically fold—I am sure that will not happen—it is not only the farmers who will suffer but all the townspeople and all the people who work in the mills or who work in councils or who work in other businesses that rely on the sugar industry. The government has been very concerned about that over the years. I have to say that Minister Truss has done a very good job in managing, in negotiating and in working with the sugar industry. Whilst I appreciate that Senator Forshaw and Senator Woodley from their homes in the capital cities—Senator Forshaw in Sydney and Senator Woodley in Brisbane—mean well, it is obvious from their contributions to this debate that they really have no idea of the sugar industry or how it operates.

The sugar industry has over a long period of time been one of the better organised rural industries, and it has a very professional, aggressive—I say ‘aggressive’ in a positive way—and forward-looking group of industry leaders right across the state of Queensland, which is the state I know best. These people do not get up like Senator Woodley or Senator Forshaw and wave their hands and promise the world when they know they cannot deliver it. They sit down and rationally go through the difficulties. They understand that the problems in the sugar industry at this time are to do with world prices being at a very low level. But they know, as I know, and as people who are involved in the industry know, that that is a cyclical problem. You will have times when the sugar industry is very buoyant; you will have times when it is very low. We happened to be, at the present time, at one of those very low points with world prices on the overseas market.

There are additional difficulties at this time, particularly north of Townsville in the Ingham, Herbert River, Tully and Babinda area where exacerbating the very low world prices are four years of absolutely unseasonal rainfall. Senator Forshaw would not understand, but the way the rain has fallen at the wrong time of year and very heavily for four years in a row has meant that the cane has become waterlogged. Rain has come at the wrong time and when the sugar should be generated within the cane stick, it is not being generated because of the rain. The result of this is that the sugar content of cane is much lower in those areas particularly than it has been elsewhere. So there are real problems, and that is one of the difficulties that has happened with the mill at Innisfail. That section of the industry is in very great difficulties. There has been some restructuring in recent times. A lot of farmers in that Innisfail–Tully area have gone on to bananas and other crops, which they have found consistently more profitable than sugar. But there is still a huge infrastructure in sugar, and the towns, businesses and people’s livelihoods that need to be supported.

That is why this government has contributed quite a substantial amount of money over the period in support of the sugar industry. We have provided some $33 million in recent times for much needed support for the industry. Money has been provided for a variety of projects, including research, infrastructure, development and renewable energy. A package of about $13½ million dollars is being spent by the federal government over four years for research into increasing the sugar content levels of cane and related priority research. That is very important to the issue I was talking about. I could spend most of my speech going through and relating the financial assistance the government has given in any number of ways to the industry, but I want to go on to other issues—that is, to look sensibly at where we are going.

I heard bits and pieces of Senator Woodley’s speech, and I agree with Senator Boswell that Senator Woodley picks up some people who have a particular concern. They are not usually sugar industry leaders. As I said, the leaders in every town are a very professional, forward-looking group of people who sit down with governments and understand that no government ever is going to come along and offer them buckets of money in subsidy. The federal government—including me, my Liberal colleague who represents the northern electorate of Leichhardt, Warren Entsch, Peter Lindsay, Bob Katter
and De-Anne Kelly—have done some work. There is a lot of government commitment going into finding the right results and working cooperatively with the sugar industry leaders, not listening to those who really seek the Pauline Hanson response, which is, of course, no response at all. Regrettably, Senator Woodley has fallen into that trap and is, I would suggest, being perhaps—I will not say ‘manipulated’—used by some people not in the best interests of the long-term viability of the sugar industry.

The government is working with the sugar industry leaders, cane growers and the Australian Cane Farmers Association to come up with some sort of package that will tide the industry over. Senator Forshaw derided the government for working with the industry. Let me tell Senator Forshaw this: it is far better having the industry work these things out than for the public servants in Canberra to do so. The industry will work through this much better than the public servants in Canberra. You were deriding this government for relying on the industry to come forward with an approach to the industry. We continue to work regularly with the industry, because we are there and we interact with Warren Entsch, Bob Katter, Peter Lindsay, De-Anne Kelly, Warren Truss—from a sugar electorate—Mr Neville and the members in the Northern Rivers area of New South Wales. As a government we are currently working with the industry. We said to them, ‘Times move on. Much as we would like to go back to the days when a farm with a couple of thousand tonne peak could make a fair living out of the sugar industry, those days are gone. You now have to look at broadacre farms with 10,000, 20,000, even 100,000 tonne of cane as their contribution to the mill.’ That is the way the industry has to go, and that is understood—you cannot move backwards. Regrettably, that is not going to be in the best interests of every single person. But the industry has this realism. They know that they have to work sensibly towards a resolution. They are working with the government. They are looking at the best way to restructure. We as a government and the minister, Mr Truss, will work very cooperatively with them to make sure that we do get the very best result possible for the sugar industry in Australia.

**Senator O'BRIEN** (Tasmania) (4.33 p.m.)—I am very pleased to follow the minister, Senator Macdonald, particularly given the comments that he made because I wanted to deal with some of the very matter that he raised. He referred to some of the government’s programs—the millions of dollars that the government is allegedly laying out to assist the sugar industry—and the solutions that this government has for the sugar industry. The last round of estimates was most revealing as to how the government generally and the minister for agriculture, in particular, go about their business. Firstly, in last year’s budget the government set itself a range of performance targets, and those targets were set for programs designed to assist the sugar industry. But when I sought advice from the department as to exactly what those targets were for 1999-2000 and how the government performed against those targets, the answers I received were certainly not illuminating. To me, they were alarming, and I am sure that they would have alarmed cane growers and processors. For example, as you will see from the *Hansard* of Monday, 22 May, on page 67 of the Rural and Regional Affairs and Transport Legislation Committee, I asked:

On page 53 of last year’s PBS a number of performance targets were set for the Sugar Industry Program and the Sugar Industry Assistance Package.

Mr Wonder said:
This was from the 1999-2000 PPS?

I said:
Yes. The performance indicator for the package was given as ‘a more competitive cost structure and increased productivity’. Firstly, what baseline data was to be used to measure the performance indicator?

I essentially put to Dr Samson, who was answering the questions, that the baseline data may be found in the annual reports, and Dr Samson said, ‘I would expect so.’ He did not know. I then said:

Dr Samson, when you say ‘I would expect so’, does that mean that the statement in the PBS last year did not actually have in mind a performance indicator for the package?

Mr Roseby then jumped in to try to protect his fellow public servant, and said:
The programs had performance objectives. At that stage we probably did not have baseline data. He later said:

It is an interesting question as to how you would say to what extent, in terms of baseline data, this industry has improved. We do not have figures to say that their cost structures have come down at this stage, because a lot of these projects are under way, but it would be certainly in that area, where you are looking at the efficiency of the handling and the processing operations, which we would expect to derive from the expenditure.

I said:

That is all reasonable as far as it goes. The point that, I guess, my questions lead to is: if you have, say, as a performance indicator ‘a more competitive cost structure’, what is it more than? You must have a baseline or it is a meaningless performance indicator, is it not?

Mr Roseby answered:

At the initial stages we did not have a set of data which was basically set out as baseline data saying, ‘Here is a cost structure they are all working from.’

Later I asked:

There is the sugar industry program and the sugar industry assistance package, which I was referring to.

And Dr Samson said:

Correct. The sugar industry assistance package is the one that is administered through the Sugar Research and Development Corporation. The sugar industry improvement program is the one that has a series of projects in Queensland, New South Wales and WA.

Later he said:

With the sugar industry improvement program, as you are aware, there is a number of projects. I think it is fair to say some of them have been slower to take off than anticipated. The thinking at the moment is we would be looking to evaluate the entire program probably in the 2001-02 year. Later that day I asked:

If I asked you the same questions—I think I have already asked these about the sugar industry improvement program and the sugar industry assistance package ... would the answer in relation to the baseline data that you would use to judge those achievements be the same as the answers you have already given me?

The answer was, ‘Yes, Senator.’ In other words, there is no baseline data—no means of judging the performance of the measures that the government say that they are funding. The government have said, ‘We’re giving you some money to do something. We have no idea what baseline we are working from. We are going to set these grandiose targets in our budgets for achievement, but you will have no way of measuring what we achieve. We do not really intend for you to be able to measure those achievements.’

I also pursued the fact that, while the conditions confronting this important industry continued to deteriorate, the government just plodded on. They did not review the programs they had in place. They did not say, ‘We are spending millions of dollars here, but the industry continues to slide so perhaps we should have another look at where and how this money is being used and whether there should be an increase in funding to help sugar growers.’ There was a budget only a matter of weeks ago but, despite it being well known to everyone that the sugar industry is in crisis, nothing new emerged in that process. Based on the evidence to the estimates committee, the minister did not even try to get more assistance for the industry through the budget process, and that has been revealed again in the estimates Hansard. The department revealed that there was no work done on this industry in the lead-up to the budget, but now the industry is being asked to come up with a plan. There is no plan for this industry emanating from the government.

There has been no cooperative approach by this minister and his department with the sugar industry to deal with these problems. Like the dairy industry, the sugar growers have to come up with their own plan, and only then will the government start to look at the problems of the industry and see if there is a solution which is available to the government. If there is any need to confirm what the government knew and where the government was, one only needs to look at page 70 of the Hansard of 22 May 2000. Mr Roseby, a very senior officer of the department, said:

...we know, with poor weather in combination with a very difficult period of low world prices. That is a problem which is emerging now. We know there is a problem in that area, and we have some idea of what the problem is.
Some idea! This is after the budget. He continued:
Governments generally encourage industry to take initiatives and come forward with proposals; that is now under way. We are aware that that industry is putting together a proposal for the government and we await that proposal.

As Senator Forshaw said, there is nothing proactive about this minister or his party. It is hardly surprising that the National Party is becoming irrelevant in this country. There are four representatives of the National Party in this place, and three have their offices in the capital cities of their respective states and territories. I am not sure where Senator Sandy Macdonald will place his office—to his credit, in the past he did have his office in regional Australia, and I expect that he will. One cannot say the same for Senator Boswell, Senator McGauran or Senator Tambling. Their offices are all in the capital cities—Senator McGauran’s is in Collins Street, Melbourne; Senator Boswell’s is in Eagle Place, Brisbane; and Senator Tambling’s is on the Esplanade, Darwin.

Senator Boswell had the nerve to criticise the Senate committee for going to rural and regional Australia—for taking the parliament to the bush so that they could have a say. Senator Boswell had the gall to criticise Senator Woodley for spending the taxpayers’ money—for taking the parliament to the people. I am proud that I was part of those exercises. They have done a lot of good. They have given a lot of people in rural and regional Australia the opportunity to see their senators. They certainly would not see their National Party senators if we did not take them there through the committee process, because three out of the four of them have their offices in the metropolitan areas of Australia. The National Party, the former Country Party—I am glad they changed the name because the ACCC would have had to take them on for misleading and deceptive conduct—pretend that they still have a connection with rural and regional Australia, but you only have to look where the offices of three out of four of their senators are to know that where they really want to be is the big city. They want to get out of the bush, they want to line up for the perks of office, and they really do not look after the constituency that they pretend is theirs.

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! The time for the debate has expired.

COMMITTEES

Scrutiny of Bills Committee

Report

Senator O’BRIEN (Tasmania) (4.43 p.m.)—On behalf of Senator Cooney, I present the seventh report of 2000 of the Senate Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 7 of 2000, dated 7 June 2000.

Ordered that the report be printed.

BUDGET 1999-2000

Consideration by Legislation Committees

Additional Information

Senator McGauran (Victoria) (4.43 p.m.)—At the request of Senator Mason, I present additional information and a transcript of evidence received by the Finance and Public Administration Legislation Committee relating to hearings and supplementary hearings on the additional estimates for 1999-2000.

NEW BUSINESS TAX SYSTEM (ALIENATION OF PERSONAL SERVICES INCOME) BILL 2000

NEW BUSINESS TAX SYSTEM (ALIENATED PERSONAL SERVICES INCOME) TAX IMPOSITION BILL (NO. 1) 2000

NEW BUSINESS TAX SYSTEM (ALIENATED PERSONAL SERVICES INCOME) TAX IMPOSITION BILL (NO. 2) 2000

Report of Economics Legislation Committee

Erratum

Senator McGauran (Victoria) (4.43 p.m.)—On behalf of Senator Gibson, I present an erratum to the report of the Economics Legislation Committee on the provisions of the New Business Tax System (Alienation of Personal Services Income) Bill 2000 and two related bills.

Ordered that the document be printed.
COMMITTEES
Public Accounts and Audit Committee
Report
Senator McGauran (Victoria) (4.44 p.m.)—On behalf of Senator Gibson and the Joint Committee of Public Accounts and Audit, I present report No. 376 entitled Financial Information in Management Reports, and Control Structures of Major Commonwealth Agencies, and I seek leave to move a motion in relation to the report.

Leave granted.

Senator McGauran—I move:
That the Senate take note of the report.

I seek leave to have my tabling statement incorporated in Hansard.

Leave granted.

The statement read as follows—
This is our Review of Auditor-General’s Reports for the first quarter of 1999–2000. Madam President, the Committee held a public hearing in December last year to discuss these issues with relevant Commonwealth agencies. I will briefly discuss each issue in turn.

The audit report on the use of financial information in management reports found that there was substantial scope for improvement. The Committee’s review focuses on the issues of the costing of outputs, the need for cultural change within agencies and the time frame for implementation. The report makes two recommendations in this area, each of which is designed to confer a greater degree of responsibility on managers, particularly those at senior levels. The Committee takes the view that the most effective way to ensure the success of the new framework is to clearly define the responsibilities of managers, provide the necessary support, and then hold those managers accountable for implementation. Once accountability mechanisms are established, managers will have a strong incentive to implement the new framework successfully.

The audit report on control structures found that an important pre-condition for the effective use of financial information is reliable and timely information. The audit report found there was considerable scope for improvements in this area. It was brought to the Committee’s attention that control structures were lacking in the areas of information technology, asset management, accounting systems, and financial management information systems. The report makes a recommendation, regarding information technology systems, which is designed to prevent unauthorised access to certain information.

The Committee believes it is necessary for management in each agency to demonstrate its commitment to establishing effective control structures. However, before this can be undertaken, I urge agency heads to have a fully operational financial system in place as soon as possible. This will in turn, provide management with relevant and accurate information in a timely manner.

May I conclude, Madam President, by thanking on behalf of the Committee those people who contributed their time and expertise to the Committee’s review hearing.

I am also indebted to my colleagues on the Committee who have dedicated much time and effort to reviewing these Auditor-General’s reports. As well, I would like to thank the members of the secretariat who were involved in the inquiry, Dr Margot Kerley, the Committee secretary, Ms Jennifer Hughson, Ms Rose Verspaandonk, Ms Rebecca Perkin and Ms Maria Pappas.

Madam President, I commend the Report to the Senate.

Question resolved in the affirmative.

NATIONAL SCHOOLS CONSTITUTION CONVENTION 2000

The Acting Deputy President (Senator Watson)—On behalf of the President, I present a communique from the fifth National Schools Constitutional Convention, which was held in the Senate chamber, Old Parliament House, from 8 to 10 March 2000.

The document read as follows—
From 8-10 March this year, the fifth National Schools Constitutional Convention met in Canberra with over 125 students from 123 schools attending.

I was not able to meet them on the final day of their conference as I was representing the Senate at the funeral of Dame Roma Mitchell but I subsequently accepted a communique from all of the students and a set of photographs commemorating the event.

I propose the communique be incorporated in Hansard so that all senators are able to read it.

Constitutional Convention 2000
8 - 10 March
Old Parliament House
Canberra
Communique
The fifth National Schools Constitutional Convention was held in the Senate Chamber, Old Parliament House, Canberra on 8-10 March 2000.

One hundred and twenty student delegates from schools in all Australian states and territories took part in the convention organised by the Constitutional Centenary Foundation.

The Schools Constitutional Conventions seek to promote understanding and informed discussion amongst young Australians about the Australian Constitution and system of government.

Student delegates from every Australian school in the Catholic, government and independent education sectors are given the opportunity to participate in regional and state/territory schools constitutional conventions, where they are either selected or elected to attend the national convention.

The convention was opened by the Hon Trish Worth MP, Parliamentary Secretary to the Minister for Education, Training and Youth Affairs. Mr Donald McDonald, Chairman of the Constitutional Centenary Foundation welcomed delegates to the convention. Speakers included: Senators John Faulkner, Helen Coonan, Andrew Bartlett and Eric Abetz; the Acting Swiss Ambassador, Mr Alexandre Fasel; and Mr Christopher Pyne MHR.

Student delegates were addressed by His Excellency the Honourable Sir William Deane, Governor-General of the Commonwealth of Australia, at a welcome reception at Government House. As part of the convention program, delegates attended Question Time in the House of Representatives and met with the Prime Minister and Members of Parliament at afternoon tea. Students were addressed by Chief Justice the Hon Murray Gleeson at the convention dinner at the High Court of Australia.

The ACT Minister for Education, Mr Bill Stefaniak, welcomed students to Canberra at an evening function at Old Parliament House, where students were entertained by an address from Australian track and field athlete, Mr Patrick Johnston.

The convention was assisted by the Department of Education, Training and Youth Affairs under the Discovering Democracy program, with sponsorship from the National Council for the Centenary of Federation.

The convention delegates discussed two major issues:

1. The Senate: Its roles and powers
2. Referendums: What do people want to know?

The conclusions of the convention were:

The Senate: Its role and Powers

1. The electoral arrangements for the Senate should not be changed to make it likely, or more likely, that the government will have a majority.

   - The Senate should be able to act as a House of Review
   - The Senate enables minority views to be heard
   - The Senate helps to ensure that bills are critically analysed.

2. The Senate should be able to veto (or block) ordinary laws passed by the House of Representatives.

3. The Senate should be able to (block or) veto money bills other than supply bills.

4. The Senate should be able to (block or) veto supply bills: in other words, bills appropriating money for the ordinary annual services on which government depends for continuation in office.

Referendums: What do people want to know?

1. The YES/NO cases still be used, but in a modified form:

   - A summarised version should be available
   - The arguments for/against should be straightforward and less exaggerated
   - They should be supplementary to additional factual information

2. The case for and against should be written by an independent body.

3. The Government should provide additional information for each referendum:

   - It should be accurate, balanced and easily understood
   - It should outline the main details of the proposal and describe the present situation and state the purpose of the change
   - To ensure that it is neutral it should be monitored by an independent group.

4. Other ways in which information about referendum proposals could be distributed include:

   - Use all media: print, radio, TV, internet
   - Use pictures and point form text
   - Design the presentation of information for the needs of specific groups eg: different age groups, people with different cultural and constitutional backgrounds, people with disabilities
   - Information should be provided earlier than has been in the past to ensure people understand
• Provide interactive community events eg: debates, deliberative polls and publicise them properly Involve community in identifying arguments (eg: Ireland)

• Use constitutional conventions to examine proposals-have them open to the public

• Use FAQ’s

• Use other information tools: Board games, trading cards etc Cartoon strips: Mr Decimal could become Ms. Referendum

• Demonstrate possible outcome of proposal on TV eg: SBS program before last referendum

• Use popular culture eg: have a referendum issue in Home and Away.

5. There should be better general education about the Constitution and system of government through schools and the community as a whole. This needs to be creative to attract people’s interest and attention.

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000
Second Reading

Debate resumed.

Senator LUDWIG (Queensland) (4.46 p.m.)—I rise to speak on the Local Government (Financial Assistance) Amendment Bill 2000. This bill is to give effect to the government’s undertaking to retain responsibility for the payment of general assistance to local government and to maintain the level of such assistance in real, per capita terms. This is despite an attempt by the government in its initial package to abolish financial assistance grants to local government directly from the Commonwealth and to essentially hand over responsibility for providing that finance to the states. Labor successfully moved an amendment in the Senate ensuring that direct Commonwealth financial assistance for local governments would continue. This was the desired outcome for the local councils throughout Australia.

This legislation also abolishes the link between financial assistance grants to local government and financial assistance grants to the states. The previous arrangement was that local government grants were directly connected to the financial assistance grants to the states. Given that financial assistance grants to the states will cease to occur as a result of the introduction of the GST, this arrangement can no longer function. Although I am pleased that we will continue to see local government receive direct payments from the federal government, it is concerning to say the least that this legislation does nothing—and I say that again: this legislation does nothing—to restore the $15 million that the government cut from federal assistance to local government in the 1997-98 period. There is also no provision made for any real growth in payments to be made to local governments. You only have to be out and about in local government to understand the full impact of that. It is unfortunate that this issue was not addressed in this legislation. It is unfortunate but not surprising, given the government’s record on providing for local government.

Local government is one of the biggest service providers in this country, as we well know. Councils, together, spend over $10 billion each year providing a broad range of infrastructure, economic and community services. Local councils employ some 140,000 people. Despite this enormous contribution to our community, the federal government has failed to give councils the vital information they need about how they will be affected by the GST and about adequate compensation. Councils are still wondering if the information they have been given is conclusive or if it will change again prior to 1 July, depending on the government’s whim.

On the wider issue of the government’s treatment of local councils, the complete disregard for the strain the GST implementation is putting on local councils is reflective of their attitude towards local government generally. Since coming to office in 1996, the government have treated local councils with nothing short of contempt. Not only have they lumped local governments with a GST, they gave them six months of confusion and mayhem where local councils were left scratching their heads as to what was and what was not GST exempt and how the GST was to be implemented. The government failed to give councils the vital information they needed about how they would be affected by the GST. The former President of
the Local Government Association of Queensland, Tom Pyne, spoke for most local councils earlier this year when he made the following comment:

How is local government to deal with the GST if the federal government is still working things out?...The delays have meant councils’ decision-making processes have been halted. This means councils are unable to put in place future pricing strategies, begin the budget process, or implement the software a new system requires. The federal government runs a very real risk that the GST will collapse even before it starts.

Finally, at the end of January 2000, the government released a draft determination of exempt taxes, fees and charges. This draft lists those taxes, fees and charges levied by state and local governments that are to be GST exempt. All council services not listed in the draft are subject to the GST, as I understand it. This has left councils with something in the order of only four months to finalise their planning and procedures to ensure they will be GST compliant by 1 July 2000. Not only were councils given very little time to plan for the introduction of the GST, they now face exorbitant costs for the implementation process. The Local Government Association of Queensland—the LGAQ—has estimated a total state bill in the order of $7 million to implement the GST. However, in response, the federal government has agreed to allocate only $535,000 to Queensland councils for the GST implementation assistance.

The shortfall between the government’s funding for implementation costs and estimated costs by the LGAQ is significant and concerning to say the least. The government knew a long time ago about the level of complexity and the strains that would be placed on local government with the increasing burden of the GST. Yet they still chose to waste $410 million on the Unchain My Heart propaganda campaign rather than adequately compensate local councils for their implementation costs. The $410 million would have gone a long way towards compensating local councils for the increased costs of GST compliance—the software, staff training and costs involved with GST implementation. Local councils do not need emotive, politically biased, wasteful propaganda campaigns. They need genuine compensation that will cover their costs in complying with this complex, confusing tax.

Rural Queensland councils in particular are going to feel the brunt of this government’s broken promise on the reduction in fuel costs. The government’s election promise that the costs of petrol would not rise under the GST has already been thrown into doubt, with the Treasurer admitting that this promise has limits. This is despite the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald, indicating that councils would benefit from a reduction in fuel costs and the removal of wholesale sales tax. This government went to the last election promising that petrol would not increase under the GST, as the government would reduce the excise on petrol by the amount equivalent to a 10 per cent increase. However, this was based, as I understand it, on a 77c per litre price. Since then, petrol prices in some cities have threatened to reach the $1 a litre mark and have been higher in many rural areas. The government now concedes that there are limits to its election promise and has said that in many areas it will be unable to ensure that petrol prices do not increase with the introduction of the GST. Yet again, the areas that will be primarily affected are rural and regional areas.

The government has since considered a regionally based fuel rebate, in an acknowledgment that in the current environment it cannot deliver on its promise. Local councils were right to be suspicious of this government’s promise that councils would benefit from the implementation of the GST. The Australian Local Government Association’s comments to the Senate inquiry last year in relation to the introduction of the GST paint a picture of exactly what local councils think of the GST. It is a long quote but I think it summarises quite well the position that local councils find themselves in. They said:

The primary concern of Local Government is that aspects of the Government’s tax reform proposals will impact negatively the provision of adequate and equitable services to local communities throughout Australia—

Senator McGauran interjecting—
Senator LUDWIG—I will take that interjection, Senator McGauran. You might know, from your town address, but it might be worth listening. They continued:

- The removal of a direct contribution by the Commonwealth to national standards of local services and the real risk of unfavourable treatment of Local Government at the hands of the States;
- Lack of attention to future adequacy of Local Government means to meet increased demand and need for local services;
- Inappropriate taxation of regulatory services and those provided solely for their community benefit;
- Costs of administration compliance.

That was an extract from the Australian Local Government Association’s submission to the Senate Select Committee on A New Tax System.

The minister has claimed on numerous occasions in the Senate and in meetings with councils around the country that local government would do well out of the tax package and that local government is very happy with the tax package. The government claims that councils will benefit from substantial cost reductions following the introduction of the GST. However, no concrete studies have been undertaken by the government to substantiate this claim. The quantum of any perceived savings is unclear and would obviously vary considerably, particularly depending on the size and location of the council in question.

The amount of GST compensation given to Queensland councils is hopelessly inadequate, given the cost and complexity of the GST implementation program. As a Queensland Labor senator, I am extremely concerned about the burden that GST implementation is placing on councils throughout Queensland, and I would like to bring to the Senate’s attention the enormous costs some Queensland councils are having to endure prior to the start of the GST. And it is not only the larger councils in the urban areas. There are a couple of examples that I wish to mention. The Brisbane City Council, being the largest municipality in Australia, is facing an extraordinary burden with the GST. The Brisbane City Council will be facing a bill—

Senator McGauran interjecting—

Senator LUDWIG—Have you asked about yours in your local council? The Brisbane City Council will be facing a bill of $25 million in the first year and $15 million every year thereafter. This includes an initial $10 million in set-up costs and $200,000 annually to maintain those systems. It is expected that the council’s own GST bill will come to $14.8 million per annum. The number of staff that the council has employed to look at the impact and implementation of the GST has risen to 35, as I understand it. This is an enormous outlay, for which this federal government has provided very little compensation.

Similarly, the Gold Coast City Council has a GST implementation budget of $2.1 million and has devoted 23 full-time staff to the task of putting in place the appropriate GST systems and procedures, as I understand it. The council has chosen to raise the cost of services which are subject to a GST rather than incorporate the GST into a general rates increase. Unfortunately, those valuable services provided by the Gold Coast City Council will have to cost more now to avoid losing the services altogether. This situation is faced by all local councils as they worry about unknown factors eating into their bottom lines, including compliance costs involved in administering the new tax system and a potential decrease in community support for local councils and their services in the face of increased charges with the 10 per cent GST.

The Diamantina Shire Council has only eight full-time staff—it is a small council—dealing with the administration of the council as a whole. Due to cost restraints, the mammoth task of administering the GST will have to be done internally, among the already overworked staff. Although a lot of rural councils do not have a specific budget for GST implementation, they are extremely concerned about the effect of the GST on other budget line items. For example, the Tambo Shire Council is expecting its budget for office maintenance, which is currently about $26,000, to increase by $5,000 for GST related software alone. This is about a 20 per
cent increase for this line item. Again, the increased burden on council services of administering the GST will be worn by the existing council administration employees.

These compliance problems are just the start of the pain which local councils are going to have to endure from 1 July 2000. Councils will have to include a 10 per cent GST in the price of council services. Many of these services are community services that are not provided, or not likely to be provided, by private operators. Councils are therefore left with the dilemma of whether to increase these fees and charges by 10 per cent—and risk making them unavailable to those who most need them—or to absorb this cost by increasing rates. We do not hear you now, Senator McGauran. This is despite the coalition’s promise during the 1998 election campaign that non-commercial activities of councils for which a nominal charge is applied would not be subject to the GST. This was in line with the community service, non-profit nature of these activities, which has seen the bulk of charitable organisations also exempted from the GST. It then became clear that the government would define all activities of local government for which a nominal fee is charged as commercial, even though these activities are community service obligations. The result of this government’s habit of making and breaking promises is a confused and suspicious situation and makes the local government sector worry even more.

Councils provide many local community services at low cost and often in situations where the services would not otherwise be provided by a private operator. These services can be provided at low cost because they are subsidised by rates. In many remote areas, the swimming pool is often run by the council as a non-profit activity, as well as other services such as library services, sporting and recreational facilities and essential community services for the elderly. It is extraordinary that the government would define all activities of local government for which a nominal fee or charge is levied as commercial, even though these activities are often community service obligations heavily subsidised by rates and not attractive to the private sector. A GST on these services is unfair and inequitable and is further proof that the GST will hit hardest those who are least able to afford it. A further headache for local councils is the unfair distinction being made between activities which have been contracted out and those which councils still undertake themselves. Some local councils have chosen to contract out activities, including some regulatory activities such as building inspections. Under the government’s determination of GST exemptions, activities provided by the private sector will attract the GST. However, the same activities provided directly by the council will not be subject to the GST.

Rural councils are going to suffer the most under this GST. Again, this is not surprising given this government’s pitiful record on providing assistance to rural and regional Australia. The National Party and, in particular, the National Party senator from Queensland should be ashamed of their record on regional, rural and remote Australia. The Nationals are now indistinguishable from the Liberals. Federal National MPs have supported every anti-farmer, anti-country town and anti-regional development measure introduced by their citycentric coalition partners. The big end of town Liberals have won out again. The federal Nationals have voted to sell off Telstra, voted for the GST, stood silently while their government withdrew services and jobs from country towns, allowed vital infrastructure to run down, cut funding for roads, tried to con farmers that the impact of the GST would be offset by a reduction in transport costs, and slashed over $200 million from the popular AAA package and tried to dress the fact up as a funding increase. They cut $3.9 million from Landcare and supported the deregulation of Australia Post. In recent state and federal elections, country communities have turned to Labor in increasing numbers. They demand parliamentary representatives who listen and respond to their everyday concerns in practical ways. Labor has a proud tradition of standing up for rural concerns and working well with rural councils to improve the services available to their constituencies.

The government needs to do some serious rethinking on its approach to rural and re-
gional Australia. What is needed are some effective targeted programs that the government is committed to and a genuine attempt to provide assistance to rural councils in a way that will actually produce results. In the rural and regional areas which this government has ignored over the past four years, as usual it has been the local councils which have provided the community services necessary for these towns to survive. Yet it is these very community services which are now going to be sluged with a GST. It is clear that local governments will be struggling to meet the requirements of the GST in terms of both implementation costs and subsequent costs, threatening community services. Local government is too important to be left to struggle to survive. This level of government is closest to the community and has an important and integral role to play in the delivery of services to local communities and in allocating priorities in the delivery of those services. The federal government should clearly recognise this and provide adequate resources to ensure that local councils can properly fulfil their role in council and local community development.

It is worth mentioning two other matters that come to mind. The RTCs, or rural transaction centres, are an interesting initiative, one that this government has said will provide significant benefits. Senator Macdonald has sung their praises for some time. There is only a handful in Queensland and I want—

(Time expired)

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (5.06 p.m.)—If I can finish the words for Senator Ludwig, not only have I praised rural transaction centres but the Labor leader, Mr Beazley, has also praised them. So I guess, like the GST, it is a bipartisan approach to life: we all agree on the GST and we all agree on rural transaction centres.

Opposition senator—What about post offices?

Senator IAN MACDONALD—Our policy on post offices is different, Senator; you are quite right.

Senator Mackay—You close them.

Senator IAN MACDONALD—Under your regime 277 post offices were closed across Australia, many in rural and regional Australia; under our government they have been maintained. I thank those senators who have made a sensible contribution to this debate. In particular, I note Senator Greig’s contribution—parts of which, with respect, were difficult to follow. But certainly in some other parts Senator Greig was right on. He is, of course, a former member of a local government council. He said that as he travelled around councils he found that they had no major concerns. No major concerns have been raised about the GST or its impact on councils. He is only agreeing with the Labor Treasurer for New South Wales, who has said it is good news for councils. So we have agreement across the board—the ACCC, the Labor Treasurer for New South Wales, Senator Greig and the councils that Senator Greig has gone out to see. I do not want to dwell on the Democrats approach to this, but I could say to you, Senator Mackay, ‘Please go out and talk rationally with councils. Don’t try to raise political points and to play petty politics. Go out and talk to them and you will find, as Senator Greig has done, that, while some of them have some problems with implementation, by and large they understand the benefits.’

In the first part of her contribution, Senator Mackay set out what the bill before us is about. Its purpose is outlined in the second reading speech, which I have tabled, and I will not repeat it. Suffice it to say that the amendment allows for local government financial assistance grants to be maintained on a real per capita basis as we have promised. It also contains provisions for the unlikely event that councils for some constitutional reason say that they do not have to pay the GST. In that event, if they happen to be right, the relevant state or territory would be required to retain the same amount from their grants—the impact of that being that even if councils are inclined to do it, they will not. But I know most councils around Australia—they are run by responsible people, and I am sure that they will abide by the law.

I regret that I was not able to sit through the whole of the contributions on this debate.
However, some points were made that require a response. I am not going to respond to those speakers who made the vicious, personal attacks on me that have become typical of some of the Labor Party senators. I am a big boy; I can take it. But they always do this when I am not here. In question time, when they have an Australia-wide audience, not once do I get a question from anybody on the Labor side. We would welcome some contribution to the debate. Perhaps Senator Mackay lacks the confidence to do it—I am not sure what it is. But not since 19 October last century did Labor ask a question on rural and regional Australia or on local government. That shows the Labor Party’s involvement and interest in this issue.

Some comment was made about the cutback of some funds by this government when it came into power. The reason for that, Mr Acting Deputy President, as you would well know, is that Mr Beazley, as finance minister, left us a $10.8 billion black hole, which had to be met. As a result of his black hole and his government’s mismanagement of the economy, councils were paying huge amounts of interest on loans. I was on a council immediately before I came into this place, and we were paying about 14 or 15 per cent on our loans because the national economy was in such a rotten state because of Mr Beazley’s leadership. As a result of our government’s good management of the economy, those same councils are now paying about six or seven per cent. In many public speeches, I have been through the real savings to councils that that represents—of far more value than a cutback to meet Mr Beazley’s black hole. Our financial management has meant that councils pay less, and it has more than compensated for the cutback we had to make to get councils—as we did with state governments—to contribute to Mr Beazley’s black hole.

Senator Mackay also spoke about the ANTS package generally, which has real savings for councils. Again, I quote not only Senator Greig, not only the Labor Treasurer of New South Wales, not only the ACCC, not only the Victorian government’s Arthur Andersen report into Victorian councils, but councils right across the nation, who recognize that the ANTS package is really good news for local government. Admittedly, there are some start-up costs, but they are more than overcome by the annual savings that councils will make.

Senator Mackay made some mention of regional Australia—I think she was saying that I never went there. I will give you my itinerary, Senator Mackay; I very rarely get home. In fact, I do not think even my cat recognizes me now, because I am always out going around rural and regional Australia and talking to rural and regional Australians. Neither Senator Mackay nor Mr Ferguson can help it if they live in a capital city.

Senator Mackay—I live in Tasmania, you idiot!

Senator IAN MACDONALD—I thought you lived in Hobart. That is not Tasmania, obviously! But that is okay. There is nothing wrong with that; we cannot help where we live. But, Senator, it is a little bit rich for you to start lecturing me about rural and regional Australia.

From the bits and pieces I heard of the speeches, I understand I was being lectured about not having an empathy with local government and that they were talking about those of us who had been councillors. This is a good game we can play: ‘We’ve got this many and you’ve got that many.’ If only you had confined it! Senator Mackay, on our side in the Senate we have my colleague Senator Calvert, a very distinguished warden—and for those of you who are not from Tasmania, that means mayor—from 1976 to 1988. He was on the council and was warden from 1983 to 1987. His record is very distinguished, and if I ever need any advice on local government Senator Calvert is always willing to give it, because he knows what it is all about. Senator Eggleston was mayor of the town of Port Hedland for three years, from 1993 to 1996, and was on the council from 1988 to 1996. My colleague Senator Heffernan was president of the Junee council during the periods 1989-90 and 1991-93 and was on the council for some 15 years. I have been on the Burdekin Shire Council for 13 years. Senator McGauran was on a council
for three years, and Senator Tambling was on a council for a number of years.

I give credit where credit is due. There are some Labor senators who have been on councils. Senator McLucas was on the Cairns City Council for four years and that great expert on rural and regional matters, Senator Conroy, was on the Footscray City Council for some period of time. Senator Greig, as I mentioned, has been on a council and Senator Allison from the Democrats was on the Port Melbourne Council for a couple of years in the early 1990s. Not much turns on that, but on this side of the Senate there are people who understand local government. That is why the package is so good for local government—because people on this side of the chamber made a contribution to the development of the tax package.

I heard Senator Mackay say something that is going to go down well in regional Australia. Rest assured, Senator Mackay, that I shall tell people in regional Australia. I will get the exact quote from Hansard, but I heard you say that regions are urban and urban is regions. I am sure people where I go out in rural and regional Australia will be delighted to know that your definition of regional—Senator Mackay—I didn’t say that.

Senator IAN MACDONALD—Be careful. The Hansard never lies. I actually wrote this down. I was listening to you then.

Senator Mackay—Why didn’t you come into the chamber?

Senator IAN MACDONALD—Because I was meeting with a high-level group of bankers, working out how we could provide better banking services to rural and regional Australia. And all day I have been involved in meetings that are positive contributions to government policy. I was not in here defending myself from the vicious, politically personal attacks. Have fun with that. I don’t mind that. Go your hardest; I don’t worry about it. I am sure the people listening on the broadcast day will shun me as a result of what the Labor Party have said about me, but never mind. It is a pity that, instead of attacking me personally, we did not hear some policy exposition from the ALP.

Senator Mackay—I told you about Labor Party policy.

Senator IAN MACDONALD—You told me when you were going to give us your policy. You said it will be after the next election. That is great. ‘You will find out about the Labor Party’s rural and regional policy, Senator Macdonald’—so Senator Mackay told me in estimates—‘when I am sitting there,’ that is, after the next election. So after the next election they will release their regional affairs policy. It is now the Cook-Mackay approach to policy release: after the next election. That is beaut. We look forward to that.

Senator Crossin raised the interesting issue of horizontal fiscal equalisation—quite a sensible approach. It is a difficult issue. For those of you who are not familiar with it, when the Commonwealth give out the $1.25 billion grants to local government each year, we give them out principally on the basis—if I can put this simply and not technically—of making sure that Australians, no matter where they live, get roughly equitable access to standard municipal services. That is what the financial assistance grants are all about. We proceed under an act of the former government that provides that. As I recall, when it came to the Senate as a bill the coalition supported it. It provides that that $1.25 billion annually goes to the states on a per capita basis. Obviously New South Wales and Victoria get much more than the other states because of the per capita distribution. Once it gets to the state level, it is then distributed from the state base on a horizontal fiscal equalisation basis. That is trying to give a fair share to some of those councils that have lesser rating capacity or greater needs.

In bringing forward a review of the financial assistance grants and getting the Commonwealth Grants Commission to conduct that review for me, I did approach local government associations across Australia and the various state governments as well. Obviously New South Wales and Victoria get much more than the other states because of the per capita distribution. Once it gets to the state level, it is then distributed from the state base on a horizontal fiscal equalisation basis. That is trying to give a fair share to some of those councils that have lesser rating capacity or greater needs.
correspondence. Suffice it to say, Senator Mackay, that you would be surprised at which states actually said, ‘No, we don’t want you to look at that.’ I will give you a little tip, though: they were Labor states. I will not say a couple, a few or many because that might give it away, but there were Labor states which said, ‘Yes, you shouldn’t look at that.’ Senator Mackay, you might be interested in doing a bit of research on that before you say too much about it, and perhaps you should counsel Senator Crossin.

I suppose Senator Crossin could easily say, ‘I wasn’t in the parliament back in 1992 when the Labor government looked at this issue,’ but I understand that Mr Snowdon in the other place made a big point about this. I think he said he was going to make it his life’s work to make sure this happened. Mr Snowdon had 13 years. He was out for three but he had a lot of years when Labor was in power and did not do anything about it; not a thing about it did Mr Snowdon do. It is easy to stand up and talk but, when you were there and had the opportunity to do it, what was the action? Absolutely nothing. I do not think you were here, Senator Mackay, but I was when the Grants Commission came out and said they had looked at this and they thought it should be distributed interstate on an equalisation basis, but there was no data so they recommended against it. I would not say this, of course, but one wonders what the attitude of the government of the day and the relevant ministers might have been. I think the minister at the time was a Victorian, and one wonders what his view on it might have been. So the Labor Party had every opportunity to do it and did absolutely nothing. Senator Mackay, you might counsel Senator Crossin on just what she is going to do.

Senator Mackay—So what are you doing?

Senator IAN MACDONALD—Senator, if you have not seen the terms of review I will make them available to you, but I think I have sent them out to everyone who might be interested in them, and I am sure you would have got a copy.

There were a number of anecdotal questions raised. Perhaps issues of South Sydney were raised in the debate. A more scurrilous and dishonest publication I have never seen. The South Sydney Council should be absolutely ashamed of itself for trying to mislead its electors in the way it did. The mayor of that council is quite openly a Labor mayor. He is from the right, so not many of you in this chamber would know him. He is from the Sussex Street mafia, I am told. He stood in Bligh against Clover Moore last—

Senator Mackay—Go outside and say that, Ian!

Senator IAN MACDONALD—Say that he is from the Sussex Street mafia? I do not want to get a writ for defamation from the mafia. The mafia would sue me if I said that outside. I do not want to defame the mafia by aligning them to the Sussex Street group. That publication would have to go down as the worst piece of dishonest dissembling that one has ever seen. It is littered with deliberate untruths: ‘A bottle of water gets the GST at the swimming pool, no GST outside.’ Senator Mackay, even you must have cringed at that.

Senator Mackay—How would you know? You don’t even know.

Senator IAN MACDONALD—Even if there were GST on it, it would be on it whether it was sold inside the pool or outside the pool. There is no difference in the application of the GST depending on who sells it. Of course, bottled water is to be GST free. That is the sort of thing, I regret to say, that the Labor Party is distributing. Even in your worst moments—and your party has been, if I can say it politely, fairly borderline in some of the things it has said about the GST in this chamber and in the other chamber—you have never gone to deliberate lies on how this would impact. I am so disappointed that an elected local government authority in Australia could deliberately be that misleading in its publications.

I can contribute little further to the debate. I understand the other parties have agreed with the base approach of the act to make sure that councils continue to receive their $1¼ billion in grants from the Commonwealth government. I thank the Labor Party and the Democrats for their support for the bill. I notice that Senator Mackay is moving
an amendment to the second reading motion, expressing concern that financial assistance grants to local government have been cut in real terms. I have explained that, but I emphasise that what local government have gained out of the government’s financial management is much lower interest rates. That will mean substantial dollars to them. We are criticised for attempting to terminate local government funding. That is an issue of a past time. I agree with it. At the last election, our approach was that the states would get their GST money only if they agreed to pay to the local governments what we were paying to them. So we protected and guaranteed local government in putting that onto the states. Unfortunately, we were not able to get that through, but that is all history now. (Time expired)

Question put: That the amendment (Senator Mackay’s) be agreed to.

The Senate divided. [5.34 p.m.]

(The President—Senator the Hon. Margaret Reid)

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AYES

NOES

Reid, M.E. Tchen, T. Vanstone, A.E. Woodley, J.

Ridgeway, A.D. Troeth, J.M. Watson, J.O.W.

PAIRS
Faulkner, J.P. Crossin, P.M. Denman, K.J. Evans, C.V. Collins, J.M.A. Lundv, K.A. Quirke, J.A.


* denotes teller

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

Bill read a second time.

In Committee

The bill.

Senator MACKAY (Tasmania) (5.34 p.m.)—I wanted to make a number of comments in relation to what a polite person would call the contribution by Senator Ian Macdonald in relation to local government. What he did not do, as usual, is respond to the issue of how the GST impacts on local government, which he never does in estimates either. There is a reason for this, and that is that he and his department have indicated quite bluntly that there has been no study done in relation to the GST and local government. In fact, this minister has no intention of conducting a survey on the GST and local government. But he feels very well qualified to come into the chamber and to make comments when there is a local government election on. He has become a bit of a savant in the GST area in relation to two councils in particular. There was the Brisbane City Council, in relation to which he got the dorothy on the GST. He seemed extraordinarily well versed in the GST for somebody who in estimates said he did not know anything about how it was going to impact on local government. Then there was the South Sydney Council, on which he got another dorothy from his side. Guess what is going on there? An election.

This minister, as always, is still acting like he is in opposition. He has never answered the question about the impact of the GST on local government; but when there is an elec-
tion on and the Labor Party is running particularly well, all of a sudden he seems to know an awful lot more about it than he does in estimates. It is appalling. I have been out to a number of councils very extensively, particularly to National Party councils. The warmest reception that Labor is getting at the moment, other than from its own councils, and perhaps even warmer than from its own councils, is from the National Party councils. They are absolutely appalled about what this government has done. If the minister is so well versed in relation to the GST and local government, we will ask him yet again, for the hundredth time, a question which he refused to answer in estimates. It is no wonder that the opposition choose not to bother with this minister in question time, because in estimates he indicates that he has no idea. In estimates he said he had no idea how the GST would impact on local government, nor does he have any intention of finding out.

More seriously, he has said in estimates that he has no idea how the GST is going to impact on regional Australia and moreover he has no intention of finding out. Every time we have asked a question in relation to GST, this minister has directed us to Treasury. But he is very well versed when there is an election on. This minister has started to use this chamber for political exercises in terms of local council elections, something that in my time as shadow minister I have never, ever done. All of a sudden, there is an election on and Senator Macdonald is there. I think Senator Macdonald thinks that this is all a bit of sport, that this is all a bit of fun. It is not. We in the Labor Party believe in local government. I went through a number of the initiatives that we had achieved which have been abolished. There was the Local Government Development Program and the cuts to the financial assistance grants which Senator Macdonald indicated were part of a so-called Beazley black hole. Well, Senator Macdonald, that was four years ago and that money still has not gone back in.

In relation to the impact of GST and local government, I wonder whether Senator Macdonald is aware of comments from his own council, the Burdekin Shire Council, which he proudly indicated to us he was on for 11 years—and I do not think particularly missed. That is up to them to say, but in fact that is what they say. I will quote the minister’s own council, from the Ayr/Home Hill Observer of Thursday, 1 June. This is one of the councils he says is welcoming the GST. This is one of the councils he says is not going to be impacted by the GST. This council was actually considering increasing rates by 20 per cent as a result of the GST. Councillor Llew Davies is quoted as saying he thought councillors could not justify heavy increases. The article continues:

“Everyone hates the GST already and for us to double that impact is not going to make us any more popular,” he said.

He then went on to talk about the implications in relation to Burdekin Shire. Burdekin Shire is not the only council. As I said, it is not just the Labor councils in relation to this. A number of councils have indicated it. My colleagues have amply explained the GST legislation and how it is going to impact on local government.

Yesterday the minister misused parliament again for a local government election. He did not misuse taxpayers’ money this time. He has already done that: he sent out a major direct mail letter during the Brisbane council election to tout for his candidate in the Brisbane council. Yesterday he misused parliament to dump on a council which expressed concern with the GST. Today we discover that the ACCC is now investigating this council. That is very interesting. Perhaps the minister, who is supposedly so well versed in the GST, could answer this question: does the ACCC have jurisdiction over councils? I would be interested to know the answer to that. While he is at it, he could perhaps explain this to me from the government perspective—he is not the ACCC; he is just the minister. Can local government expect to be investigated by the ACCC every time there is a local council election on; or every time the minister gets a dorothy dixer in the Senate and slags off at people who are running for local government; or, probably less politically, every time they are forced to increase rates, which I have to say is widespread; or every time they have to increase charges as a result of the GST? Will they expect the
ACCC on their backs then, and do the ACCC in fact have jurisdiction?

Most of the people here and local government, I know, would appreciate some answers on the GST and local government. This minister and this government have provided none. This minister could not even answer where the figure of $70 million came from. He says local government will be $70 million better off. We ask: how? His response is, ‘Dunno. Go and ask Treasury.’ We ask: where will that money go? His response is, ‘to local government’. Well, of course it will not. It will go to the states. We ask: will it be disbursed to local government? His response is, ‘Dunno. Go and ask Treasury in relation to that.’ We ask: well, what is the impact of GST on local government? His response is, ‘Dunno. Go and ask Treasury,’ or, more usually, as Senator Forshaw pointed out, ‘I refuse to answer that question.’ We had that for a while: ‘I refuse to answer that question.’ The biggest dummy spit, in terms of estimates, was the day after the Democrat deal when this minister realised that he was going to remain the minister for local government. Those estimates were an absolute beauty. He would not answer one question in relation to GST. It was the day after the Democrats had done the deal and he realised that for the remainder of his time as minister he was going to have to deal with local government. We did not get one single response.

We have a number of issues we wish to raise and of course this will be a fairly lengthy committee stage. I do not want to hog the limelight. I know that my colleagues here, Senator Forshaw and Senator O’Brien, and others have issues they wish to raise in relation to this. We do not often get the opportunity to talk to this minister directly in committee stage and I indicate to the chamber we will be making full use of it. Suffice to say that I have raised a couple of issues. Perhaps the minister could break his duck and have a crack at answering them, and we will be able to pass that information on to local government. Let us not be too thin-skinned about it, Senator Macdonald. You have a reputation of being one of the most offensive senators in the Senate in terms of dishing it out but you seem to be incapable of taking it. In your contribution, you used the opportunity to malign somebody in local government yet again. Yet again, misuse of parliamentary privilege. I will bet you will not walk outside the chamber and say that. Let us not get too thin-skinned about it. Let us actually go to the issues, which is what we are trying to get to, not just petty political point scoring. I want you to answer the questions I have raised in relation to the ACCC. I want you to answer the questions I have raised in relation to comments from the Burdekin Shire Council and I would like you to answer the questions I have raised in relation to local government and the GST. That will do me for the moment.

Senator O’BRIEN (Tasmania) (5.45 p.m.)—I notice that the minister is declining to answer questions on this legislation. I think the opposition is entitled to have the minister rise and answer questions. I guess we will simply have to persist until the minister chooses to do so, this being the part of the process when the minister is present and able to answer questions in the debate. Particularly with matters arising from his own contribution, one would have thought that the minister had at his fingertips the information which was necessary to answer those questions. But apparently—if I can judge the demeanour of the minister—he is going to keep his head down.

Senator Ian Macdonald—I am doing some real work.

Senator O’BRIEN—You are doing some real work? Thank you for that interjection.

Senator Ian Macdonald—Listening to you is not real work, I can assure you.

Senator O’BRIEN—Thank you very much for that. I am sure that the people of Australia will know that you are not serious about the passage of this legislation, that you are not serious about dealing with your responsibilities. I wonder whether the minister is contemplating doing what his colleague Senator Herron is doing, and vacating his position here. I know what was said in the paper, but no-one believes that in relation to Senator Herron. Perhaps the minister is deciding whether he is going to hand in his
commission and stop taking his minister’s pay—

Senator Ian Macdonald—Perhaps you will go back to Sydney.

Senator O’BRIEN—Thank you for that interjection. I certainly have no intention of going back to Sydney. I am very happy to live in regional Australia. I am very happy to contribute to the community—

Senator Ian Macdonald—It is a bit harder to get up through the ranks from Sydney.

Senator O’BRIEN—It is very interesting that you are prepared to interject all of a sudden, Minister, but you are not prepared to answer questions. Through you, Mr Temporary Chairman, the minister is quite happy to sit there and snipe in relation to contributions that are made, but will he get to his feet? Apparently not. This minister has persistently said that we do not ask him questions. He wants them asked in question time. One can see why one would not bother asking this minister questions in question time—he does not answer them. We have given the minister an opportunity to stand up here—and he is not limited to four minutes; he gets 15 minutes—and answer a number of questions. He gets repeated opportunities to stand up here and answer questions. I thought this was his portfolio area.

Apparently, the minister really does not want us to ask him questions because when we do, he will not answer them. When they are asked in estimates he will not answer them. No—that is not quite true. He has intervened in the estimates process a couple of times when I have been asking questions. It has been interesting to watch the body language of the officers of the department when he raises those answers. I have seen some blushes in my time and some eyes going to the sky, but it would be very interesting to review the tape to see if it picks up the body language and the actions of the officers at the table when the minister intervenes.

Maybe that is why the minister does not answer questions—because he does not feel that he is competent to answer the questions. He has got the message that it is better that he keeps his mouth shut and does not put his foot in it. He has been pretty good at doing that. So I would be very interested to hear a contribution from this minister, the minister who has been begging us for questions, who is complaining that we have not asked him questions.

I said before in this place, in another debate, at the committee stage of the appropriations bill: why would we bother asking this minister questions when he does not answer them? Today the minister is here. He can stand up and tell us why we should ask him questions. He can answer the questions that are before him. The people of Australia who are listening to this broadcast can make the judgment that this minister is pretty good at standing up and taking a dorothy dix question and he is pretty good at standing up where he is limited to four minutes and can avoid the question but, when he is in the committee stage and he actually has 15 minutes to answer a question, when he has repeated opportunities to make his case, he chooses not to do so. I think the people of Australia, the people of his own state, would be rather ashamed to find that the minister is dodging an opportunity to put his case.

He is quite happy to have a go at the Labor council in the City of Brisbane—to no avail. I suspect his attempt to attack the South Sydney Council today will be another failure. The minister has a chequered past as opposition spokesman. He was keen to make statements but they were not really the sorts of statements that his leader wanted tested. As I understand it, Mr Hewson decided that he did not want Senator Macdonald as his spokesperson some time ago. But he has made his way back to the ministry. He has a chance to prove himself. He has 15 minutes on a number of occasions. I am sure we will give him the opportunity to stand up and answer some questions, to give us some of the gems that he is capable of or, alternatively, the people of Australia can make the judgment that when this minister asks for questions he is not serious, he does not really want to answer questions. All he wants to do is to play the political game and have a go at people who cannot stand up and respond when he makes the sorts of outrageous statements he has been making.
Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (5.50 p.m.)—

I am not going to enter into this debate. Fortunately my staff have brought me some real work to do.

Senator Mackay—Answering questions isn’t real work?

Senator IAN MACDONALD—This is the only time I will enter into this, to point out to those who might be interested in the debate that the government is always struggling to get its legislation through but that we do not stack the second reading debates with people to come in and make personally vindictive, playing-the-man-not-the-ball attacks on me. I do not care. I can tell you now; it does not worry me one bit. We have had two contributions in the committee stage and we have heard nothing about the bill before the Senate—not a thing—but simply continuing personal, political attacks, playing the man, not the ball, for which, regrettably, a couple of Labor Party senators are renowned.

There are some who contributed to this debate—they will know who I mean—who did discuss policy issues, who made some political points, but who avoided the personal, political playing-the-man-not-the-ball attacks. Senator Mackay and Senator O’Brien are two of the worst. You can get up from here on, for the rest of the night, for the rest of the week, for the rest of the parliamentary session, if you like, and engage in your personal, vindictive attacks on me. It will not worry me one iota. I will not respond. I have put it on the record why I am not responding.

The other reason I am not responding is that the government wants to get this legislation—which is very important to local government—through the parliament and approved by the Governor-General so that we can get money out to local government. We are not going to sit here and stack the second reading debate, as the Labor Party did, with people rolled in to make some personal, political attacks on me. I want to get this legislation through. Both the Democrats and yourselves have said that you approve the bill and that it will be passed. I am simply not going to delay the passage of this bill by responding to personal attacks on me.

Suffice it to say that neither Senator Mackay nor Senator O’Brien has asked a question on the bill. This is what happens in estimates. They ask about everything else except what is before the estimates committee. They ask about anything else, except what is before the estimates committee. I do not play those games. Life is too short. There is a lot of work to be done. I am busy person and I have to get on and do the work that the people of Australia expect of me. They do not expect me to enter into debating society contests with members of the Labor Party. I will refuse to respond to the Labor Party’s personal attacks on me—attacks that are not related to policy but are all just playing the man. They are never about policy. Get some issues on policy, Senator Mackay. Ask some questions in question time, when the people of Australia watch these things. But I know you are too embarrassed.

For some reason, you have lost your confidence. I do not know what it is, Senator Mackay, but not since 19 October last century have you shown any interest in rural and regional matters, have you shown any interest in local government matters, have you shown any interest in territories matters by raising them in a public forum where you might just get a hit on the media. Instead of putting out all those media releases time after time which everybody ignores—and I am not surprised—why don’t you have a go at question time? You might just score a bit of a hit in the media. If you are serious about policy, if you have something serious to contribute, if the Labor Party are going to tell us what their policies are before the next election and not after it, as you said you would, all well and good. I just wanted to mention this one thing, and I will not dwell on this; I will adopt a Robert Ray approach to this. You mentioned me writing to some people in the Brisbane City Council, and I am very proud to have done that. I will do that continually. The Labor Party did not like it, so reported it and got the answer. It was absolutely legitimate what I did.

Senator Mackay—I got the result!

Senator IAN MACDONALD—I write to my constituents, Senator Mackay, you do not.
I want to raise in passing—and perhaps we will not continue on this line—one of your colleagues. Do you remember the Senator Jacinta Collins and the Cheryl Kernot wine? Now I do not want to talk anymore about it and I will pass on. You know about the Cheryl Kernot wine, don't you? I will not even repeat that. That is Senator Jacinta Collins’s area and I do not want to get into those sorts of things. If there are issues here—and I am sure the Temporary Chairman of Committees before the table will confine the debate to the financial assistance amendment bill—and if there are legitimate questions on the Local Government (Financial Assistance) Amendment Bill 2000, then, indeed, I would be happy to answer them. But I am simply not going to enter into the game playing, the personal attacks on me—which do not worry me at all. I see that you brought in—oh, he has gone already!—Senator Conroy to have a bit of a chop as well. Fortunately, he has not responded, no doubt, to your urgings. But if you have legitimate questions about the Local Government (Financial Assistance) Amendment Bill 2000, I will try to answer them. If you are going to spend the next three days personally attacking me, you are not going to get a response from here on in.

Mr Temporary Chairman of Committees, I know that you and your predecessor in the role will confine this committee stage debate to the bill, not to personal attack. If the questions are on the bill and can be identified by the clause in the amendment we are dealing with, then I will respond to them. But if you want to have a general spray, if you want to get your brownie points up for your debating society and it gives you a buzz to be personally vindictive to me, then, go right ahead, be my guest. I have been around long enough not to let those things worry me. I will leave it at that, Mr Temporary Chairman, repeating: if there are questions on the bill, I will respond to them; otherwise, have a good time.

Senator FORSHAW (New South Wales)

(5.59 p.m.)—Minister, we are not here to have good time. We are here to scrutinise legislation, and that is indeed what we are attempting to do. You are here to do some real work, and the real work that you are supposed to be doing is participating in these committee deliberations and answering the questions put to you by other senators. That is your job and it is about damn time you started to do it. That is also your job at estimates committees. But, as has been pointed out time and time again, you do not seem to regard that job as important either. As we have made clear—and the Hansard record makes clear—when questions which relate to the budget or the annual report are asked of you at estimates, you take the attitude that you are not going to answer them and, in many cases, you refuse to even take them on notice. In other circumstances, you adopt the approach that you just adopted at the conclusion of your 15 minutes of waffle—a most pedantic approach to what you believe your responsibility is.

You said a moment ago that you would be prepared to answer questions on the bill provided they can be directed to a particular clause in the bill. That is the sort of approach that we have seen you adopt at estimates. You have refused to answer legitimate questions relating to the general expenditure of this government in your portfolio area and to the functioning of the department—questions which are answered or taken on notice by ministers in other committees. But you do not believe that that is appropriate. Your view is that, unless you can identify the particular paragraph or the particular figure in the budget estimate paper, you do not believe you are required to answer. You have a view which is not supported by the tabled advice from the Clerk of this Senate and which differs completely from the views adopted and the approach taken by every other minister who appears before every other estimates committee of the Senate. But we know that one of the major reasons why you adopt this approach is that you just do not know.

The TEMPORARY CHAIRMAN

(Senator Watson)—Senator Forshaw, would you mind addressing your comments through the chair.

Senator FORSHAW—Mr Temporary Chairman, the major reason why the minister adopts this approach of not answering questions is that he does not know the answers. As he has acknowledged himself, he has
never bothered to find out. He has not directed his department to find out. He has not directed his department to ascertain the impact of this particular legislation on local government. That came out of his own mouth at estimates when he said—and I quoted this earlier—‘We haven’t done the analysis and we don’t intend to.’ With respect to the impact of the GST, particularly the up-front costs of the GST, he relies on a report that was produced many months ago by Arthur Andersen—a report which was produced, I believe, for the previous Victorian government and which precedes the advice given by the government to local government in January and then subsequently in March this year on the impact of the GST on taxes, charges and fees, particularly as they relate to local government.

So he has relied upon outdated information that was produced by a consulting company, not at this government’s request but at the request of the Victorian government—early last year, I think, but I stand to be corrected. It was certainly well before this legislation was introduced into the parliament and well before the government started to answer some of the questions that were directed to them by local government. Their answer to local government has been, ‘This minister can’t tell you. You should talk to either the tax office or Treasury’—even though he is the minister for local government—or you should go away and read the Arthur Andersen report. Is it any wonder that local government are not even wasting their time these days with this minister? They do not have time to waste. The GST is just around the corner. It is going to come in in a matter of weeks.

As members of this Senate, we have an obligation and a responsibility to take up with this minister the issues that local government have raised with us, and we are quite happy to do that. For instance, with respect to the costs that they will have to face with the implementation of the GST, they have raised with us the question of whether there will be any further assistance made available to local government if it is found that the implementation costs of the GST are well beyond what this minister claims they should be. Minister Macdonald said at estimates—one of the few occasions when he did give an answer, but again I think he was relying on that Arthur Andersen report—that the average cost to local government for the implementation of the GST would be around $6,000. He did concede that for a large council, such as the Brisbane City Council, it might be $200,000, but he said, ‘That is an infinitesimal sort of amount for a big city council like Brisbane.’

We have spoken to councils in northern New South Wales as recently as a couple of weeks ago—and these are not Labor Party councils; these are councils which are made up of Independents and, in many cases, National Party people. They have indicated to us that they believe the costs are well beyond that figure of $6,000. Indeed, one major council on the North Coast—the Coffs Harbour City Council—has had to employ additional staff for many months just to deal with the implementation of the GST. Further, they have had to get advice from accountancy firms and consultants to supplement the work that their additional staff as well as the existing staff have had to do. So the costs are well in excess of $6,000.

They cannot put their rates up: firstly, because of rate pegging and, secondly, because of the difficulties of being a rural or regional council where there is high unemployment and where business is suffering. Despite the claims about the substantial benefits in the economy under this government, these councils are suffering. They are being called upon to provide more and more services. They are not in a position to simply put their rates up to cover not only the additional implementation costs but also the other costs on non-commercial activities that they will have to meet as a result of the GST. I ask the minister: is your department prepared and are you prepared to have undertaken an analysis of the actual costs that councils will face with respect to the GST? If it is found to be well in excess of that $6,000 average that you quote, will you do something about assisting those councils? You are quite happy to get up here and attack the man rather than play the
ball. You have attacked Lord Mayor Vic Smith and his South Sydney Council and challenged their assertions about the GST. Why don’t you back that up by getting your department to undertake an analysis? It could then be provided to the parliament and to the committee and we could test your assertions. So my question is: will you do that?

There are some gems in the Hansard of 25 May, and it will provide plenty of material for a long time to come in respect of the approach adopted by Minister Macdonald. In answer to one question, Minister Macdonald admitted that he had really confused himself, and he had to take on notice the issue of compensation for councils which related to population growth. I will come back to that. There are so many gems in the Hansard that we could quote them ad nauseam. The best one was today, when Minister Macdonald said that his department had not done any assessments, nor did they intend doing them. Minister, I invite you to review that situation and to respond to the questions that Senator Mackay, Senator O’Brien and I have put to you.

The TEMPORARY CHAIRMAN (Senator Watson)—The question is that the bill stand as printed. I call the minister.

Senator MACKAY (Tasmania) (6.10 p.m.)—Senator Forshaw and I were expecting a response from the minister to the very specific questions that Senator Forshaw asked. Obviously you were too, Chair. The specific questions that Senator Forshaw asked—and I also raised a number of questions in my contribution—were: firstly, will the government undertake an analysis of the impact of the GST on local government; and, secondly, if that analysis—if it is done—shows that the GST is having a detrimental impact on local government, will the government do something to address that? Those were Senator Forshaw’s questions.

In my contribution, I asked the third question: will the government address the $15 million it took out of financial assistance grants in the first Costello budget, which it has not put back as a result of the freezing of the escalation factor and which has now reached a total of $61.4 million? Given that Mr Costello trumpets the fiscal policies of the government, will that money be put back in? Four: does the ACCC have jurisdiction over local government in relation to policing it on improper rate rises or what it regards as improper rate rises or improper fee increases? Five—and this is a new one: will the minister explain why the local government incentive program was underspent by $1 million this year—a program which, in his own department’s words, and in the guidelines, was expressly there to assist with GST implementation? There are four existing questions, with the fifth being a new one. They are very specific. Let us get some answers.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.12 p.m.)—Mr Temporary Chairman, again I rise almost by way of point of order. If there are any questions on the bill before the Senate, I would be very happy to answer them. Perhaps we could ask the clerks to explain to Senator Mackay and Senator Forshaw that this is not an estimates committee. You cannot just ask questions about anything that might happen to turn you on. It is about the specific bill before us—the Local Government (Financial Assistance) Amendment Bill 2000.

Senator Mackay—It’s the GST.

Senator IAN MACDONALD—It has absolutely nothing to do with the GST, Senator. It is about the escalation factor for local governments—for the amounts that will be paid by the federal government to local governments henceforth. It is about an escalation factor.

Senator Mackay—Mr Temporary Chairman, I rise on a point of order. This is getting excruciating. The bill actually deals with the capacity for state governments to withhold financial assistance grants if, for whatever reason, they fail to pay the GST. How many times do we have to say that? It is totally germane to the questions. Minister, will you please answer those five questions we put to you?

The TEMPORARY CHAIRMAN—The bill is quite a wide bill and, under those circumstances, it is always difficult to contain
debate. It is up to you, Minister, whether you wish to respond.

Senator IAN MACDONALD—Mr Temporary Chairman, I will ignore the point of order and the interjection. As I was about to say, there are two elements to the bill. The other element is where a council refuses to pay the GST, not whether it costs them money or anything. But if they refuse to pay, states and territories will then withhold the same amount from their financial assistance grants. With respect to you and your advisers, Mr Temporary Chairman, it is not a wide bill; it is a very narrow bill. There are a very small number of clauses and they deal specifically with two very particular issues. None of the issues raised by any of the other senators is relevant to this bill before us. I simply repeat, as I said before: if there is an issue about this bill I will answer it, but if it is not about this bill, they can carry on as they—

Senator Mackay—Mr Temporary Chairman, I raise a point of order. I would ask you to rule on whether the questions I have asked are germane to the bill or not, or is the minister’s assertion that they are not relevant correct?

The TEMPORARY CHAIRMAN—When I gave my earlier ruling, I was looking at the long title to the bill, which reads, for the benefit of the Senate, ‘A Bill for an Act to amend the Local Government (Financial Assistance) Act 1995, and for related purposes.’ So I rest my case.

Senator Mackay—Just to clarify that, Mr Temporary Chairman, I presume—and you may wish to correct me if I am wrong—that you are ruling that the questions were in order. Is that correct?

The TEMPORARY CHAIRMAN—I believe they are appropriate.

Senator Mackay—Thank you.

Senator FORSHAW (New South Wales)  (6.16 p.m.)—It appears that the minister is not going to answer these questions. He is going to ignore your clear ruling and the clear understanding that every other member of the committee has—that is, that these questions are in order. He has managed to get the double-up here: he is not just dumb; he is dumber. I want to ask a further question that Senator Macdonald might want to add to his list and, hopefully, answer. I also want to point out that what happens in estimates hearings and why it is relevant to these committee proceedings is that, very often, Senator Macdonald uses the defence that ‘these are matters that should be debated in the chamber’. He tries to have it both ways. He says, ‘You can’t ask these questions in estimates. You should deal with them in the chamber; that is the proper place when we are debating legislation.’ When we are debating legislation that is an amendment to the law that actually provides for the financial assistance to local governments from the federal government, that is obviously the appropriate place to deal with issues that relate to financial assistance to local government by the federal government. So we come in here to debate this bill and ask these questions that are very pertinent to this legislation and to the broader issues—that is, the impact of the GST upon local government—and the minister sits there with his head down and ignores the questions. I want to come back to one of the issues that is particularly relevant to the future of local government funding and financial assistance grants. I will quote from the estimates hearings where this issue was also raised. On page 439 of the Hansard, Senator Macdonald made a statement. He said:

Yes. In 1997-98 the local government grants were increased for inflation but not population growth as part of the government-wide contribution to address the deficit that the government inherited in 1996. The quantum was not increased by real per capita growth; it was however increased in real terms. However, the effect of the CPI meant that the dollar term declined. However, I emphasise that the reduction in the dollar amount was because of the movement in that year’s CPI.

He then said this:

If you know what that means, good luck to you.

I asked Senator Macdonald:

Do you want to take that on notice?

He said:

No. I have given my answer; you interpret it as you will. They were increased for inflation but not for population growth, which is what I thought and what I said. They were increased in real terms but not in real per capita terms, because the per capita bit did not come. I think the clearest way of
saying that is that they were increased for inflation but not for the population increase.

Then there was a further discussion between Senator Mackay and Senator Macdonald. Senator Macdonald then said:

The CPI increase was overestimated, so it was retrospectively cut back. I am extrapolating that perhaps it was because the population increase had been allowed for but did not eventuate. That last bit I am not sure of.

Senator Mackay said:

I do not know that that is—

Before she could finish, Senator Macdonald said:

Can I take that on notice and give it to you?

Senator Mackay said, ‘Yes.’ Then Senator Macdonald said—and this was the quote that I was searching for a moment ago:

I thought I understood it very easily and clearly, but I have now succeeded in confusing myself.

I said to him:

If you could tell us what you are taking on notice, we will agree with you.

That is, we would agree that he should take it on notice. Senator Mackay then said:

I have got a particular understanding that I would like clarified. So if you do take it on notice, we will all be happier.

Senator Macdonald replied:

We will take it on notice.

Minister, if you recall that exchange, I trust that the confusion you brought upon yourself after saying that you clearly understood the issue and tried to explain it has now abated. If your confusion has now abated, could you please provide the committee with the answer to the question asked at estimates—which is relevant to the particular clauses in this bill. This parliament is too serious an institution to waste the time of senators, officials and you in debates that really are not germane to this particular issue. If Senator Forshaw can indicate to me—

Senator Mackay—We have asked you five questions.

Senator IAN MACDONALD—or if Senator Mackay can indicate to me which particular clause of the amending bill they are asking about and what the specific question is, my advisers and I will provide an answer. But I am not going to respond to what happened in estimates several weeks ago—nor should I be required to.

Senator Forshaw—They were taken on notice.

Senator IAN MACDONALD—if they were taken on notice, you will get your response in the appropriate way. This bill is about the Local Government (Financial Assistance) Act. In the second reading—and I wish you would study your standing orders—you can talk about what you like. In the third reading you can talk about what you like. But in the committee stage, if you are asking questions about the clauses of the bill, they have to be germane to that. You cannot just come in here and talk about Micky Mouse or the weather or other things that perhaps you do not like about me. There is time for that somewhere else.

Senator Mackay—Mr Temporary Chairman, I raise a point of order. I actually asked five questions in relation to this legislation. All five you ruled in—

The TEMPORARY CHAIRMAN—That is not a point of order.

Senator Mackay—I would ask you to rule in relation to Senator Ian Macdonald’s contribution.

The TEMPORARY CHAIRMAN—He is not required to.

Senator Mackay—He is not required to answer questions?

The TEMPORARY CHAIRMAN—No.

Senator IAN MACDONALD—Thank you for that ruling, Mr Temporary Chairman.
I again desist from making a comment on the point of order, which obviously demonstrates a lack of understanding, yet again, of the standing orders. None of the questions any of the senators have asked me in this debate so far have been, in any way—by even the broadest stretch of the imagination—related to the provisions of this bill. Do I have to read them again? They are specifically on the escalation clause that will apply to federal government funding of local government, and there is a specific reference to a population element. Before, the minister and the statistician had to agree, but the statistician did not like that approach so we have amended that, as set out in the amending legislation. It relates to clause 17 of the amending bill, which states:

a condition that, if the payment is one from which, according to an agreement between Commonwealth and State, the State is to withhold an amount that represents voluntary GST payments that should have, but have not, been paid by the local governing bodies—the State will withhold the amount and pay it to the Commonwealth;

So it is very specific. It is not about whether you like the GST or you do not, or whether the Labor Party has signed on to the GST—as we all know, they have—or whether they would roll it back or roll Mr Beazley out. It is not about those issues. They are good debating points, good fun, but not relevant to this bill. If there are relevant questions to be asked, with the help of my advisers I will answer them. But if you are just here for a general spray, I repeat: I have better things to do with my time.

Senator FORSHAW (New South Wales) (6.25 p.m.)—I am amazed at what has just fallen from the minister. He just referred to the bill. He was clearly quoting from the bill and paraphrasing as well, and he referred to the fact that the bill deals with methods of calculation of funds for future local government assistance from the federal government, including changes that relate to how population increase could impact on the amount. I have just asked a question that was asked in estimates and that this minister took on notice—because he did not really understand even his own answer at the time. He thought he did—he had a stab at it, he had couple of goes at it, both before and after the dinner adjournment that day. Then he said in the end that he would take it on notice. He has just acknowledged that that is an issue that this bill clearly touches upon, and then he says he is not going to answer it because he does not think it is relevant. This is just doublespeak. They are totally contradictory comments from the minister within his own response. I would like an answer to the question that I asked, which was previously asked at estimates and which this minister agreed to take on notice and come back and clarify.

I remind the minister that what we are dealing with here is a bill which amends the head legislation. The head legislation deals with financial assistance grants to local government, and that system is changing because of the GST. And further, there is now going to be ministerial discretion in respect of aspects of the way in which those grants are calculated and paid. So we are entitled to ask in this chamber about the impact of all of this upon local government funding in the future. The minister should answer the questions and not say they are not relevant. If this minister keeps saying that he is never obliged to answer a question because nothing is ever relevant, then I repeat what I said during the estimates hearing: you have to wonder what this minister’s job really is. You ask him questions about regional services and he says it is not his area of responsibility. He says you have got to talk to Transport or you have got to talk to Treasury or you have got to talk to all these other departments—

The TEMPORARY CHAIRMAN—Senator, you are starting to stray.

Senator FORSHAW—But it is relevant.

The TEMPORARY CHAIRMAN—No, you are starting to stray in your comments.

Senator FORSHAW—I agree, but the problem we have is that when you get this minister in the chamber and you pin him down on the legislation that he has carriage to take through this parliament—and clearly that legislation, as he has read out, relates to the impact of population increase or decrease on the amounts that local governments will get in the future—he won’t even answer that question.
Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.29 p.m.)—There was a question on the bill there which, as I have said, I will answer. The Local Government (Financial Assistance) Act 1995 contains in subsection 8(1) the requirement that, in making his decision ‘whether to increase or to decrease a sum’, the Treasurer is required to have regard to a number of the matters referred to in that subsection. Perhaps unwittingly, you did refer to that and, I think, asked a question. What that previous act required was that the Treasurer had to have regard to ‘underlying movements in general purpose Commonwealth payments to the States’. If I can just interpose there, that has been deleted, of course, because we no longer make payments to the states. He then, in subparagraph (b), had to have regard to ‘changes to the classification’ of any Commonwealth payments to the states—again no longer relevant. In subparagraph (c) he had to have regard to ‘changes to the distribution of financial responsibilities as between the Commonwealth and the States’—no longer relevant. That provision has been retained although in a slightly more restricted form, giving the Treasurer less open discretion. So, Senator, that is the answer to your question on the bill.

Senator O’BRIEN (Tasmania) (6.31 p.m.)—I would have to say at this stage in proceedings, Mr Temporary Chairman, that the government has an agreement from the opposition that we will deal with the Fuel Sales Grant Bill 2000 and associated measures—No. 5 on the Notice Paper. One would have assumed that this matter would proceed to finality but, if the minister consistently refuses to answer questions which you have ruled to be in order, it is unlikely that this bill will be proceeding.

The TEMPORARY CHAIRMAN (Senator Watson)—Order! This is not relevant to the bill.

Senator O’BRIEN—It is because it is relevant to the timeliness of the passage of the bill. In terms of that, what I am suggesting, Mr Temporary Chairman, is that it appears to me that the government will have to pull this bill so that it can deal with the important legislation—the Fuel Sales Grants Bill 2000, the Product Grants and Benefits Administration Bill 2000 and the Fuel Sales Grants (Consequential Amendments) Bill 2000—because this minister will not answer questions. I am only urging the minister to reconsider what he appears to have adopted as a policy—that he will decide which relevant questions he will answer—because following that policy will only extend this debate unnecessarily. If he follows that policy, it is a matter which I suspect the government will have to act upon, because I understand it wants the Fuel Sales Grant Bill and associated bills tomorrow and so, if this legislation is proceeding, they would have to pull it to get that on. So I can only urge the minister to address the questions which have been properly put so that this debate can be concluded in the time that has been allocated to it by the government, given that it wants the Fuel Sales Grant Bill tomorrow.

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.33 p.m.)—Mr Temporary Chairman, may I respond to that?

The TEMPORARY CHAIRMAN—You may.

Senator IAN MACDONALD—That sort of bullyboy tactic adopted by Senator O’Brien might work in the union movement; it does not work with me, Senator O’Brien. If you have a question on the bill before the chamber, I will answer it. But coming in and trying to force me to enter into matters that have nothing to do with the bill—in the typical union bullyboy way—will not pay dividends. I would certainly hope that, if there were any attempt to pull this bill, we would have the Democrats—and I see Senator Greig here—and Senator Harradine, who has been watching this farce, supporting us in getting through this chamber a bill that everybody agrees with and that there are absolutely no questions on, apart from a vague one of Senator Forshaw’s about the bill. There is not one question about the bill except that vague indirect one from Senator Forshaw which I have answered. Then people will see the
farce that this is. We want this bill through, it has been agreed to by the Labor Party, it has been agreed to by the Democrats and you are not asking questions on the bill. So why don’t we proceed to complete the committee stage and get the third reading through so that we can pay the moneys to local government. We can then deal with the next bill, which I am not familiar with but which is obviously an important bill—I assume by arrangement it is a bill that all parties are going to support—and we can get on with doing what we are paid to be doing; that is, getting legislation through this house and debating legislation, not using these processes of the Senate to embark upon personal attacks on various senators and to play the man rather than the ball. We are here to talk about the issues in the bill before us. I would certainly hope that the Temporary Chairman would direct the chamber to the bill before us and I would certainly hope that the other senators in the chamber would support that. We all agree with it, there is no opposition and there are no questions about the bill, so let us get on and pass it.

**Senator O’BRIEN** (Tasmania) (6.36 p.m.)—I must say that to have that accusation made by Senator Macdonald does not surprise me. But let me say that the opposition, particularly Senator Mackay, asked five questions which you, Mr Temporary Chairman, ruled in order, and the minister says he chooses not to answer those questions. It is the minister who is delaying this debate by his policy of selecting which of the questions that are in order he will answer. I merely draw the attention of the minister to the fact that the Temporary Chairman would direct the chamber to the bill before us and I would certainly hope that the other senators in the chamber would support that. We all agree with it, there is no opposition and there are no questions about the bill, so let us get on and pass it.

**Senator O’BRIEN** (Tasmania) (6.36 p.m.)—I must say that to have that accusation made by Senator Macdonald does not surprise me. But let me say that the opposition, particularly Senator Mackay, asked five questions which you, Mr Temporary Chairman, ruled in order, and the minister says he chooses not to answer those questions. It is the minister who is delaying this debate by his policy of selecting which of the questions that are in order he will answer. I merely draw the attention of the minister to the fact that this is one of the government’s pieces of legislation and that the government is anxious for other legislation to be dealt with. The opposition is entitled to ask questions which are in order. They are on the record. They have been put before the committee and the minister has chosen not to answer them.

For me to then draw to the attention of the chamber that that will no doubt affect how the government treats the priority of this bill, as against other important legislation, is not, as the minister suggests, some sort of baulking tactic. I am trying to tell him what the facts are. The minister clearly does not understand what the facts are. One would think that, if he needs to, he ought to contact the Manager of Government Business, who is anxious for the legislation to be dealt with. There are questions which are properly before the chair, and the minister has chosen not to answer them. If the government decides not to proceed with this bill—because the minister will not answer those questions and we are not happy to proceed without the questions being answered—then it is on the minister’s head.

**Senator MACKAY** (Tasmania) (6.38 p.m.)—Senator O’Brien has ably pointed out the situation. I asked five of approximately 40 or 50 questions that I have in relation to this bill. I have not received an answer to one of those questions. Every single question that I asked was ruled in order by you, Mr Temporary Chairman. Your final ruling was that you cannot direct the minister to answer questions if he does not want to. That is true. Might I say that that is a sentiment which has been echoed by Senator Crane, who has the misfortune to chair the estimates committee before which Senator Macdonald appears as a minister. Senator Crane has also had to make that ruling, and, as a result of that, we had to take some fairly drastic action in relation to standing orders.

These questions are critical for local government. I am the shadow minister for local government. It is my job to ask questions in the committee stage in relation to bills before us that are germane to my area. My questions have been ruled in order by the chair. This minister is paid a considerable amount of money to answer questions in relation to bills before the chamber, and I ask the minister to answer the five questions that were ruled in as germane to this bill. I would ask him to do it now. In case he has forgotten what they are—and I am not going to cast aspersions in that area—I will repeat them. They are the first five of many that we have, because, as Senator Forshaw says, we do not often get the opportunity to ask this minister questions, but he is adopting the same tactic as ever. If he wants his bill through, he should answer these questions: (1) will you undertake an analysis of the implications of the GST on local government; (2) if you find that the im-
plications of the GST on local government are deleterious to local government, what action will you take; (3) will the government consider putting back in the $15 million it took as a result of the freezing of the escalation factor in 1997-98, which has resulted in a cut of FAGs to local government of $61.4 million since 1996; (4) does the ACCC have jurisdiction over councils that are ‘recalcitrant’—not my words—in terms of putting up rates; and (5) why did this government underspend the Local Government Incentive Program, the primary objective of which is to assist with the implementation of the GST, by $1 million in this financial year?

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (6.41 p.m.)—Mr Temporary Chairman, if you or any senator can show me where an analysis of the effect of the GST is relevant to this bill, I will answer the question. If you can indicate to me in any way how the question regarding a potential analysis showing a deleterious effect from the GST on local government is relevant to the bill, then I will answer the question. If you can in any way indicate to me why whether or not we are going to put another $15 million into local government grants is relevant, then I will answer the question. Of course, any amount going into the grants is a budget matter. If you can possibly indicate how this bill relates to the Australian Competition and Consumer Commission dealing with a council that puts up its rates, then I will answer the question. If you can possibly find the slightest connection between this bill and an underspend in the Local Government Incentive Program, then I will answer the question. It is not mentioned in the bill. It has nothing to do with this bill. And if you can possibly find the slightest connection between this bill and an underspend in the Local Government Incentive Program, then I will answer the question. It is not mentioned in the bill. It has nothing to do with this bill.

Senator Forshaw stumbled on a question that was relevant to the bill and to the Treasurer’s powers, which I have answered. If there are any other questions related to the bill before the Senate, I will answer them with the help of my advisers, but I am not entering into a petty, political point scoring, debating-society activity. I am happy to answer questions on the bill. I have answered the only one that was related to the bill; the other questions are a matter for some other time.

Senator MACKAY (Tasmania) (6.43 p.m.)—I do not know how long this minister can continue to defy your ruling. Mr Temporary Chairman. You have ruled these five questions in order as utterly germane to the bill. These five questions are specifically related to the bill, and the chair has ruled that way. It is not up to this minister to determine how the committee does its business. It is not up to this minister to decide whether or not he will choose to be accountable to the people of Australia in relation to legislation before this chamber, and it is not up to this minister to determine when legislation will be put forward—unless, in terms of his previous comments, he is indicating that he has some arrangement with the Democrats to guillotine this bill. I would find that extremely difficult to believe. In fact, Senator Greig says that he has no arrangement. So I will restate my five questions, which have been ruled in order in relation to the bill. The chair has not indicated that they are out of order. Minister, if you are incapable of answering them, then why don’t you get up and say so and save the Senate some time? The questions are as follows, and I will explain the importance of them to you yet again as I go through them.

The first question is: will you undertake an analysis of the GST and local government? Why is that important? Because local government want to know. Local government are claiming that the GST has a major impact in relation to their operations, and I am asking that question because I believe it is appropriate that you as the minister and this government undertake some analysis as to whether or not these claims are correct. That is why it is important. That is why the people listening to this broadcast would be utterly scandalised by your comments.

The second question is: if it is discovered as a result of this analysis that the GST in fact has a deleterious impact on councils, what action will the government take? This is totally germane to this legislation. Not only is it germane to this legislation but it is also of critical importance to local councils, which are under a great deal of stress at the moment
in relation to the GST. So it is germane and it is critical. You are paid to answer that question and you should do so.

The third one is about the $15 million in relation to financial assistance grants. That one has also been ruled in by the chair.

The TEMPORARY CHAIRMAN (Senator Watson)—Order! The chair did not rule questions in; it did not rule questions out. I think that needs to be said. At the same time, it is the minister’s prerogative to respond in the manner in which he thinks fit. Some of the questions are a little indirect and some of them are a little bit tenuous but, given the wide long title of the bill, I have allowed debate to continue. But I do ask senators to be as relevant as possible to the bill.

Senator MACKAY—Thank you, Chair. I understand. I will restate that you have not ruled them out, which you were asked to do by the minister. I appreciate that. I also understand your ruling that it is the minister’s prerogative as to whether or not he answers the questions. This bill deals with financial assistance grants to local government and changes therein. The minister himself, in his own contribution on the second reading, has talked about the $15 million that was taken out of local government by the government, but now he refuses to answer any questions on it, despite having alluded to it in his own second reading contribution. How that is not germane I do not know. So, in relation to the $15 million taken as a result of the freezing of the escalation factors, which are all included in this bill, will the government consider putting that money back in? The first four questions are completely relevant and totally germane. If you do not want to answer the fifth one, that is fine. But you are paid to answer questions, so please answer them, or we will be here for a very long time.

Senator IAN MACDONALD—(Queensland—Minister for Regional Services, Territories and Local Government) (6.48 p.m.)—Again, none of those questions are relevant to this particular bill.

Senator Mackay—Why?

Senator IAN MACDONALD—If you want to enter into debate, ask me questions 1 to 5 during question time, because there is no limit on what you can do at question time.

Senator Mackay—We are here. Answer now.

Senator IAN MACDONALD—They are not relevant to this bill. I have been through every question and pointed out how they are not relevant to this bill. I despair that there may be a change of government at some time in the future and senators who cannot read a bill and who do not understand the standing orders could possibly be, heaven forbid, in charge of the government of this country. The merest cursory look at the bill will make you understand that it has got nothing to do with any of the questions you have asked. I will debate those with you in any debating society. Ask me questions at question time, Senator. You are not restricted there. Ask at question time and we will see where we go. But they are not germane to the bill before us. The only question that I have received on the bill is the question from Senator Forshaw, which I have answered.

Progress reported.
The DEPUTY PRESIDENT—Order! I propose the question:
That the Senate do now adjourn.

World Environment Day

Senator PAYNE (New South Wales) (6.51 p.m.)—I want to make some comments in relation to the celebrations of World Environment Day and a couple of related issues.

In several days time, as the entire nation knows, the Olympic flame will make its way to Uluru. It will begin its journey around the country before the opening ceremony of the Olympics in Sydney on 15 September. It not only marks one of the most important stages of Olympic preparation but also is an element of our celebrations of World Environment Day. This is a day which aims to raise community awareness of environmental issues and their importance, to encourage the community to act responsibly towards the environment and to involve the community in actions that show concern for the environment. There is not much better way for Australia to achieve these aims than to commence the Olympic torch relay in the heart of one of our world heritage listed areas. The United Nations established World Environment Day as an annual event in 1972 and, as a means of promoting global concern for the environment, the General Assembly also created the UN environment program at the same time.

So each year, on 5 June, nations around the world mark the event, offering the opportunity for communities and governments to consider their approaches to natural surroundings. Communities are encouraged to participate, just as governments are encouraged to use the day to highlight their work on the environment and give consideration to the importance of these issues.

Each year, official World Environment Day events include the presentation of Global 500 Awards, the United Nation’s roll of honour for environmental achievement. Previous Australian winners of Global 500 Awards include Greening Australia and Ian Kiernan. Each year, the United Nations selects one nation to host the World Environment Day celebrations. This year, we are proudly that host. This is the first time it has been held in Australia and, indeed, the first time in the Pacific region. This celebration presents Australia with an important opportunity to engage our communities in the acknowledgment of the day and its aims and to acknowledge those who have made significant contributions to caring for the nation’s environment and the pursuit of sustainability.

The theme this year is celebrating excellence, innovation and enterprise in the pursuit of a sustainable Australia, the initiative of the Prime Minister’s Environment Awards. They were tremendously well received with over 400 nominations considered. The winners from my state included Coffs Harbour City Council for outstanding sustainability achievements in partnership with their local community and Charlie Carp, a very innovative New South Wales firm which turns environmentally harmful introduced European carp into garden fertiliser.

As the Australian community and the government have celebrated the day, it is disappointing that some people have chosen to criticise rather than acknowledge the contributions of the coalition in this important area. People are very quick to criticise, but it is worth looking at the Liberal Party’s track record, in particular in the area of environmental concern, before taking too much notice of empty criticism. Many are pleased, as we know, to jump on the environmental bandwagon, but it was the Liberal Party that prohibited sandmining on Fraser Island and banned whaling in Australian waters. It was the Liberal Party that declared the Great Barrier Reef Marine Park and placed the Barrier Reef, Kakadu, Willandra Lakes, Lord Howe Island and south-west Tasmania on the World Heritage List. Many people might not realise that it was 25 years ago that a coalition government established the first Commonwealth environment department. In 1982, it was the Fraser government that established the National Tree Program to reverse tree decline throughout Australia.

Now it is the Howard government that is implementing, through the Natural Heritage Trust, the largest and most comprehensive commitment to action on the environment by any national government in Australia’s his-
tory. And it would be remiss of me, in dis-
cussing our environmental credentials, not to
mention the role of the Leader of the Gov-
ernment in the Senate, Senator the Hon. Rob-
ert Hill, in that process. He has provided an
enormous amount of experience, leadership
and stability to those pursuits. I understand
he is Australia’s longest serving minister for
the environment, an achievement that indi-
cates his commitment.

As I have previously mentioned, the coali-
tion have taken an expansive approach to the
environment portfolio, with a view that it is
very much a mainstream issue. The $1.5 bil-
lion Natural Heritage Trust and the almost $1
billion allocated to greenhouse gas reduction
programs are the largest environmental
funding commitments in Australia’s history.
The government are supportive of develop-
ment and wealth creation. We also have an
approach which has been to focus on pro-
moting environmental standards that are in
line with the commitment to continued
growth. We try to combine our objectives for
long-term wealth for the benefit of all Aus-
tralians with environmental protection in
partnership with communities, business and
other tiers of government.

In the last budget, the government contin-
ued to provide significant levels of funding
for environmental and natural resource proj-
ects around Australia, including an allocation
of over $880 million to the Environment and
Heritage portfolio. That allocation funds the
Australian Greenhouse Office, the National
Oceans Office, the Great Barrier Reef Marine
Park Authority—now very well run by for-
mer president of the New South Wales Leg-
islative Council, Virginia Chadwick.

Senator Ian Macdonald—Hear, hear!

Senator PAYNE—Thank you, Senator
Macdonald. It also funds the Australian
Heritage Commission. The Natural Heritage
Trust has been allocated $361 million for
projects over the next year. That continues
the work undertaken in programs like Bush-
care, Landcare and Coasts and Clean Seas.
Greenhouse gas abatement, a key issue, has
been allotted $400 million over the four
years. Provision has also been made for the
development of a product stewardship system
for waste oil and, importantly for my state of
New South Wales, the preservation of five
prominent former Defence sites around Syd-
ney Harbour.

Some are keen to fire barbs in regard to
the environment budget. It is worth noting
the legacy that was left to the coalition by the
former government. Over five million hec-
tares of native vegetation in this country were
cleared during the decade between 1983 and
1993. Australia was allowed to take its ex-
traordinary endowment of natural resources
for granted. That is not necessarily a trend
that you can lay entirely at the feet of any one
political party, nor is it a concern that is
unique to this country, but it is important to
note the rapid change in mindset in regard to
the environment that has developed in recent
times.

Increasingly, communities are aware that
efforts to protect their natural surroundings
have to be made before you lose the opportu-
nity to do so. We now have to take that next
step, moving beyond recognition to take ac-
tion to ensure that governments and commu-
nities are working together to achieve their
environmental aims. It seems that globallly
there is a number of obvious issues which
communities and governments have to con-
sider. Recently I have had a couple of those
highlighted around New South Wales. Bal-
ancing the competing needs of rural activities
with those in urban communities is a signifi-
cant challenge. Those competing demands
were obvious to me in a series of meetings I
conducted recently, the first in a large re-
gional city in north-western New South
Wales, where community concerns regarding
the farming practices of cotton growers in the
state’s north-west and issues such as salinity
were considered.

On a subsequent visit to an enormous cot-
ton farm in that region, a local cotton grower
showed me the substantial efforts—mirrored
by many others—he had gone to in order to
make his farm as environmentally sustainable
as possible, including diversification of the
products he farmed, creating very exciting
new export opportunities. These are not easy
conundrums to resolve. Creating economic
growth and development while at the same
time ensuring environmental protection is a
difficult balance to achieve. What is abun-
dantly clear is that the balance is increasingly important as environmental degradation across the globe causes ripple effects. As the world population increases, placing greater strain on our natural resources, with increased demand for food, clean water, power and other essentials, that balance becomes even more precarious.

Australians and residents of most countries want environmental safeguards, but they also want development, jobs and higher living standards. The approach that the coalition has taken is to ensure that government, industry and the community work together. Community education and engagement are particularly important. We are all able to make a contribution in that process. Once again this year, on Clean Up Australia Day, for example, with my colleague Ross Cameron, the member for Parramatta, Parramatta Liberals banded together to help clean up our local area. We selected a section of Parramatta Park, one of the Greater West’s most historic and most important public spaces. With a dedicated group of members and supporters, including scuba divers cleaning the river, we did our part for that day, including discussing some of that work with Ian Kiernan, the founder of Clean Up Australia Day, who was also at Parramatta Park.

These are important initiatives for several reasons. Clean Up Day achieves a real difference in the environment by cleaning up literally thousands of tonnes of rubbish. I was interested to learn that in last year’s clean-up a significant proportion of the rubbish cleared was cigarette butts, meaning that the habit costs Australia doubly, impacting substantially on health and, in fact, on the environment. It is also a day that provides another valuable service in raising the environment as an issue of concern for all Australians. Environmental issues present one of the most difficult areas for government anywhere. As our societies change and become more technologically advanced, and literally larger, our relationship with our natural surroundings is also forced to change. Hand in hand with this, governments and communities need to be prepared to adapt to new ways of protecting their surroundings and to ensure that events such as World Environment Day are truly a celebration.

Environment: Greenhouse Gas Emissions

Coal Fired Power Stations

Senator BARTLETT (Queensland) (7.00 p.m.)—I would like to continue on with the theme that Senator Payne was speaking about in relation to the environment, particularly in relation to climate change and greenhouse gas emissions. I do welcome the statements of the Prime Minister and the government, and that Senator Payne repeated, about recognising the environment now as a mainstream issue that needs to be very much at the centre of government policy directions, formulations and actions. Certainly, when one looks at the record of the federal government as well as that of state governments around the country, there is a lot that still needs to be improved. Their record certainly leaves a lot to be desired, despite the pronouncements from this government about the so-called largest funded environment program in this nation’s history, which was funded through the unfortunate sale of Telstra. As we heard today from the minister himself in question time, the government’s own mid-term review about the use of that funding in areas such as Cape York in relation to issues such as vegetation clearance has shown very inadequate results. It is bad enough that we have had to sell part of Telstra to fund this program and bad enough that core environment department funding has been removed and topped up with this NHT funding, but to think that we are spending all that money and still getting inadequate outcomes is a disgrace and a tragedy.

The issue of land clearing, which was mentioned by Senator Payne, is a classic case. I think it is appropriate to point to the failure of past governments to deal with land clearing. The amount of clearance in the previous decade that Senator Payne mentioned is clearly an indictment. What is an even greater indictment is the fact that in Queensland that clearing continues unabated. What have this federal government done about it? They have certainly done a lot of blaming of the state government in Queensland and of Mr Beattie. I can understand that; I would join in criticising the Queensland government
in that regard. Criticising is one thing, but when you are the federal government and you are the minister that actually has the power to do something about it, then just complaining about the state government is not adequate enough. What we need is action. The Prime Minister has specifically acknowledged that the land clearing problem continuing unabated in Queensland is a major environmental problem, if not one of the major environmental problems in the country—yet we have no action.

We do have the possibility before the federal government at the moment of including a greenhouse trigger in the federal Environment Protection and Biodiversity Conservation Act 1999, which comes into operation next month. That possibility is based on a commitment given to the Democrats last year as part of the government’s package for environmental measures around the tax package and also the environment protection bill, as it was at the time. That was a very firm commitment given to the Democrats and indeed to the Senate by the government as a whole, not just by the environment minister operating on his own. The Democrats very much expect the government to deliver on that commitment, particularly given the rhetoric that we have had from government ministers, from the Prime Minister and from government senators in relation to this issue. If it is a serious issue, if it is a central issue and if it is a mainstream issue, then there can no longer be any excuse not to act in this area. Putting in a greenhouse trigger is not the only aspect and not all that is needed to reduce land clearing in Queensland, but it would go a significant way and would catch a significant component of land clearing in Queensland. If the federal government are in any way serious about this issue, as they purport to be, then there is no longer any reason for them not to act at least in that area. I would suggest that more than that needs to be done to fully curtail the outrageous degree of land clearing that continues in Queensland.

Moving across to the very related issue of greenhouse emissions, we have had more publicity today in relation to the new coal fired power station that is being built in Queensland. This is an issue again where the federal environment minister has been happy to criticise the state government, with some justification. Unfortunately, they have taken no action to do anything about it. There was an article in the Financial Review on 24 May—I will not quote the journalist in case I get it wrong because I do not have it in front of me here—that outlined the clear-cut divisions within cabinet about just this issue. Senator Hill reportedly presented cabinet with a memo arguing that the new Kogan Creek coal fired power station should have to offset greenhouse emissions. His proposal was reportedly strongly opposed by Mr Anderson—not surprisingly, the same minister who is trying to undermine the greenhouse trigger being inserted in the act—and the industry minister, Senator Minchin, who is always referred to as a right-hand man to the Prime Minister. Both of them argued against those proposals of including a greenhouse trigger and of requiring some offsets on the new coal fired power station. They believed that would amount to shifting the goalposts after the company had already met all government requirements. This is not necessarily a criticism of the Kogan Creek developers but a criticism of the inadequacy of government requirements. If we can meet government requirements that allow an expansion of coal fired electricity generation—and this is not the only coal fired power station that is planned for Queensland—that highlights how inadequate the requirements are.

There is no scope in Queensland for power stations to be refused on greenhouse lines. It is simply not part of it and that puts a big hole in the Queensland government’s new energy policy. I think it was quite rightly pointed out that a large thrust of that policy was trying to ensure the viability of the gas pipeline between Papua New Guinea and Queensland. Certainly gas is a cleaner fuel than coal in terms of greenhouse and carbon emissions. It is a concern if we put all our hopes in that area of energy generation because it is still clearly a greenhouse emitter. But as a transition fuel it has a lot to be said for it. There are still issues with environmental aspects and traditional landowners in terms of the route of the proposed pipeline through the cape in particular. Those should not be forgotten. It is clear that the Queen-
sland government are very keen to see that gas alternative go ahead. They have set targets, which is very good, for a significant increase in energy generation from sources other than coal over the coming years. Unfortunately, as we have seen at federal level, setting targets is one thing; actually meeting them is another thing again. From the Democrats’ perspective, I am very dubious as to the Queensland government’s ability to meet those targets. I think in part they are hoping for the federal government to in effect force them to meet them by using mechanisms, such as the greenhouse trigger, which are not in place at the federal level.

In Queensland there is no scope for proposed future coal fired stations to be stopped on greenhouse grounds. Setting a target, whilst desirable, is not going to make it happen of itself. The Democrats think it is crucial to re-emphasise, to the federal government in particular, the need for action on this area. Climate change and greenhouse issues is probably the number one global environmental issue and it is closely linked to what I would suggest is the number one Australian environmental issue of land clearing in Queensland. The land degradation, salinisation, erosion, loss in water quality, loss in agricultural productivity and the greenhouse emission consequences all add up to a major environmental problem not just for Queensland but for states further south and a major bill for future generations both in terms of the lost environmental values and in terms of economic cost. The amounts of money that have gone into the Natural Heritage Trust are nothing compared to what is going to be needed to fix up the damage that is still being caused today. In a situation where we know there is a problem and we know we are going to face major damage costs down the track unless we do something now, it is exceptionally negligent and completely inexcusable for governments to continue to procrastinate and not to act.

There is a lot more to be done beyond putting a greenhouse trigger in the national environment act, but that is certainly one action that is absolutely essential. It will be a key test of whether this government has any credibility in terms of its pronouncements on environmental issues as well as in terms of it being able to stick to the spirit of agreements it has made and the pronouncements it has made about their intentions in this area.

**Australian Defence Force: Capability**

Senator McGAURAN (Victoria) (7.10 p.m.)—Given the disruption we are all aware of in Fiji and the Solomon Islands and the challenges to the democracy in those states and the insecurity it brings to the whole region, it is worthy to focus on Australia’s readiness to meet those challenges. One of the best experiences we can focus on as a yardstick is East Timor. While we are all very impressed by the talents displayed by our forces in the field, there are nevertheless lessons to be learned for our defence forces. The truth is that Australia’s defence capacities were stretched to the limit. Australia’s commitment to INTERFET of 5,000 troops was so great that there were not enough trained troops available for rotation. The government has responded to that by establishing a second brigade sized group on 28 days notice to move. We have not had two brigades of troops on 28 days notice since the Vietnam war.

Another deficiency revealed by the Timor operation was the lack of control and command facilities on Australian naval units deployed. This meant we relied upon the United States supplied naval vessels which had these capacities. Clearly, Australia must have such a capability as well as heavy lift helicopters, which were necessary to deploy equipment into the mountainous interior of East Timor. In my view, Timor shows Australia needs an aircraft carrier for effective future operations in the region. It is also not well known that several of the most important operations in East Timor involved amphibious landings where troops had to be deployed directly onto the beaches. Australia had a very limited capability for such operations. The Navy’s HMAS *Tobruk* was fully engaged together with HMAS *Jervis Bay*, the Navy’s single troop deployment catamaran. Australia should have had the capacity with the two American amphibious naval vessels purchased in 1994, but the two ships have cost hundreds of millions of dollars in repair.
and refit costs and are yet to be deployed—a situation not dissimilar to the defence department’s Collins class submarine contracts, again signed by the previous government. These submarines required the recent budget commitment by this government of $100 million to design changes for them.

These are criticisms of past naval purchases. The Air Force have been smarter in their choices. The FA18 Hornet fighter aircraft is Australia’s primary air defence response asset. The Hornet can also contribute to strategic strike protection of shipping and land support tasks, all beneficial to the East Timor experience. When acquired in the late 1980s, the Hornet was the most capable fighter aircraft in our region. The aircraft life is up to 30 years and on current projections the Hornet fleet will have to be replaced no later than around 2012. Technology has caught up with the 1980s purchase. The options available to the ADF were to accept a declining capability until retirement in 2015, replace the aircraft now or upgrade the Hornet fleet to restore a relative capability edge. Upgrading the Hornet fleet was considered to be affordable and capable of providing the higher level of capability needed, particularly when combined with the acquisition of new missiles and airborne early warning and control aircraft.

The decision to upgrade the Hornet fleet has been essential in meeting our medium-term capabilities. On current strategic assessment, the upgrade will allow replacement of the aircraft to be deferred to 2015. It should be noted that certain failures within the defence department should be seen as a reflection on the administrative structures under which the department runs, rather than on its service personnel. So it really is crunch time for our defence forces. The East Timor incident has accentuated and accelerated the big decisions that now have to be made. Timor has added about $1 billion a year to our defence bill over the next four years. Over the next decade and a half we will need approximately $830 million to replace obsolete equipment. I stress ‘replace’ equipment—not ‘increase’ the force’s equipment.

For example, Australia within the next decade will have to replace its F-18 aircraft and its FFG-7 frigates, its Hercules transport aircraft and its army transport vehicle fleet. But rest assured, we have a minister in charge of defence who is well aware of this mammoth task and the challenges ahead. That is why the government commissioned a defence white paper even before the Timor crisis. The white paper will determine the future shape of Australia’s defence forces. The minister has also acted to install a new department secretary as a measure of his determination to bring to account the top brass in defence. To quote the minister from a recent article in the Bulletin, he says:

By the end of 2000, I aim to have in place management which is accountable and responsible for its own actions and be able to manage Defence in a way (that) the Government can have confidence that when it gives them money it will spend it wisely. Currently, there is no confidence that they would spend it wisely.

As there has never been a government that is not electorally sensitive—and I would venture to say that this government is no exception—it is paramount to be able to take the taxpayers with us on such future major commitments. Consider what the defence budget is competing with. Firstly, it is competing with a surplus budget. Secondly, it is competing with a debt reduction strategy. Thirdly, it is competing with a ‘no new government borrowings’ commitment. Fourthly, and above all, it is competing with the political pull by the rural and regional areas for greater infrastructure expenditure. As an aside, is it any wonder that this government seeks to sell Telstra and liquidate its $50 billion worth of capital? But that is another story for another day.

In conclusion, the release of the defence white paper later this year will bring these decisions to a head and set the trend in expenditure for decades to come. Everyone in this parliament will be involved with the decision one way or another, a decision that is crucial to the security of this nation.

Senate adjourned at 7.18 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:

**Tabling**

The following documents were tabled by the Clerk:


QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Nursing Homes: Other Costs Reimbursed Expenditure**

(Question No. 1235)

**Senator Chris Evans** asked the Minister representing the Minister for Health and Aged care, upon notice, on 12 August 1999:

With reference to nursing homes that had significantly higher costs under the previous Other Costs Reimbursed Expenditure (OCRE) system, for the 1997-98 and 1998-99 financial years:

1. How many nursing homes were considered to be incurring excessive losses and had those losses capped, as described in section 6, page 26 of the Residential Care Manual.

2. What was the level of loss reported by each of these nursing homes (please identify each facility and the state in which the facility is located).

3. Can a breakdown be provided of these nursing homes by state and territory and whether they were a private or church/charitable provider.

4. Can an explanation be provided of: (a) how the capping mechanism operates; and (b) how the level of any cap is determined.

5. What was the average level of support provided to these nursing homes through the capping mechanism.

6. What was the total cost of the support provided to these nursing homes.

7. Can a breakdown be provided, by state, for the 1997-98 and 1998-99 financial years, of the nursing expenditure on: (a) superannuation; (b) long-service leave; and (c) workers’ compensation (please note that the Residential Care Manual indicates that this information will be updated for each year on the basis of OCRE returns).

**Senator Herron**—The Minister for Aged Care has provided the following answer to the honourable senator’s question:

(1) and (2) None.

The OCRE Transitional Cap Assistance Payment arrangements are a transitional measure designed to assist services which had exceptional on-cost outlays before the reforms move to the new funding arrangements over a period of time and to encourage those services to better manage those costs.

(3) The following table details the number of residential aged care services in each state, by sector, that received OCRE Transitional Cap Assistance Payments in respect of the 1998-99 financial year.

<table>
<thead>
<tr>
<th>State</th>
<th>Private</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSW &amp; ACT</td>
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<td>14</td>
</tr>
<tr>
<td>QLD</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>SA &amp; NT</td>
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<td>12</td>
</tr>
<tr>
<td>WA</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

(4) The central features of the OCRE transitional cap payment arrangements are explained in Section 6.3.10.2 of the Residential Care Manual as follows:

“A few nursing homes whose OCRE costs were significantly greater than average in 1996-97 will be paid an additional supplement in the first four years of the new arrangements to assist them to make the transition to the new arrangements. Data on nursing expenditure on superannuation, long service leave and workers compensation is collected from OCRE returns and nursing homes in each State are ranked according to how they spend relative to the State average. The rankings are based on the latest available complete set of OCRE returns. In the first year, those homes that fall in the top 5% in their State’s expenditure ranking will receive this transitional assistance. In subsequent years eligibility for the cap will
be successively reduced, to apply to the top 4%, 3% then 2%. The system of capping assistance will cease after the fourth year.”

(5) The average amount of OCRE Transitional Cap Assistance Payment made in respect of the 1997-98 financial year was $44,312.

The average amount of OCRE Transitional Cap Assistance Payment made in respect of the 1998-99 financial year was $41,930.

(6) The total amount of OCRE Transitional Cap Assistance Payments made in respect of the 1997-98 financial year was $3,190,487.

The total amount of OCRE Transitional Cap Assistance Payments made in respect of the 1998-99 financial year was $2,306,135.

(7) No.

The Department does not require services to provide this information.

Each year, eligibility for OCRE transitional cap assistance payments is based on the latest available complete set of OCRE returns (that is the 1996-97 OCRE returns). These returns were updated from time to time as the result of then outstanding validation audits of services carried out by the Department of Health and Aged Care and appeals from these audits.

OCRE transitional cap assistance payments are a transitional measure designed to assist those services whose pre 1 October 1997 on-cost structures were significantly different from the industry average to adjust to the new funding arrangements. It is therefore most appropriate to continue to use the 1996-97 data as described to determine which services are eligible for assistance.

**Nursing Homes: Income Tested Fees**

(Question No. 1239)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 12 August 1999:

Can information be provided on residents in aged care for the 1997-98 and 1998-99 financial years as well as projected estimates for the 1999-2000 financial year, with reference to the following:

(1) How many places were occupied by residents paying the income tested fee (please specify for high and low care places).

(2) What was the average amount paid by residents who were required to pay the income tested fee.

(3) What was the average income, for the purposes of the fee, for those residents who were required to pay the income tested fee.

(4) What were the total amounts raised through the income tested fee.

(5) (a) How many people, who were assessed as having to pay the income tested fee were eligible for a hardship supplement; and (b) what were the grounds for their eligibility (in relevant categories).

(6) What was the total value of the hardship supplements paid to residents.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The information currently available about income tested fees paid by residents relates to the period 21 March 1998 to 21 August 1999. This information is not able to be disaggregated for low and high care residents.

(1) The following residents have paid income tested fees in the period between 21 March 1998 and 21 August 1999.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>2,090*</td>
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<tr>
<td>1998-99</td>
<td>14,496</td>
</tr>
<tr>
<td>1999-2000</td>
<td>9,147*</td>
</tr>
</tbody>
</table>

* 1997-98 and 1999-00 are not full years.

(2) The average amount of the income tested fee as at 21 August 1999 is $4.91 per day.
(3) The average private income for the residents who have had income tested fees determined is approximately $375 per fortnight (this does not include income support pensions).

(4) The income tested fee raised $1.6 million in 1997-98 and $13.6 million 1998-99. It is projected that the income tested fee will raise $20.5 million in 1999-2000.

(5) (a) 25 residents successfully applied to have their income tested fees waived.

(b) Of these residents:

. 10 were not eligible for Australian pensions and had only small foreign income/pensions;

. for a further 3 the income tested fee was based on the care recipient’s share of farm income, but the farm also supported other members of the family;

. 3 others had significant debts/mortgages to pay;

. The circumstances of the remaining 9 residents included a variety of other situations.

(6) Income tested fee amounts reduce the amount otherwise payable to service providers as subsidy. Where, as a result of an application under the hardship provisions, a resident’s income tested fee is waived, the service provider’s subsidy is paid as if no income tested fee existed for that resident. The estimated amount of the income tested fees waived in the period April 1998 to June 1999 for the above residents was $36,000.

Alimar Nursing Home: Standards and Accreditation Agency

(Question No. 1358)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 25 August 1999:

(1) What action was taken by the Standards and Accreditation Agency and/or the department following the inspection of the Alimar Nursing Home in October 1998 which found serious risks to the health and well-being of residents.

(2) What action was taken by the Minister and/or the department to ensure that employees at the nursing home were paid their full award entitlements by the provider before approving the transfer of the bed licences of the home.

(3) What action was taken by the department to ensure that the funds collected from the residents of the nursing home through the Government’s accommodation charge were spent upgrading the capital infrastructure of the home.

(4) What action was taken by the department to ensure that funds provided to the nursing home, through the concessional resident supplement, were spent on upgrading the capital infrastructure of the home.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator’s question:

(1) The Aged Care Standards and Accreditation Agency referred Alimar Nursing Home to the Department of Health and Aged Care in October 1998 with recommendations for sanctions action. The Secretary’s delegate imposed sanctions on Holding Nominees Pty Ltd in respect of Alimar Nursing Home on 23 December 1998. The sanctions imposed had the effect of:

. restricting payment of Commonwealth funding in respect of only those care recipients in residence at the home on 23 December 1998 resulting in the revocation of funding for eight beds;

. revoking Holding Nominees Pty Ltd approved provider status unless the approved provider agreed to appoint an Administrator to manage Alimar Nursing Home.

. all residents had been moved to alternative care facilities by February 1999; and

. sale of business completed May 1999

(2) This is a legal question outside the jurisdiction of the Department.

(3) Alimar Nursing Home did not meet the prescribed standards for Certification and therefore no accommodation charges were paid.

(4) Alimar Nursing Home did not meet the prescribed standards for Certification and therefore no concessional resident supplement was paid.
Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, 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 Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) The department has advised the Office for Government Online that the estimated total expenditure on Year 2000-related activities is $8.3m. This amount was expended over four financial years (1996/1997 to 1999/2000).

(2) The department participated in two Year 2000-related consultancies during the period 1996-2000. These were:

- Embedded systems review and remediation – Engineered Solutions Australia ($22 730);
- Third-party audit review of progress – Acumen Alliance ($5 650).

The department also hired contractors from the following companies, specifically for Year 2000 activities:

<table>
<thead>
<tr>
<th>Company</th>
<th>Contract Duties</th>
<th>Contract Cost</th>
<th>Period</th>
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</thead>
<tbody>
<tr>
<td>Admiral Management Services</td>
<td>Risk management, business continuity and contingency planning</td>
<td>$349 000</td>
<td>1998-2000</td>
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<tr>
<td>Axis</td>
<td>Application remediation &amp; testing</td>
<td>$23 900</td>
<td>1998-1999</td>
</tr>
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<td>Candle Computer Services</td>
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<td>Corporate Consulting</td>
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<td>$147 700</td>
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<td>Drake International</td>
<td>Application remediation &amp; testing</td>
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<td>1998-2000</td>
</tr>
<tr>
<td>Icon Recruitment</td>
<td>Application remediation &amp; testing</td>
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<td>Intec Australia</td>
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<td>$51 700</td>
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<tr>
<td>Paxus People</td>
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<td>Wizard Information Services</td>
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<td>$62 140</td>
<td>1998-2000</td>
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Additional Year 2000 activities will have been performed by other contractors incidental to their primary contracted tasks.

(3) All consultancies and contractors were selected using appropriate tendering and procurement processes.

(4) Verifications conducted by the department over the period 1-25 January 2000 have found that, as a result of the extensive remediation program, the department’s business-critical service delivery functions were not compromised by Year 2000-related errors.
Nursing Homes: Care Subsidies
(Question No. 1904)

Senator Chris Evans asked the Minister representing the Minister for Aged Care, upon notice, on 24 January 2000:

Can the following information be provided on the impact of the Government’s policy on coalescence in relation to nursing home care subsidies: For each of the following 3 scenarios, what would the Resident Classification Scale Level 1 subsidy be in each state in each of the financial years from 1998-99 to 2006-07 assuming an annual indexation rate of 1.4 per cent: (a) under the original funding arrangements prior to coalescence; (b) under the policy of coalescence; and (c) under the policy of funding equalisation announced on 6 December 1999.

Senator Herron—the Minister for Aged Care has provided the following answer to the honourable senator’s question:

The following tables show the Resident Classification Scale Level 1 subsidy in each of the States and Territories for each of Senator Evans’ scenarios. It must be noted that they use Senator Evans’ assumption of an annual indexation rate of 1.4 per cent.

Under the Labor Government funding arrangements prior to coalescence:

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<td>$114.20</td>
<td>$115.80</td>
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</table>

Under the policy of coalescence:

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</tr>
</tbody>
</table>

Under the Funding Equalisation and Assistance Package announced on 6 December 1999 States will reach uniform national rates at different times, over different periods, to give an equitable outcome. The funding equalisation and assistance package provides for an extra $148 million over 6 years to 2005-06 in recurrent payments.

Those States below the national average will reach the national average in 2002 instead of never under Labor’s policy and 2004 under coalescence.
Queensland will gain $83.6m, South Australia will gain $14.7m, Western Australia will gain $3.5m and the Australia Capital Territory will gain $0.3m. For these states, this new money will dramatically accelerate their increase in funding. This response clearly addresses the issue of equity between states and provides for uniform national rates to be achieved two years earlier on 1 July 2002.

Victoria will gain $39.6m and Tasmania will gain $6.3m. For these states, this will ensure ongoing annual increases in funding, each year. The response will also enable more time for the sector to manage the transition, as uniform national rates for Victoria and Tasmania will instead be achieved two years later on 1 July 2006.

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<td>$108.46</td>
<td>$109.34</td>
<td>$110.30</td>
<td>$110.72</td>
<td>$111.12</td>
<td>$112.68</td>
<td>$114.26</td>
</tr>
</tbody>
</table>

Department of the Prime Minister and Cabinet: Provision of Income and Expenditure Statements

(Question No. 1947)

Senator Faulkner asked the Minister representing the Prime Minister, 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 Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

Department of the Prime Minister and Cabinet

Yes. The Department of the Prime Minister and Cabinet 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 6 (pages 141 – 146) of the 1997-98 annual report and Appendix 3 (pages 141 – 143) of the 1998-99 annual report. The information has been tabled in Parliament and is also available on the department’s website (www.dpmc.gov.au).

Office of National Assessments

The Office of National Assessments uses the services of an advertising agency for recruitment advertising only. The amounts involved are $21,516 in 1997-98 and $33,180 in 1998-99. These figures were not separately identified in the Office’s Annual Report. The expenditure is directly attributable to recruitment action and therefore considered to be unrelated to any purpose contemplated by section 311A of the Commonwealth Electoral Act 1918.

Office of the Inspector-General of Intelligence and Security

No. The services of an advertising agency were not used in 1997-98 and 1998-99. No media campaigns or market research were undertaken in 1997-98 and 1998-99.

Office of the Commonwealth Ombudsman

During the financial years 1997-98 and 1998-99 the Office of the Commonwealth Ombudsman used the services of an advertising agency to arrange the placement of employment related advertisements
for some senior or specialist positions within the Office. The amounts paid in respect of these services were, 1997-98 $11,178, 1998-99 $21,844. No other monies were paid to advertising agencies during this period.

These figures were not separately identified in the Office’s Annual Reports. They were considered to be expenditure related to recruitment actions and unrelated to any purpose contemplated by section 311A of the Commonwealth Electoral Act 1918.

**Australian National Audit Office (ANAO)**

The ANAO provided a statement of expenditure pursuant to section 311A of the Commonwealth Electoral Act 1918 in its 1997-98 and 1998-99 Annual Reports.

The 1999-2000 and future Annual Reports will, in addition to the general expenditure statement, include details of the firms to which recruitment and tender advertising expenditure is paid.

**Public Service and Merit Protection Commission (PSMPC)**

The following statements were provided in the PSMPC Annual Reports:

“During the financial year 1997-98 a total of $24,195 was paid for advertisements in the press for services and for the filling of vacant positions. No media campaigns or market research were undertaken in 1997-98.”

“During the financial year 1998-99 a total of $36,307 was paid for advertisements in the press for the filling of vacant positions and for various services. With the exception of various needs analysis exercises conducted by PSMPC staff, no market research or media campaigns were undertaken in 1998-99.”

**Department of Employment, Workplace Relations and Small Business: Provision of Income and Expenditure Statements**

(Stationery No. 1953)

Senator Faulkner asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, 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 Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

**Department of Employment, Workplace Relations and Small Business:***

For 1997-98, particulars were provided at pages 148-150 of the annual report of the Department of Workplace Relations and Small Business (DWRSB). For 1998-99, total amounts were provided at page 177 of the annual report of the Department of Employment, Workplace Relations and Small Business (DEWRSB). Full particulars were omitted from the 1998-99 report as a result of an editing oversight. These are now provided in Table A below.

It should be noted that in October 1998, DWRSB became DEWRSB, at which time it was given certain employment-related functions previously the responsibility of the then Department of Employment, Education, Training and Youth Affairs. Employment-related expenditure from 1 July 1998 in respect of matters covered by s.311A is included in the particulars provided in Table A.

**TABLE A: PARTICULARS OF EXPENDITURE BY DWRSB AND DEWRSB IN 1998-99 AS REQUIRED TO BE REPORTED BY S.311A OF THE ELECTORAL ACT**

<table>
<thead>
<tr>
<th>Advertising agencies</th>
<th>Amount paid 1998-99</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammirati Puris Lintas</td>
<td>$246 230</td>
<td>Implementation of communication strategy for reforms to the employment services market</td>
</tr>
<tr>
<td>Bytes &amp; Colours</td>
<td>$206</td>
<td>Colour photocopies of promotional material on Indigenous Employment Policy (IEP)</td>
</tr>
<tr>
<td>Organisation</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Exhibition Centre</td>
<td>$3714</td>
<td>Display material for launch of Indigenous Employment Policy (IEP)</td>
</tr>
<tr>
<td>Goanna Print</td>
<td>$2230</td>
<td>Printing of IEP general information brochure</td>
</tr>
<tr>
<td>Houseman &amp; Wrigley Photographic</td>
<td>$960</td>
<td>Photographs for launch of Chief Executive Officers for Indigenous Employment Project</td>
</tr>
<tr>
<td>Image Makers Photographic</td>
<td>$495</td>
<td>Public relations photographs for launch of IEP</td>
</tr>
<tr>
<td>National Recording Studios</td>
<td>$59 274</td>
<td>Video for launch of IEP</td>
</tr>
<tr>
<td>W C Penfolds</td>
<td>$68</td>
<td>Transparencies for presentation at IEP launch</td>
</tr>
<tr>
<td>Spincreative</td>
<td>$340</td>
<td>Promotional material for IEP launch</td>
</tr>
<tr>
<td>Visualeyes Photographic</td>
<td>$2580</td>
<td>Printing Wage Assistance information brochure</td>
</tr>
<tr>
<td>Wright Business Marketing</td>
<td>$138 023</td>
<td>Development of communications strategy for reforms to the employment services market</td>
</tr>
<tr>
<td><strong>Total paid</strong></td>
<td>$454 120</td>
<td></td>
</tr>
</tbody>
</table>

**Market research organisations**

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AC Nielsen Research</td>
<td>$16 574</td>
<td>Award and agreement coverage survey</td>
</tr>
<tr>
<td>Australasian Research Strategies</td>
<td>$223 253</td>
<td>Public attitudes to further workplace reform</td>
</tr>
<tr>
<td>Brian Sweeny &amp; Assoc</td>
<td>$10 500</td>
<td>Design concept testing for Business Entry Point website</td>
</tr>
<tr>
<td>DBM Consultants Pty Ltd</td>
<td>$18 185</td>
<td>Identification of methodologies for conducting a longitudinal study of job seekers</td>
</tr>
<tr>
<td>Environmetrics</td>
<td>$332 762</td>
<td>Implementation review of the Employment Services Market Job Network evaluation</td>
</tr>
<tr>
<td>Keys Young Pty Ltd</td>
<td>$22 500</td>
<td>Employability of mature age workers</td>
</tr>
<tr>
<td>M.A.R.S</td>
<td>$14 200</td>
<td>Business Entry Point market research</td>
</tr>
<tr>
<td>Taverner Research Company</td>
<td>$5102</td>
<td>Survey of Job Network members satisfaction with Centrelink services</td>
</tr>
<tr>
<td>Organisation</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Wallis Consulting Group</td>
<td>$322 131</td>
<td>Conduct of the National Survey of Employers Use of Job Network and the 1999 Job Seeker Satisfaction survey</td>
</tr>
<tr>
<td>Worthington Di Marzio</td>
<td>$85 388</td>
<td>Evaluation of communications campaign on reforms to employment services market</td>
</tr>
<tr>
<td><strong>Total paid</strong></td>
<td><strong>$1 050 595</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Direct mail organisations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Canberra Mailing</td>
<td>$30 134</td>
<td>Mail out of result letters to all public sector recruitment test applicants and dispatch of application materials to people invited to proceed to the second stage of the graduate and information technology specialist recruitment process.</td>
</tr>
<tr>
<td>CanPrint Communications</td>
<td>$46 957</td>
<td>Working for Small Business</td>
</tr>
<tr>
<td>Direct Effect Pty Ltd</td>
<td>$7957</td>
<td>Distribution of Guide to Employers Rights in Relation to Industrial Action, Freedom of Association and Right of Entry</td>
</tr>
<tr>
<td>Lane Print Group</td>
<td>$658</td>
<td>Distribution of Work &amp; Family Newsletter No 17</td>
</tr>
<tr>
<td>National Mail and Marketing</td>
<td>$3357</td>
<td>Distribution of Office of Small Business information packages</td>
</tr>
<tr>
<td></td>
<td>$33 676</td>
<td>Distribution of Franchising Code of Conduct Campaign Services</td>
</tr>
<tr>
<td></td>
<td>$5491</td>
<td>Distribution of A Guide to Micro Business</td>
</tr>
<tr>
<td></td>
<td>$36 390</td>
<td>Distribution of Unravelling the threads</td>
</tr>
<tr>
<td></td>
<td>$16 803</td>
<td>Distribution of the Alternate Dispute Resolution kits</td>
</tr>
<tr>
<td></td>
<td>$735</td>
<td>Distribution of Work &amp; Family Newsletter No 18 and 19</td>
</tr>
<tr>
<td></td>
<td>$145</td>
<td>Distribution of Junior Wages &amp; Youth Employment Seminar brochure</td>
</tr>
<tr>
<td></td>
<td>$40 969</td>
<td>Total payments for the year for handling, sorting and mailing out of Workplace Reform information material to Australian Government Employment clients</td>
</tr>
<tr>
<td>Overland Business services</td>
<td>$588</td>
<td>Distribution of AAA Review Report – Executive Summary</td>
</tr>
<tr>
<td>Company</td>
<td>Amount</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>----------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Nexday Pty Ltd</td>
<td>$182,663</td>
<td>Distribution of the Employment Services Tender 2 Request for tender documentation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total paid</strong></td>
<td><strong>$406,523</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Media advertising organisations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising Investment Services (AIS Media Pty Ltd)</td>
<td>$19,933</td>
<td>Advertised departmental positions</td>
</tr>
<tr>
<td></td>
<td>$918,502</td>
<td>Job Network advertising</td>
</tr>
<tr>
<td></td>
<td>$162,531</td>
<td>Employment Services Tender 2: requests for tender order, tender information sessions, tender formal call</td>
</tr>
<tr>
<td></td>
<td>$170,4</td>
<td>‘Request for Tender’ review of agreement-making in the Australian Public Service</td>
</tr>
<tr>
<td></td>
<td>$85,669</td>
<td>Employment Services Tender 2 Exposure Draft advertising</td>
</tr>
<tr>
<td></td>
<td>$10,76</td>
<td>Junior Wages and Youth Employment Seminar</td>
</tr>
<tr>
<td></td>
<td>$5,539</td>
<td>Making It Easier for Small Business</td>
</tr>
<tr>
<td></td>
<td>$4,756</td>
<td>Franchising Code of Conduct</td>
</tr>
<tr>
<td></td>
<td>$7,359</td>
<td>Advertising for Indigenous Employment Policy</td>
</tr>
<tr>
<td></td>
<td>$66,000</td>
<td>Public Sector Recruitment - national advertisements</td>
</tr>
<tr>
<td></td>
<td>$3,83</td>
<td>Inviting people to register on the temporary employment register</td>
</tr>
<tr>
<td>Canberra Times</td>
<td>$14,900</td>
<td>What’s Happening in Local Government calendar and series of articles</td>
</tr>
<tr>
<td>Eryl Morgan Publications</td>
<td>$5,166</td>
<td>Job Network program and corporate related advertising</td>
</tr>
<tr>
<td>Mitchells (BOAC)</td>
<td>$6,070</td>
<td>Advertised departmental positions</td>
</tr>
<tr>
<td>Eryl Morgan Publications</td>
<td>$2,000</td>
<td>Advertised graduate positions available in the department</td>
</tr>
<tr>
<td>Professional Careers Australia</td>
<td>$2,103</td>
<td>Franchising Code of Conduct—Buying a Franchise</td>
</tr>
<tr>
<td>Recruitment Services Australia</td>
<td>$19,686</td>
<td>Are you a Small Business?</td>
</tr>
</tbody>
</table>
Wednesday, 7 June 2000

<table>
<thead>
<tr>
<th>Name of direct mailing organisation</th>
<th>Amount paid</th>
<th>Year</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliable Mailing Services</td>
<td>$17,257.24</td>
<td>1997-98</td>
<td>Maintenance of subscriber list and mailing of WORKSAFE news</td>
</tr>
<tr>
<td>Reliable Mailing Services</td>
<td>$7,601.69</td>
<td>1998-99</td>
<td>Maintenance of subscriber list and mailing of WORKSAFE news</td>
</tr>
</tbody>
</table>

**Australian Industrial Registry:**

The Australian Industrial Registry provides such statements in the Annual Report of the Australian Industrial Relations Commission/Australian Industrial Registry.

**COMCARE:**

Yes. Comcare 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 6 (page 72) of the 1997-98 annual report and Appendix 6 (page 100) of the 1998-99 annual report. The information has been tabled in Parliament and is also available on the Comcare’s website (www.comcare.gov.au).

**Defence Force Remuneration Tribunal:**

1953 – Nil response. The DFRT has no financial dealings with the organisations as detailed in the Commonwealth Electoral Act 1918 – Section 311A

**Equal Opportunity for Women in the Workplace Agency:**

Yes. The Equal Opportunity for Women in the Workplace Agency 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 page 42 of the 1997-98 annual report and page 30 of the 1998-99 annual report. The information has been tabled in Parliament.

**National Occupational Health and Safety Commission:**

The National Occupational Health and Safety Commission (NOHSC) provided information on its expenditure in relation to advertising and market research in its 1997-98 annual report at page 84, and its 1998-99 annual report at pages 82-83, on the basis of the provisions of, and pursuant to, the Commonwealth Authorities and Companies Act 1997 and NOHSC’s understanding of the PM&C Annual Report Guidelines. On review, however, it was realised that information on direct mailing organisations had not been included in those reports. This information is as follows:

<table>
<thead>
<tr>
<th>Name of direct mailing organisation</th>
<th>Amount paid</th>
<th>Year</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliable Mailing Services</td>
<td>$17,257.24</td>
<td>1997-98</td>
<td>Maintenance of subscriber list and mailing of WORKSAFE news</td>
</tr>
<tr>
<td>Reliable Mailing Services</td>
<td>$7,601.69</td>
<td>1998-99</td>
<td>Maintenance of subscriber list and mailing of WORKSAFE news</td>
</tr>
</tbody>
</table>

**Office of the Employment Advocate:**

1997/98 financial year

311 A (1)

(a) Advertising agencies

. $15 000 in total. – included in OEA Annual Report (page 44)

. $5000 each (as pitch fees) to - Ammarati Puris Lintas, J Walter Thompson and Whybin Lawrence, although the names of the agencies were not revealed in the report.

(b) Market research organisations

. $95 200 in total – included in the OEA Annual Report (page 44/45)

. Specifically - $23 500 to Eureka Strategic Research and $71 700 to Brian Sweeney and Associates

(c) Polling organisations

. NIL return
(d) Direct mailing organisations

. The only direct-mail organisation the OEA uses is used for information fulfilment ie as a mailing house to distribute (a) material requested (b) copies of newsletters to mailing lists.

. The OEA has not had a direct marketing campaign and thus has not reported under this item.

(e) Media advertising organisations

. $114 764.31 paid to TMP Worldwide for non campaign/non recruitment advertising and included in OEA Annual Report (page 44).

. $5 850 paid directly to various media organisations and reported in OEA Annual Report (page 44).

NB. In 1997/98 Morgan & Banks handled the OEA’s recruitment process from advertising to delivery of a final report. The OEA Annual Report reports (page 44) on the expenditure of $138 278.07 on recruitment advertising but this was not paid to a media advertising agency.

1998/99 financial year

311A (1)

(a) Advertising agencies

. $5000 to Clemenger (as their pitch fee) – note this was referred to in the OEA’s Annual Report (page 29) but the amount and name of agency was not specified.

. $298 371.00 to Whybin Lawrence TBWA for production costs associated with the advertising campaign and for additional fees – again this was referred to in the OEA’s Annual Report (page 29) but the details of the agency and the precise amount were not included.

. The overall budget for the OEA’s advertising campaign was reported at page 29 and broad expenditure items were included.

(b) Market research organisations

. $40 500 to Brian Sweeney and Associates and $99 270 to Wallis Research Group.

. The organisations were included in the OEA Annual Report (page 29) although specific sums were not included.

(c) Polling organisations

. NIL return

(d) Direct mail organisations

. As above – the OEA does not use direct mail organisations for direct mail campaigns, but as a mailing house for distribution of material to those requesting it and to those on mailing lists.

(e) Media advertising organisations

. $83 248 paid to AIS (the central media placement agency for non campaign advertising) for recruitment and tender advertising and for non campaign advertising. This was included in the OEA Annual Report (at page 29) although the AIS was not specifically mentioned.

. $1 306 801.16 paid to Biddle Ogle Anderson and Co., for media bookings for the FOA and AWA campaign advertising. Again this was an expenditure item included in the $2.9 million reported at page 29.

Department of Communications, Information Technology and the Arts: Contracts with Deloitte Touche Tohmatsu

(Question No. 2001)

Senator Robert Ray asked the Minister for Communications, Information Technology and the Arts, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Deloitte Touche Tohmatsu in the 1998-99 financial year.

(2) In each instance (a) what was the purpose of the work undertaken by Deloitte Touche Tohmatsu; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

Senator Alston—The answer to the honourable senator’s question is as follows:

Refer to the attachment.
<table>
<thead>
<tr>
<th>Firm</th>
<th>what was the purpose of the work undertaken</th>
<th>What has been the cost to the department of the contract (commissioned cost)</th>
<th>what selection process was used (open tender, short-list or some other process)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte Touche Tohmatsu</td>
<td>Conduct a probity audit associated with the tender to identify a travel service provider.</td>
<td>3150</td>
<td>Restricted to Deloitte Touche Tohmatsu due to the urgent timeframe associated with the selection process to identify a travel service provider and the anticipated low cost of the audit.</td>
</tr>
</tbody>
</table>

**Department of Communications, Information Technology and the Arts: Contracts with PricewaterhouseCoopers**

*(Question No. 2020)*

Senator Robert Ray asked the Minister for Communications, Information Technology and the Arts, upon notice, on 7 March 2000:

1. What contracts has the department, or any agency of the department, provided to the firm PricewaterhouseCoopers in the 1998-99 financial year.
2. In each instance (a) what was the purpose of the work undertaken by PricewaterhouseCoopers; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

Senator Alston—The answer to the honourable senator’s question is as follows:

Refer to the attachment.

**ATTACHMENT TO SENATE QUESTION ON NOTICE: 2020**

<table>
<thead>
<tr>
<th>Firm</th>
<th>what was the purpose of the work undertaken</th>
<th>What has been the cost to the department of the contract (commissioned cost)</th>
<th>what selection process was used (open tender, short-list or some other process)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PricewaterhouseCoopers</td>
<td>Provide a financial review of “Networking the Nation” applications and provide analysis and guideline tools.</td>
<td>47000</td>
<td>Restricted to PWC as this was a continuation of work previously arranged under an open tender process.</td>
</tr>
<tr>
<td>PricewaterhouseCoopers</td>
<td>Develop an implementation strategy for electronic procurement and payment for Commonwealth agencies and develop a statement of requirement for implementing the preferred options.</td>
<td>300000</td>
<td>Public tenders invited.</td>
</tr>
</tbody>
</table>
Department of Veterans’ Affairs: Contracts with PricewaterhouseCoopers
(Question No. 2032)

Senator Robert Ray asked the Minister for Veterans’ Affairs, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm, PricewaterhouseCoopers in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by PricewaterhouseCoopers; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select PricewaterhouseCoopers (open tender, short-list, or some other process).

Senator Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) None.

(2) Not applicable

Note: A payment of $271 833 was made to PricewaterhouseCoopers in the 1998-99 financial year. This resulted from a contract let in a previous year.
Department of Communications, Information Technology and the Arts: Contracts with KPMG  
(Question No. 2039)

Senator Robert Ray asked the Minister for Communications, Information Technology and the Arts, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm KPMG in the 1998-99 financial year.

(2) In each instance (a) what was the purpose of the work undertaken by KPMG; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select KPMG (open tender, short-list or some other process).

Senator Alston—The answer to the honourable senator’s question is as follows:

Refer to the attachment.

ATTACHMENT TO SENATE QUESTION ON NOTICE: 2039

<table>
<thead>
<tr>
<th>1998/1999 FINANCIAL YEAR</th>
<th>what was the purpose of the work undertaken</th>
<th>What has been the cost to the department of the contract (commissioned cost)</th>
<th>what selection process was used (open tender, short-list or some other process)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KPMG</strong></td>
<td>Provide assistance with the preparation of the 1998/99 financial statements.</td>
<td>45540</td>
<td>Restricted to KPMG as a result of the difficulty of finding a suitably skilled APS officer to assist and the subsequent urgency of the task.</td>
</tr>
<tr>
<td><strong>KPMG Management Consultants</strong></td>
<td>Provide specialist financial advice in relation to information technology outsourcing.</td>
<td>30000</td>
<td>Restricted to KPMG due to the urgent timeframe precipitated by the resignation of the staff member managing the outsourcing process.</td>
</tr>
<tr>
<td><strong>KPMG Management Consultants</strong></td>
<td>Provide accrual and output budget training for staff.</td>
<td>105000</td>
<td>Restricted tenders invited after conducting market research.</td>
</tr>
<tr>
<td><strong>KPMG Chartered Accountants Pty Ltd</strong></td>
<td>Provide probity advice in relation to the Acton Peninsula Project.</td>
<td>127565</td>
<td>Public tenders invited.</td>
</tr>
<tr>
<td><strong>KPMG Chartered Accountants Pty Ltd</strong></td>
<td>Provide probity advice in relation to the Acton Peninsula Project.</td>
<td>70000</td>
<td>Public tenders invited.</td>
</tr>
<tr>
<td>Firm</td>
<td>Description</td>
<td>Amount</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>--------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>KPMG Management Consulting</td>
<td>Conduct an electronic commerce survey for all CAC agencies to gauge their preparedness to deliver services electronically.</td>
<td>29600</td>
<td>Restricted to KPMG as this was a continuation of a performance audit survey developed by KPMG.</td>
</tr>
<tr>
<td>KPMG</td>
<td>Develop an output costing model and performance indicators for the National Film and Sound Archive.</td>
<td>20250</td>
<td>Selective tender, six organisations were invited to tender.</td>
</tr>
<tr>
<td>KPMG</td>
<td>Audit of Statement of Revenue and Expenses for the Touring Exhibitions grant.</td>
<td>630</td>
<td>Restricted to KPMG.</td>
</tr>
</tbody>
</table>

**Department of Communications, Information Technology and the Arts: Contracts with Arthur Andersen**  
*(Question No. 2058)*

Senator Robert Ray asked the Minister for Communications, Information Technology and the Arts, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Arthur Anderson in the 1998-99 financial year.

(2) In each instance (a) what was the purpose of the work undertaken by Arthur Anderson; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Arthur Anderson (open tender, short-list or some other process).

Senator Alston—The answer to the honourable senator’s question is as follows:

Refer to the attachment.

**ATTACHMENT TO SENATE QUESTION ON NOTICE: 2058**

1998/1999 FINANCIAL YEAR

<table>
<thead>
<tr>
<th>Firm</th>
<th>what was the purpose of the work undertaken</th>
<th>what has been the cost to the department of the contract (commissioned cost)</th>
<th>what selection process was used (open tender, short-list or some other process)</th>
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</thead>
<tbody>
<tr>
<td>Andersen Contracting</td>
<td>Provide information technology programming services for telecommunications and the Year 2000 Project Office.</td>
<td>90000</td>
<td>Public tenders invited.</td>
</tr>
<tr>
<td>Arthur Andersen</td>
<td>Conduct a study on “Capital Gains Tax” in relation to the information economy and information industries.</td>
<td>38500</td>
<td>Restricted to Arthur Andersen due to urgency associated with having the study ready for input into the Ralph Inquiry into Business Taxation Reform.</td>
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Department of Communications, Information Technology and the Arts: Contracts with Ernst and Young
(Question No. 2077)

Senator Robert Ray asked the Minister for Communications, Information Technology and the Arts, upon notice, on 7 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Ernst and Young in the 1998-99 financial year.

(2) In each instance (a) what was the purpose of the work undertaken by Ernst and Young; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Ernst and Young (open tender, short-list or some other process).

Senator Alston—The answer to the honourable senator’s question is as follows:

Refer to the attachment.

ATTACHMENT TO SENATE QUESTION ON NOTICE: 2077

<table>
<thead>
<tr>
<th>1998/1999 FINANCIAL YEAR</th>
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<tr>
<td>Firm</td>
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<tr>
<td>Ernst and Young</td>
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<tr>
<td>Ernst and Young</td>
</tr>
</tbody>
</table>

Aged Care: Central Australia
(Question No. 2097)

Senator Crossin asked the Minister representing the Minister for Aged Care, upon notice, on 6 March 2000:

With reference to the answer to question on notice no. 1692, to which regions will the savings achieved by a net reduction of 1.5 full-time advocacy positions in the Alice Springs and Barkly regions be redirected.

Senator Herron—The Minister for Aged Care has provided the following answer to the honourable senator’s question:

This amount was redirected to advocacy services in other states which receive considerably less funding per resident than the Northern Territory under the revised arrangements. On average the other advocacy services received more than ten times less per resident than Northern Territory services.

There is only one advocacy service per state (except for the Northern Territory).
Indigenous Australians: Education and Training Programs
(Question No. 2117)

Senator Chris Evans asked the Minister representing the Minister for Health and Aged Care, upon notice, on 16 March 2000:

(1) Has the department been made aware of the Employment, Workplace Relations, Small Business and Education References Committee report on the effectiveness of education and training programs for indigenous Australians, in particular, the section referring to otitis media.

(2) Has the department conducted any research, or received any advice, regarding the level of otitis media within indigenous communities.

(3) How does that data compare to reported incidences among the wider population?

(4) Is the department aware that the World Health Organisation considers the occurrence of otitis media in anything over 4 per cent of a given population as requiring urgent attention?

(5) Does the department acknowledge that classroom based learning depends upon the child’s ability to hear, and an inability to hear magnifies the likelihood of the individual experiencing learning disabilities.

(6) What measures has the department explored to halt the escalation of this condition?

(7) Can an outline be provided of the current procedures to combat this condition implemented in metropolitan, rural and remote communities across Australia?

(8) Does the department have any statistics regarding literacy levels among:

(a) indigenous children who suffer, or suffered, from otitis media; and

(b) non-indigenous children who suffer, or suffered, from otitis media.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1) Yes. The Department is aware of the report, and its focus in Chapter Eight on health issues affecting educational achievement among Aboriginal and Torres Strait Islander children.

(2) Yes. The Department has funded a systematic review of existing evidence on otitis media in Indigenous populations to establish the evidence-base for the treatment and management of otitis media.

(3) The systematic review showed the prevalence of otitis media among Indigenous populations surveyed over the last 40 years varied from 11% to 90%.

In contrast, the Australian Bureau of Statistics 1995 National Health Survey reported that 4.1% of non-Indigenous children under 5 years had had acute otitis media.

(4) Yes. Recommendations for Clinical Care Guidelines on the Management of Otitis Media in Aboriginal and Torres Strait Islander Populations currently being finalised under contract to the department refer explicitly to the World Health Organisation’s recommendation that rates of chronic suppurative otitis media higher than 4% are unacceptable and represent a public health problem. The Recommendations define high-risk populations as those experiencing rates of chronic suppurative otitis media greater than 4%.

(5) Yes. The association between hearing disability and educational achievement has been documented in a number of reports.

(6) The Government’s approach to hearing impairment within Indigenous communities is based on recognising the importance of primary health care in preventing ear diseases which may lead to hearing loss, and the provision of hearing services to assist where hearing impairment has occurred.

General Primary Health Focus

The Department of Health and Aged Care has developed a comprehensive long-term strategic framework for improving Indigenous health. Implicit in this framework is the recognition that there are no easy or quick solutions in the area of Aboriginal and Torres Strait Islander health. The strategy has four main components:

. Developing the infrastructure and resources necessary to achieve comprehensive and effective primary health care for Indigenous Australians;
Addressing some of the specific health issues and risk factors affecting the health status of Indigenous Australians;

- Improving the evidence base which underpins the health interventions; and
- Improving communication with primary health care services, Aboriginal and Torres Strait Islander peoples and the general population.

Achievement of the first component is primarily through the funding and development of a national network of Aboriginal Community Controlled Health Services.

Hearing Strategy

Building on the national network of Aboriginal community controlled health services and in response to recommended goals of the National Aboriginal Health Strategy (1989), the Government in December 1996 approved implementation of the National Aboriginal and Torres Strait Islander Hearing Strategy 1995/96 – 1998/1999. This Strategy is continuing with an evaluation being undertaken this year.

This Strategy aims to provide a strategic approach to improving Indigenous hearing health by targeting children 0-5 years through primary health care organisations, with a focus on hearing and broader child health services. The Strategy consists of four main elements:

- **Child Hearing Health Sites:** 30 Aboriginal community controlled health services were identified as the Child Hearing Health Sites to incorporate hearing screening and treatment into a comprehensive 0-5 year old child health program. Funding is being provided to employ specialist hearing health workers in each of these sites to improve coordination and continuity of care between health care and education sectors at the regional level.

- **Equipment and Training:** An audiometric equipment and two-stage training program is being provided by services funded by the Office of Aboriginal and Torres Strait Islander Health.

Since 1996, 512 Aboriginal Health Workers have participated in hearing health training, with 216 having completed both stages of the training program;

- To date, 105 sets of audiometric equipment have been issued to Aboriginal community controlled health services. An ongoing equipment maintenance and calibration regime is also in place.

- **Capital Infrastructure Program:** Soundproof testing facilities have been, or are in the process of being established in 29 Aboriginal Community Controlled Health Services to improve access to community based specialist hearing testing facilities.

- **Strategic Research:** The Office of Aboriginal and Torres Strait Islander Health in collaboration with the National Health and Medical Research Council (NHMRC) and the Aboriginal community controlled health sector, has undertaken a process to strengthen the strategic focus and evidence base for activities addressing hearing impairment, and to maximise effective resource use.

Projects funded under this element of the strategy are:

- Evaluation of tympanoplasty in Aboriginal children in WA and factors associated with successful outcome. This project aims to evaluate the outcome of operations done to repair eardrums in Aboriginal children and identify factors associated with successful outcomes.

- Socioeconomic risk factors and treatment seeking behaviour for otitis media in the aboriginal population of Kalgoorlie-Boulder region. This study is investigating socioeconomic factors predisposing children to ear infections and the effect of these factors on compliance with treatment in Kalgoorlie-Boulder Indigenous populations.

- Improving Medical Services for rural and remote Aboriginal children with chronic suppurative otitis media. This project aims to describe the progression or resolution of chronic suppurative otitis media in affected children over a 2½-year period.

In addition these projects funded under the Strategy, the department has provided over $2 million since 1994 for research into otitis media in Indigenous populations. Ten separate projects have been funded and a further $1 million is subject to offer of award for 2000 and the out years.

(7) In addition to the initiatives outlined above under question 6, the Australian Hearing Services (AHS) provides a range of Community Service Obligations under the Commonwealth Hearing Services Program. This includes services to eligible Aboriginal and Torres Strait Islander people. The AHS Australian Hearing Specialist Programs for Indigenous Australians (AHSPIA) addresses the effects of otitis media in Aboriginal and Torres Strait Islander children in particular. This strategy aims to pro-
mote access to rehabilitative services, while also screening for early episodes of acute otitis media in order to refer clients for appropriate medical treatment.

The AHSPIA program operates from special outreach centres. The number of outreach centres visited and the number of visits may vary from year to year. Most of these centres are in remote areas but a few are in urban areas such as Redfern in Sydney. At the end of December 1999 there had been 161 visits to 93 different sites across mainland Australia. There were a total of 260 visits to 98 sites in the 98/99. Many of these visits were for a period of up to one week.

The AHSPIA program delivers hearing services in a culturally sensitive way in surroundings that are comfortable and familiar. Participation of local Aboriginal Health Workers in service delivery is actively encouraged with training, supervision and support being given where appropriate. There is an emphasis on working with the family and community to get the best outcomes.

Initially AHSPIA programs are put in place at the request of agents such as local community organisations, schools, health workers and State government and community controlled health services. Visiting programs are built from this base with the number and type of programs planned and delivered depending on factors such as:

- the availability of appropriate hearing screening results supplied by local health workers, nurses, doctors, etc;
- the prevalence of individuals in the community with active ear disease and associated hearing loss;
- the need for individual and/or school based amplification; and
- the willingness of community members and local support services to participate in ongoing programs.

(8) No. However population level data on the prevalence of otitis media in Indigenous and non-Indigenous communities are available, as are data on literacy. The population data relating to Indigenous communities show a clear correlation between the high prevalence of otitis media and poor literacy levels. It should be noted however, that otitis media is one of a number of factors impacting on literacy levels in Indigenous populations.

Irian Jaya

(1) Does Australia recognise Indonesia's renaming of Irian Jaya as West Papua
(2) (a) Has the Dutch Government agreed to a re-examination of the historical validity of the handover of West Papua to Indonesia; and
(b) will Australia re-examine the handover.

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 4 April:

- Does Australia recognise Indonesia’s renaming of Irian Jaya as West Papua
- Has the Dutch Government agreed to a re-examination of the historical validity of the handover of West Papua to Indonesia; and
- will Australia re-examine the handover.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(1) When President Wahid visited Irian Jaya on 31 December 1999, he agreed to change the name to Papua. Australia will recognise Indonesia’s renaming of the province of Irian Jaya as Papua at such time as the name-change becomes official. To take effect formally, the House of Representatives (DPR) needs to approve the name change. This is in process. In informal usage, Australia will follow current Indonesian practice, which accepts both terms.

(2) (a) The Netherlands Minister for Foreign Affairs Mr Van Aartsen has advised the Netherlands’ Parliament of his agreement to an independent study into domestic and international events surrounding the handover of West Papua to Indonesia.

(b) The Australian Government recognises Irian Jaya as an integral part of the Republic of Indonesia and does not intend to re-examine the Netherlands’ disengagement from the then West Papm. The 1969 Act of Free Choice was accepted by Australia and all other members of the United Nations. The present government does not intend to comment on or explain the policies of the then Australian government, UN or the international community in relation to Irian Jaya.
Telecommunications Service Inquiry: Submissions
(Question No. 2138)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on 6 April 2000:

(1) Will copies of submissions made to the committee of inquiry be available to other members of the public, provided submitters have not requested that their submission remain confidential; if so: (a) from what date will those submissions be made public; (b) by what process would a person obtain a copy of one or more of the submissions; (c) will there be a charge for obtaining copies of submissions; and (d) what will the amount of the charge.

(2) Will the committee seek submissions by advertising its terms of reference; if so: (a) in what media; (b) in what states and territories; and (c) on what dates will the advertisements be placed.

(3) Will the committee write to any particular groups specifically inviting submissions from them; if so, what groups will be specifically invited to make a submission.

(4) Which Government departments will be invited to make a submission or be requested to provide information to the committee.

(5) Will the Australian Communications Authority (ACA) be requested to make a submission or provide information to the committee.

(6) Will the committee be provided with a secretariat; if so: (a) how will secretariat staff be selected; and (b) will any secretariat staff be obtained from the ACA or the department.

(7) Will the committee visit every state and internal territory in Australia and request submitters to appear before it to make oral statements and answer questions on their submissions, in a manner similar to the way in which the Senate conducts public hearings; if so, how many, and which, cities and towns in each state will the committee visit; if not, which states and territories will be visited.

(8) If the committee is proposing to conduct public hearings as described in (7) above, will the dialogue between the committee and submitters be transcribed; if so: (a) will copies of those transcripts be available to the public; (b) by what process would a person obtain a copy of one or more of the transcripts; (c) will there be a charge for obtaining copies of transcripts; and (d) what will be the amount of the charge.

(9) Will the full report of the committee be made public, either by being tabled in the Parliament or by some other means; if so, how long after the report is presented to the Government will that occur.

Senator Alston—The answer to the honourable senator’s question is as follows:

Largely based on advice received from the Telecommunications Service Inquiry:

(1) The Inquiry has advised that copies of submissions will be made publicly available unless submitters request confidentiality.

(a) Submissions will be made available from the closing date for submissions, that is, 31 May 2000.

(b) Submissions have been requested to be sent electronically. It is intended that submissions will be made available via the Inquiry’s website www.telinquiry.gov.au. If the submission is not received in electronic form, this may not be possible.

(c) and (d) There will be no charge for submissions downloaded from the web-site. Depending on the volume of submissions received, where a request is made for printed copies of submissions, this work may need to be contracted out. In these circumstances, copies of submissions will be charged for at cost.

(2) The Inquiry has advised that it has sought and will continue to seek submissions, advertising the Inquiry terms of reference. The Terms of Reference are displayed online at the Inquiry’s website www.telinquiry.gov.au.

Advertisements calling for submissions have been placed in all major national and metropolitan newspapers, plus many regional and rural newspapers (see Table 1).

A comprehensive direct mail campaign to individuals, organisations and industry inviting submissions was completed during the week beginning 10 April 2000.
A freecall 1800 telephone number was established shortly after the Inquiry was announced to provide information about the Inquiry, and for the purpose of providing information packages to the general public about how to make a submission. Follow-up mailouts are processed on a regular basis.

Table 1

<table>
<thead>
<tr>
<th>Date</th>
<th>Publication</th>
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<tbody>
<tr>
<td>Saturday 8 April</td>
<td>Sydney Morning Herald, Weekend Australian, Canberra Times, Melbourne Age, Brisbane Courier Mail, Adelaide Advertiser, Perth West Australian, Hobart Mercury, Northern Territory News</td>
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<tr>
<td>Saturday 29 April</td>
<td>Australian Financial Review</td>
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<tr>
<td>Monday 10 April</td>
<td></td>
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<td>Saturday 29 April</td>
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<td>Wednesday 12 April</td>
<td>Farmer &amp; Stockowner, The Weekly Times</td>
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<td>Wednesday 26 April</td>
<td>Queensland Country Life, Rural News, The Land,</td>
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<td>Thursday 13 April</td>
<td>Stock &amp; Land, Farm Weekly</td>
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<td>Tasmania Country</td>
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Regional Newspapers

**NSW**

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<th>Date</th>
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**VIC**

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**QLD**

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**SA**

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<th>Date</th>
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<tbody>
<tr>
<td>Wednesday 19 April</td>
<td>Angaston Leader, Mount Barker Courier, Port-Pirie Recorder (20/4), Barossa &amp; Light Herald (20/4), Mt Gambier Border Watch, Renmark Murray Pioneer, Ceduna West Coast Sentinel (28/4), Murray Valley Standard (20/4), Victor Harbour Times (28/4), Clare Northern Argus, Naracoorte Herald (20/4), York</td>
</tr>
</tbody>
</table>
The Inquiry has advised that it has written to a total of 500 organisations to invite submissions, including:

- All licensed telecommunications carriers
- 113 larger carriage service providers (including internet service providers) and equipment manufacturers
- All Federal MPs and Senators
- 45 regional development boards
- The national and each State and Territory Local Government Association
- All State and Territory Online Council Ministers
- 23 organisations representing consumer, community or industry groups:
  - Aboriginal and Torres Strait Islander Commission
  - Australian Association of the Deaf
  - Australian Consumers’ Association
  - Australian Council of Social Services
  - Australian Electrical & Electronic Manufacturers Association
  - Australian Information Industry Association
  - Australian Library and Information Association
  - Australian Mobile Telecommunications Association
  - Australian Telecommunications Users Group
  - Blind Citizens Australia
  - Centre for Telecommunications & Information Networking
  - Communications Aid User Society
Communications Law Centre
Consumers’ Telecommunications Network
Federation of Ethnic Community Councils of Australia
Internet Industry Association
Internet Society of Australia
Isolated Children’s Parents’ Association Inc
National Caucus of Disability Consumer Organisations
Service Providers Industry Association
Small Enterprise Telecommunications Centre Limited
Telephone Service Providers Association
Women With Disabilities Australia

. Three telecommunications industry regulators and complaint bodies:
  Australian Communications Authority
  Australian Competition and Consumer Commission
  Telecommunications Industry Ombudsman

(4) The Inquiry advises that it has not formally requested a submission from Government departments. The Department of Communications, Information Technology and the Arts has provided background briefing to the Inquiry on the telecommunications regulatory framework.

(5) The Inquiry advises that the Australian Communications Authority has been invited to make a submission. The Authority has provided background briefing to the Inquiry on issues relevant to the terms of reference and close working arrangements have been developed between the ACA and the Inquiry. The ACA is an important source of information for the Inquiry.

(6) The Inquiry has a secretariat of 13 staff. Eleven staff have been drawn from various areas of the Department of Communications, Information Technology and the Arts, based on skills and experience of the staff involved and the impact of their withdrawal from normal Departmental duties. One officer has been drawn from the Department of Transport and Regional Services, and another officer has been seconded from the Australian Communications Authority. Additional temporary staff have been used and may again be used to assist with the processing of inquiries and submissions.

(7) The Inquiry advises that the Panel intends travelling over 4 separate weeks in June and July to all States and the Northern Territory, visiting as wide a range of urban, regional and remote areas as can be accommodated. The final itinerary has yet to be determined to ensure the issues highlighted in the Submission process can be taken into account. Consultations will be held in the form of both round table forums to which community groups, individuals and industry groups will be invited to participate (and which the public and media will be able to observe), and direct meetings with individuals and organisations, including those identified as a result of the submission process. This approach would be similar to that adopted by the Productivity Commission.

(8) The Inquiry advises that it intends that transcripts of the round table forums referred to in (7) above will be made publicly available via the Inquiry’s website, at no charge.

(9) The report of the Inquiry will be made public once the Government has had an opportunity to consider its findings.

Fletcher International Abattoir, Narrikup: Commonwealth Funding
(Question No. 2139)

Senator McKiernan asked the Minister for Industry, Science and Resources, upon notice, on 7 April 2000:

(1) Has the Commonwealth provided monies to Benale Pty Ltd and/or Fletcher International Exports Pty Ltd for the construction of Fletcher International; abattoir at Narrikup; if so, what was the quantum of this assistance.

(2) Was this payment made in the form of a loan or as a grant that would be converted to a loan.
Senator Minchin—The answer to the honourable senator’s question is as follows:

(1) Neither my Department nor portfolio agencies have provided monies to these companies
(2) Not applicable
(3) (a) Not applicable
(b) Not applicable
(c) Not applicable

Whittaker, Mr Mark: Child Support Agency
(Question No. 2140)

Senator Harris asked the Minister for Family and Community Services, upon notice, on 7 April 2000:

With reference to correspondence between the Minister’s assistant, Mr Gary Kent, and a Mr Mark Whittaker:

(1) What is the name of the person or persons who instructed Mr Kent to advise Mr Whittaker that he should take the Child Support Agency to court in relation to this matter.

(2) (a) As head of the Executive Department, does the Minister have any authority to instruct or give orders to the Child Support Registrar in relation to a matter and, in particular, with regard to the matters Mr Whittaker has raised in relation to the Registrar’s application of part 6A of the Child Support (Assessment) Act 1989; and (b) how is the chain of command structured with regards to authority.

(3) Has an appeal of a part 6A Determination been heard by the Family Court as provided by section 110 of the Act.

(4) Has the Minister’s Office: (a) ever received any advice, in any form, from the Attorney-General with regards to Part 6A of the Act; or (b) ever sought any advice, in any form, from the Attorney-General with regards to Part 6A of the Act.

(5) Has the Child Support Registrar ever sought a submission from the Attorney-General with regards to the independent nature of the Part 6A function; if so: (a) on what date was it sought; and (b) on what date was it received by the Registrar.

(6) What is the name of the person or persons who authorised and/or approved the wording of Reason 8 of the Child Support Registrar’s Part 6A “Application for a Change of Assessment” form.

(7) On whose recommendation and/or submission and/or advice were the 1999 amendments to section 98X and 110 of the Act made.

(8) What is the exact number of cases where a Part 6A Determination has led to an increased assessment.

(9) What action will be taken by the Government with regards to section 110 of the Act given that it has been invalid for 8 years and that the Government has known this for at least 2 years.

Senator Newman—The answer to the honourable senator’s question is as follows:

(1) Any child support matter involves at least two parents and their children. It is inappropriate to discuss their affairs in the Parliament. Any person who has exhausted the child support administrative processes can apply to a court having family court jurisdiction to have that court make a decision.

(2) (a) No. There is no provision under the Child Support (Assessment) Act 1989 for the Minister to influence the operation of the legislation. Administration of child support rests with the Registrar. However, in practice the Minister might ask for a briefing about a particular issue and provide his/her perspective or opinion about that issue.

(b) The Child Support Agency is part of the Department of Family and Community Services (FaCS). Within this portfolio, The Hon Larry Anthony MP, Minister for Community Services has specific responsibility for the Child Support Agency (CSA).

(3) The CSA is not a party to an application to court under s110 of the Child Support (Assessment) Act 1989; therefore this information is not known to the CSA. However, where a parent is not...
satisfied with a Part 6A decision and objection outcome, it would be open to the parent to apply to the court under s116 of the Child Support (Assessment) Act 1989 for a decision. Again, the CSA is not a party to a s116 application.

(4) (a) Advice of this nature would be sought by the CSA, not the Minister’s Office
     (b) The Minister’s Office has not sought advice from the Attorney-General’s Office with regards to Part 6A of the Act.

     (b) The advice was sought on 1 February 2000.
     (c) The advice was received by the CSA on 10 March 2000.
     (6) The legislation gives the Registrar the power to approve all application forms for the purposes of child support acts. This application form was appropriately approved.

(7) The changes were part of a large program of reforms to improve equity and fairness and to reduce red tape and increase accountability. Input was received from a range of sources, including recommendations of the Joint Select Committee on Certain Family Law Issues of 1994.

(8) During the year ending 30 June 1999, 31,354 applications were received to change the assessment. 22,358 proceeded to conference. Of these 14,182 were varied. In 6,363 cases the assessment was increased, and in 7,819 it was decreased.

(9) There are no grounds on which the validity of s110 is under challenge. The CSA is not a party to an application to court under s110 of the Child Support (Assessment) Act 1989. Where a parent is not satisfied with a Part 6A decision and objection outcome, it would be open to the parent to apply to the court under s116 of the Child Support (Assessment) Act 1989 for a decision. Again, the CSA is not a party to a s116 application.

Boards of Management
(Question No. 2150)

Senator O’Brien asked the Minister for Family and Community Services, upon notice, on 10 April 2000:

(1) How many agencies within the Minister’s portfolio are administered by a board.
(2) Are all members of the above boards appointed by the Governor-General on the advice of the Executive Council; if not, who is responsible for making board appointments.
(3) In each case, does the Remuneration Tribunal have a role in the setting of fees, allowances and other benefits for members of the boards; if not: (a) under which section of the relevant legislation are such fees, allowances and benefits authorised; and (b) how is the value of these fees, allowances and other benefits determined.
(4) In each case, what is the nature and value of fees paid to board members.
(5) What other benefits, such as mobile phones, home computers and home phone/facsimile machines, are provided to board members by virtue of their membership of a government board.
(6) What class of air travel, what standard of accommodation and what car allowances are paid to board members and, in each case, what is the value of these benefits and who determines that value.
(7) Are board members entitled to, or do they receive, any spouse benefits; if so, what is the nature and value of these benefits.
(8) (a) On how many occasions since January 1998 have the above fees, allowances and other benefits been varied, (b) what was the reason for each variation; and (c) what was the quantum of each variation.
(9) If variations to fees, allowances and other payments to board members were not determined by the Remuneration Tribunal, who determined the quantum and timing of each increase.
(10) Do board members qualify for, and are they paid, superannuation benefits; if so, are such payments additional to, and separate from, other allowances they receive.
(11) Do board members receive any additional allowances if they are appointed to board sub-committees; if so, are such additional benefits provided for in the relevant legislation.
Senator Newman—The answer to the honourable senator’s question is as follows:

(1) Two agencies are administered by a board—Centrelink and Australian Institute of Family Studies (AIFS).

(2) Centrelink—No. Appointments to the Centrelink Board of Management are made by the Minister responsible for Centrelink. AIFS—Yes

(3) Centrelink—Yes. AIFS—Yes

(4) Centrelink—The Chairman of the Centrelink Board of Management is currently paid $58,000 pa. Board members who are not principal office holders of Commonwealth authorities are paid $30,000 pa. Board members who are members of the Audit Committee, and who are not principal office holders of Commonwealth authorities, are paid an additional $5,000 pa. AIFS—Board members are currently paid a per diem fee. The Fee is $350 per member per sitting day.

(5) Centrelink—The Chairman is provided with a mobile telephone, home personal computer with modem and facsimile machine and is reimbursed for the cost of telephone calls made in connection with his responsibilities as Chairman of Centrelink. AIFS—None

(6) Centrelink—The Chairman and other Board members are paid travel allowances in accordance with Remuneration Tribunal Determination Number 3 of 1999. The current rates are:
   - Sydney—$350 for an overnight stay
   - Other capital city—$290
   - Non capital city—$200

   Where an overnight stay is not involved or where the stay exceeds a multiple of 24 hours by 10 hours, an allowance of $60 is paid. Board members’ air travel is by business class where this is available. When members travel by private vehicle, they are reimbursed on the basis of engine capacity and distance travelled in accordance with Australian Public Service Guidelines. AIFS—As determined by the Remuneration Tribunal. Entitlement is for business class air travel in line with Senior Executive Service. Accommodation allowance is $245 for overnight accommodation and incidentals. There is no separate car allowance.

(7) Centrelink—No. AIFS—No.

(8) Centrelink (a) Twice. (b) Remuneration Tribunal determinations. (c) (i) Payment of an additional fee of $3,500 pa for the period of one year from 15 January 1998 to members of the Board’s Quality and Information Technology Committees and Members of the Audit Committee in (Determination Number 22 of 1998). (ii) To set the fees currently paid to the Chairman and Board members (Determination Number 3 of 1999). AIFS—(a) Once. (b) CPI adjustment. (c) Rate set according to Remuneration Tribunal Determination No 3.

(9) Centrelink—N/A. AIFS—N/A

(10) Centrelink—Yes. Board members are entitled to become members of the Public Sector Superannuation or to elect to have payments made to an approved nominated fund and to receive the Employer Productivity Superannuation Contribution Scheme. AIFS—Board members qualify for and are paid productivity superannuation benefits, which are negligible in amount.

(11) Centrelink—Yes. See answers to questions 4 and 8 above. The allowances are determined by the Remuneration Tribunal. AIFS—No