CONTENTS

WEDNESDAY, 21 JUNE

Indirect Tax Legislation Amendment Bill 2000
  Second Reading................................................................. 15277
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
  Second Reading........................................................................................... 15284
Social Security and Veterans’ Entitlements Legislation Amendment (Miscellaneous Matters) Bill 2000
  In Committee............................................................................................... 15291
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
  Second Reading........................................................................................... 15306
Matters of Public Interest
  Australia: Beyond 2000............................................................................... 15312
  Aviation Safety ............................................................................................ 15315
  Genetically Modified Organisms................................................................. 15318
  Telemedicine................................................................................................ 15321
  Nursing Homes: Accreditation .................................................................... 15324
Questions Without Notice
  Goods and Services Tax: Information Campaign........................................ 15327
  Tax Reform: Families .................................................................................. 15328
  Goods and Services Tax: Information Campaign........................................ 15329
  Workplace Relations: Reforms.................................................................... 15330
  Goods and Services Tax: Fuel Excise.......................................................... 15332
  Lucas Heights: Nuclear Reactor .................................................................. 15333
  Goods and Services Tax: Beer..................................................................... 15334
  Environment: Indigenous Lands................................................................. 15335
  Goods and Services Tax: Used Vehicles...................................................... 15336
  Oil Refineries: Quotas ................................................................................. 15337
  Goods and Services Tax: Lay-by................................................................. 15338
  Goods and Services Tax: Australian Manufacturing Industry..................... 15339
Answers To Questions Without Notice
  Goods and Services Tax: Aged Care ........................................................... 15339
  Goods and Services Tax: Vehicles............................................................... 15340
  Lucas Heights: Nuclear Reactor ................................................................. 15345
Petitions
  Medicare...................................................................................................... 15347
  Asylum Seekers: Political............................................................................ 15347
  Kalejs, Mr Konrad....................................................................................... 15347
CONTENTS—continued

Copyright Amendment Legislation ............................................................. 15347
Notices
Presentation ................................................................................................. 15347
Committees
Selection of Bills Committee—Report ........................................................ 15348
Correspondence from the Australian Taxation Commissioner to the
Australian Electoral Commissioner ........................................................ 15350
Notices
Postponement .............................................................................................. 15354
Amnesty International....................................................................................... 15354
Tobacco Control ........................................................................................... 15354
Committees
Scrutiny of Bills Committee ................................................................. 15355
Report .......................................................................................................... 15355
Budget 1999-2000 ........................................................................................ 15355
Consideration by Legislation Committees ................................................... 15355
Additional Information ............................................................................. 15355
Committees
Corporations and Securities Committee ..................................................... 15355
Report .......................................................................................................... 15355
Committees
Membership ............................................................................................... 15356
Sydney Harbour Federation Trust Bill 1999 [2000]
In Committee ............................................................................................. 15356
Third Reading .............................................................................................. 15376
Broadcasting Services Amendment (Digital Television and Datacasting)
Bill 2000
Datacasting Charge (Imposition) Amendment Bill 2000
Second Reading ........................................................................................... 15376
Documents
Australian National University ................................................................. 15392
Australasian Police Ministers Council ......................................................... 15393
Adjournment
Dairy Industry: Deregulation .................................................................... 15394
Lucas Heights: Nuclear Reactor ................................................................. 15396
Dairy Industry and Sugar Industry .............................................................. 15397
Royal Australian Artillery Barracks ............................................................ 15399
Documents
Tabling ......................................................................................................... 15400
Tabling ......................................................................................................... 15401
Tabling ......................................................................................................... 15401
Questions on Notice
No. 1866—Centrelink: Rural Outreach Program ........................................ 15402
No. 1921 and 1926—Department of Foreign Affairs and Trade:
Contracts with Gavin Anderson and Kortlang ........................................... 15409
No. 1997—Department of Transport and Regional Services:
Contracts with Deloitte Touche Tohmatsu ................................................... 15410
No. 2132—Australian Youth Council .......................................................... 15411
No. 2133—Renewable Energy Commercialisation Program:
Applications ............................................................................................... 15412
No. 2153—Education, Training and Youth Affairs Portfolio:
Agency Boards ............................................................................................ 15413
CONTENTS—continued

No. 2171—Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-752............................................................ 15417
No. 2194—Confidential Australian Exports .................................................. 15418
No. 2199—Environment Awards: Costs ......................................................... 15418
No. 2222—West Papua................................................................................ 15419
No. 2223—Chinese President's Visit to Australia: Incidents ................. 15420
Wednesday, 21 June 2000

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

INDIRECT TAX LEGISLATION AMENDMENT BILL 2000

Second Reading

Debate resumed from 20 June, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator GEORGE CAMPBELL (New South Wales) (9.31 a.m.)—I rise to speak in the debate on the Indirect Tax Legislation Amendment Bill 2000 and to make a number of comments on the GST package overall.

When I got home last night after the Senate sittings, I emptied the junk mail out of my letterbox. I was about to dispose of it the way I normally dispose of junk mail when I realised that part of it was the package on tax reform that had been distributed by the Prime Minister under the Prime Minister’s signature.

Curiosity got the better of me and, unlike I normally do with junk mail, I decided to open it and read through the pack. More importantly, I read the letter that had been sent from the Prime Minister. It actually had some interesting comments in it. For example, it says in the second paragraph:

The Australian economy is now the strongest it has been in a generation. We have lived within our means and will soon have repaid $50 billion out of a $96 billion Government debt. The budget is back in the black, interest rates are substantially lower, and around 700,000 more Australians are in work.

But we would be failing Australia if we didn’t work to address the taxation system which has placed an unfair burden on too many for too long. It is interesting that the Prime Minister made that comment, made that confession. Here is a Prime Minister who is arguing that we have to have tax reform because our current taxation system is broke and cannot deliver to Australians. Yet in his letter he says that, under the old taxation system, we have had nine years of growth, we now have the strongest economy we have had in a generation, we have been paying off government debt and we have created 700,000 jobs. That is a ringing endorsement of a system that he says is broke. I would have thought, on any common reading of the material, you would have to say that that is a system that is working particularly well. Obviously, no system is perfect and it may have needed a bit of fiddling around the edges to improve it. I think it is a very interesting admission by the Prime Minister that, under this system that he considers is broke, the economy has operated exceedingly well; the best in a generation.

His letter then goes on to say:

From July, the Wholesale Sales Tax, with all its complexities and different rates, will be abolished along with other indirect taxes, to be replaced with a simpler and fairer goods and services tax, locked in at 10 per cent.

I thought that those were interesting comments. Then I turned on the television and watched the 7.30 Report and the interview with Mr Anderson, the Deputy Prime Minister and Leader of the National Party. If that explanation on the 7.30 Report was a simple explanation of a simple taxation system, then I think I need to go back to school. I think I need to go back and take another course in the English language so that I can understand that simple explanation. He lost me about 30 seconds into his explanation. I think he lost every other viewer with what he was trying to say.

The interview was an absolutely pathetic performance by the leader of a party that purports to support and represent the interests of ordinary regional and rural Australians. What was very obvious from the interview is that Mr Anderson does not have a clue, does not understand what is happening to ordinary Australians out in regional and rural Australia. He is totally out of contact with the concerns of those people. The further the interview went on, the further Mr Anderson got himself into more and more trouble in trying to explain or give a rationale for the position his party has adopted in relation to many of these issues.

What is quite clear—and old Black Jack McEwen would turn in his grave if he had seen Mr Anderson’s performance last night—is that the leadership of the National Party
They have abandoned rural and regional Australia. They are now simply another rump of the Liberal Party. Except for perhaps one or two of them whose honesty I will come back to later in these comments, the National Party have abandoned any pretence of representing the interests of country people. After digesting that material, I woke up this morning and went for my normal walk around Red Hill to get my exercise.

Senator Ian Campbell—Very pleasant, wasn’t it?

Senator GEORGE CAMPBELL—It was very lovely this morning, so it was, Senator Ian Campbell, and I came back and switched on the radio while I was having breakfast.

Senator Ian Campbell—What did you have for breakfast?

Senator GEORGE CAMPBELL—My normal breakfast, Senator Ian Campbell—good porridge, a bit of fruit and not much else. I listened the Treasurer on AM doing an interview to try to explain the modelling on rents. I admit that I left school when I was 13. I did not go on to have a secondary education and all the rest of it. That was not accessible to me when I was growing up. In those days we were educated to the level of being factory fodder in working class Belfast. I did not pride myself on my in-depth understanding of the English language, so I could be forgiven for not being able to understand the more eloquent way in which Mr Anderson was explaining the impact of the GST on caravan parks and on regional and rural Australians last night. But when I was at school I did have some competency in mathematics. I was quite good at mathematics. I listened intently to the Treasurer’s explanation this morning. I thought at the end of the interview that you do not need a degree in mathematics to understand this; you would need some lessons from Einstein. It was the most convoluted, garbled explanation of a set of statistics that was quite simple: the statistics were saying is quite simple: the government had kept the information secret, but the Treasurer went through this convoluted, detailed explanation of how it really was not what it appeared to be but then it might be something else that you could interpret it to be if you put this sort of interpretation upon it. It was very convoluted. I have to say that there would not be one punter out there in Australia who listened to that program—I think the only thing the Treasurer had going for him was that not too many punters listen to the AM program—who pays rent or who lives in a caravan park who would have sat back, filled up their cup of tea or coffee and said, ‘Oh, thank goodness the Treasurer understands what is going on with us. We’re not being conned here. We’ll be all right. We’ll be better off under this tax system.’ They must have been shaking their heads in absolute amazement at what this government was trying to say on that matter. I think caravan park dwellers in particular will introduce their own song into this tax debate. We have Unchain my heart; I think a lot of them will be unchaining their caravans and moving on to try to avoid having to pay site fees.

Again, you have to come back to the starting point: the constant portrayal by this government that, in the words of the Treasurer, this is a good and simple tax. Let’s take the issue of caravan parks. Either this government has practised deceit over a two-year period or National Party politicians must be absolute boneheads and did not understand the GST legislation that the coalition government was putting in place. That is the only conclusion you can come to: they either deliberately went out there to deceive caravan park dwellers in rural and regional Australia or they did not understand what they were voting for in their party room. In September 1998, Mark Vaile, the Minister for Trade, said:

I would like to assure you that residents who occupy accommodation in a caravan park or holiday village on a permanent basis (ie over 28 days) will not have to pay the GST on their site fees. This will be treated in the same way as rental of a house or unit, and is GST free.

That was contained in election material he distributed to permanent park residents in the seat of Lyne. On 9 February, another minister
in the government Warren Truss, then Minister for Community Services, said:

What are caravans parks if they are not tourist accommodation?

On 7 October 1999, Larry Anthony, current Minister for Community Services, said:

Site fees are not the same as rent. The whole issue is “nothing new”.

Then on 12 October, five days later, he said:

As you well know, prior to the last election we were very open and transparent about the GST, particularly the relationship it had to rent and particularly the relationship it had to mobile home parks.

On 7 February 2000, Peter Costello said:

An interesting question if you happen to run a caravan park. How many people in Australia run caravan parks, I mean, amongst your listeners there would be some, but I imagine most of your listeners would be in regional businesses or farming businesses where they are totally inside the system. They don’t have to worry about esoteric questions like applying the GST to long term rentals in caravan parks.

The government should have been worrying because they did not pick up the political significance of this issue until the past few days, until Larry Anthony actually lobbied the National Party to take their national conference to his electorate of Richmond. They met in Tweed Heads, and he is going to be one sick and sorry member as a result of the outcome of that conference. I think Larry actually lobbied for his own demise, because his friends in the National Party at that conference did not do him any favours in terms of his capacity to hold that seat.

But he shifted a bit on this issue between October and February. On 9 February he said:

But I do hope there can be change there. And I think, I think even some of the park owners would prefer not to have that option, because it is putting the heat on them because they do have an option: whether to charge or not to charge...

Whether to be or not to be. He continued:

And I hope I can come back to you shortly, and I will through your representatives, and hopefully there can be a change.

Joanna Gash, the member for Gilmore, was actually a bit more honest about what was happening over the caravan debate. She said:

It’s a stuff up, there’s no other explanation... I feel it’s a discriminatory tax on where you are living.

And so the sorry tale of caravan parks goes on, with quote after quote after quote. Last week, on 15 June, Larry Anthony, the Minister for Community Services, in talking about the urgency motion at the New South Wales National Party conference, said:

Certainly, if that does become policy by the party, then if the National Party have come out in that position, then I think it is appropriate for the government to seriously consider changing this policy.

Well I think what it does demonstrate is that if our party, the National Party, has made a very clear policy decision, then it does indicate that there is a large proportion, particularly within the National Party, that would like to see some amendments made here and that needs to be considered by cabinet.

Well, they are fully aware of this issue, as indeed many other members of the government are, but until this motion gets carried or if it is not, we will have to wait until this afternoon and then the party will be making certain decisions, and so will I.

He made the decision to stay. They carried that decision on caravan parks. Did Mr Anthony bring it down and have it debated in cabinet? Not on your life. It never even got to the cabinet room. It did not even get passed the Prime Minister, who was on the radio the next morning saying that it was not on the agenda, that they were not considering it, that it was not unfair and that that was the end of the it. They show no concern at all about the treatment of those caravan park residents, nor in fact do they listen to the substance of their argument on this issue.

It is not the only area where there is confusion in respect of the GST. We have seen the debacle over the past couple of days over the issue of rents, which has emerged out of the debate over caravan parks. The government has now suddenly discovered in the bottom drawer modelling by Chris Murphy of Econtech—the Prime Minister’s preferred modeller—on the impact on rents. This is the same company that Treasury engaged when we were going through the GST debate. The Prime Minister and others in this government have held this up as being the real model that will give detailed, factual information on the impact of the GST. It was cited ad nauseam
Mr Murphy presumably did the modelling at the request of Treasury, although one government minister—I think it was the Treasurer yesterday—was trying to distance Murphy’s modelling from the Treasury’s modelling by saying that it was not Treasury’s modelling, it was Econtech’s modelling. But presumably Mr Murphy did not go and do the modelling himself—someone would have commissioned him to do it and presumably that was Treasury. So the government finds out that, in fact, rents were going to be double their figure and that rental increases would be substantially higher than had been projected by the government. What did it do with the information? It did not say to the Australian public: ‘Look, we have made a bit of an error in calculation here. Mr Murphy has done his modelling. We said rents would rise by 2.3 per cent, but Mr Murphy says they would rise by 4.7 per cent. Now we are going to have to make an adjustment.’ It kept it in the bottom drawer until it was actually forced out. It was not given out voluntarily.

It is not the only area, of course, where the government have problems. I wondered why Senator Minchin, the mystery minister for the disappearing Department of Industry, Science and Resources, got on his feet yesterday in a spirit of defence of their car policy. He was defending their treatment of the automotive industry in relation to the GST. It was very unlike Nick. He usually sits there very quietly; he gets one Dorothy dixer every two or three months. His department is disappearing from underneath him. He has no platform, no strategy and no programs for industry development in this country, and it has become very apparent. A report in this morning’s Financial Review says:

Severe pre-GST nerves in the Federal Government yesterday prompted a bruising backbench attack on the Industry Minister, Senator Nick Minchin, and saw Liberal MPs turn on their National Party Coalition partners. The Prime Minister, Mr John Howard—

Senator Minchin’s backer—

was forced to intervene in the fight between Senator Minchin and the backbench over used-car import rules, after government MPs labelled Senator Minchin a “disgrace” and accused him of lying.

The differences in this debate are now not only between us, the government and their junior coalition partners, the Democrats, but also in the government party room between the ministers and the Prime Minister. (Time expired)

Senator McLucas (Queensland) (9.51 a.m.)—This morning I would like to address my comments to the feeling in the community about what is going to happen on 1 July. There has been a lot of discussion about how this is going to be a very simple tax and that its implementation, the changeover, is going to happen fairly calmly. Coalition members who have been espousing that view have not been listening to the people who have been talking to me, and certainly I do not believe they are in touch with the community they are ostensibly serving. I am getting the feeling from the community that there is very deep trepidation. People are feeling quite scared, and their lack of trust in government processes that have been undertaken to implement this GST is fairly enormous.

I do not think I have to remind people in this place that there is a lack of trust in government per se. The implementation of the GST has done nothing to increase the level of trust members of the community have in the government, and certainly there is no trust in the huge tax changes that we are about to embark on. There are nine days to go before we implement one of the biggest changes to the taxation system in Australia, and here we are debating amendments to amendments in this chamber. I understand that there are some 200 amendments which still have to be dealt with by the government before 1 July. I do not think that builds a lot of trust in the people of Australia. People say to me, ‘This is what John Howard has been attempting to do for a long time. He wanted to introduce a GST, a consumption based tax, in Australia. You would think that he would have thought it through, that he would have had a plan.’ But there is no evidence of that in the way that we are stumbling to 1 July in the nine days that we have got left. I have to say that the government has botched the implementa-
tion of this GST and, in doing so, has caused an inordinate amount of fear in the community—fear that I am not trying to encourage, as has been suggested by some; fear that is naturally there and very much felt by the small business community.

We remember the 1998 election campaign—the election campaign that wooed the voters of Australia to say, 'Yes, we will sign on to a fairly major change in our taxation system.' The message that was given to people was that this would be a straightforward tax and a fair way of collecting taxation from the people of Australia. The government said during that campaign that it would be simple, and they convinced the people of Australia that it would be simple. No-one believes now that this is a simple system. Nobody believes that this is a simple tax. The government said that this would be an extremely easy tax to implement. I would like to find the person who believes that now. The government said that it would be fair. Unfortunately, no-one believes that either. In fact not many people believe much of what the government has been telling them, especially since the Unchain my heart debacle. I think that was the straw that broke the camel's back in terms of the level of trust the community has in this government. I would like to take the opportunity to refer to an article in the Cairns Sun last week. Mr Entsch got page 1, and the article continued on page 6. It says:

With just over two weeks until the Goods and Services Tax becomes a reality, Federal Member for Leichhardt Warren Entsch has likened it to the Millennium Bug ...

The article goes on to say:

He blasted—that is a good word—the scaremongering of industry and interest groups who had published conflicting and negative information about the tax changes.

I read that quote to underline how out of touch with his community this member is. The article also says:

Their “intimidatory” advertising campaigns did not look at the broader interest the new tax would serve, and their conflicting messages and media headlines had confused many people who contacted his office, he said.

I dare say that the same people are contacting my office. The reason they are contacting is that they are getting mixed messages and a lack of information from this government. I have spoken to this chamber before about the gentleman who stood in a phone box for 40 minutes trying to get on to the 1300 number, the free call number, to get tax advice. The structures that have been set in place to assist people have not delivered information to the people in a timely way or even in a way that provides clarity in answers to the questions that they are raising. The article went on to say:

Fear of the unknown had caused uncertainty and confusion for people when there was plenty of information around to answer their questions, he said.

I will tell the story of the constituent who contacted me. She is a woman who provides secretarial support to various employers. She works on a part-time basis with four different small business people in the Cairns region. She was advised by one of her employers that she needed to have an ABN. She was advised on 29 May of this necessity. She then rang the free call number and was advised that she did not need an ABN because she was a PAYE taxpayer and an employee of each of the small operations that she worked for. She was advised by one of her employers that she needed to have an ABN. She was advised on 29 May of this necessity. She then rang the free call number and was advised that she did not need an ABN because she was a PAYE taxpayer and an employee of each of the small operations that she worked for. She was a bit concerned about that so she rang again and asked to speak to someone further up the tree. That person said she had to get an ABN and suggested that she quickly get on to the Net and register. She then had two conflicting pieces of information from the Australian Taxation Office. She rang our office and asked the same question. My immediate response was, ‘No, you’re an employee. You certainly do not have to have an ABN. You’re not providing a contracted service.’

But we rang the number that we had been given and followed it up; and, no, she does not have to get an ABN. That cost her five hours of her time when she is balancing working for a number of organisations, her own duties as a mother and a range of other work that she has to do. I do not think that is fair for that particular constituent, and that story has been duplicated over and over again across small business in Australia.
I just go further to the article from Mr Entsch in the *Cairns Sun*, because further in the article there is quite a hilarious point that he makes. It says:

Responding to media criticism of the Federal Government’s national advertising campaign on the GST Mr Entsch accused national media outlets of having double standards—they had accepted payment to publish the advertisements, but had criticised them as being propaganda.

I find Mr Entsch’s understanding of the notion of free press a bit wanting in that statement. He accused them of having double standards—they accepted payments to take the ads but then had the audacity to criticise the whole campaign! What he is saying in that sentence, is if you are a newspaper and you take an ad, you should therefore not criticise the content of the ad or anything to do with that advertising campaign. I must say that in that *Cairns Sun* of last week he had taken out a full-page ad espousing the virtues of the GST.

The member for Leichhardt is no different from many members in the coalition who represent marginal seats. He knows in his heart of hearts that the Australian community feel duped by what happened in October 1998. They were told that this would be a simple tax system, that it would be easy to implement and that it would be fair. They know now that they have been tricked into a tax system that is none of those three things. Every one of us in this chamber can point to one of these stories about small business that are appearing in regional papers across Australia. For example I refer to an article in the *Ayr Advocate*. It states:

Ken O’Shea says he doesn’t need the hassle of the looming Goods & Services Tax.

In order to avoid the accounting headache the Ayr lighting business owner plans to close up his shop this June, a year before he had planned to retire.

That story is repeated over and over again. In Cairns a small business operation which is owned by a long-standing Chinese family providing a retail service in haberdashery is going to close. It is not a computerised business; it is a business that has been run by three or four very astute businesswomen over a long period. They are not going to do the computerisation of their business; they are going to simply close their doors. As I said before, that has been repeated all through the place.

I just refer to another constituent call that I had the other week. A butcher in Cairns contacted me, expressing her very real concerns—and I refer to Mr Entsch’s ad in the *Cairns Sun*, where he says that meat will go down under the GST. She rang me because she was very concerned because, according to her figures, the meat she is providing cannot go down. Her suppliers have written to her and told her that the cost of meat products that she is buying from the supplier, both chicken and beef, will not decrease. How is she going to transfer a decrease in costs of meat when her suppliers are telling her that she is going to be paying the same to them? The point that she made to me is that she has a business that relies on the goodwill—

*Senator Ian Campbell*—Find another supplier and pass on the savings. Find a better supplier, and she can pass on the savings.

*Senator McLUCAS*—Do you understand what it is like in regional Australia and the difficulty of getting suppliers?

*Senator Ian Campbell*—I know better than you.

*Senator McLUCAS*—You do not. You do not understand that. I do not know where you live but it is not in a regional centre. You would not have said that if you lived in a regional place. So how is she going to pass on those savings?

*Senator Ian Campbell*—The supplier is going to pocket the money? Is that right?

*The ACTING DEPUTY PRESIDENT (Senator Bartlett)*—Order! Senator Campbell, interjections are disorderly.

*Senator McLUCAS*—I go back to my point. Her business relies on goodwill and good patronage from the people who support her butchery, and she gets plenty of that because she runs a good shop. She is now faced with the reality that people will come in with their ACCC little booklet and say, ‘Sorry, Madam Butcher, that is the same price that you were charging me last week for mince. It should be cheaper than that.’ How is she going to be able to say to her valued customers...
Senator Ian Campbell—Because her supplier is a crook.

Senator McLUCAS—That is an interesting point. I will send that section of the Hansard to her, and she can pass it on to her suppliers.

Senator Ian Campbell—You tell us the supplier’s name, and I will pass it to the ACCC. That is what you should do.

Senator McLUCAS—I will manage those constituent inquiries. The other point I would like to make is on another issue that has been brought to my attention. We have had bandied around—and it has certainly been in Mr Entsch’s ads—that education would be GST free. I have been contacted by a constituent whose child attends a private drama class. I will read from the parent’s letter, which was received just the week before last:

If you were with us last year, you will know there was no increase in the Academy fee from 1999 to 2000. Because the GST is to be introduced in July 2000, the term fee for Term 3 will be $102, and this will be due on the first day of term.

It goes on:

The small increase is due to GST, and there is no increase in the Academy Term Fee.

Senator Crossin—What a surprise!

Senator McLUCAS—Well, it was a surprise to the constituent who raised it with me, because she said to me, ‘No, I read the ad that Mr Entsch put in the paper, and he said that education was going to be free. This is education. I want my child to get a special service, and this, surely, is education.’ I asked what the cost last time was. She said it was $93 a term. Ten per cent of $93 is $9.30, and that is $102.30. So it is not a complete 10 per cent rise. I have to be fair. It is 30c less than a 10 per cent rise. So GST will be attributed to this educational service, and it will be attributed, as we know, to music lessons and art lessons and all of those other things that parents attempt to purchase and find money for so that their children will get a broad and varied education.

I will quickly go to the caravan park issue. In the Sydney Morning Herald today we read that millions of Australians will face a 4.7 per cent increase due to the GST—double the federal government’s promised rise—according to the economic modelling that the Treasurer has kept secret for months. The important words are ‘kept secret’. I go back to the initial point I made. My initial point was that this government has withheld information from the community, it has pretended that this tax would be simple, fair and easy to implement but, when you do not even tell the people what is about to happen to them, how can they trust this government? How can they trust a government that does not even tell them about the things it knows, about the things that it has in its bottom drawer? It is duplicitous and unfair for this community to have endured this last eight months attempting to believe that we will have a simple and fair system.

The GST on caravan park rentals has been an interesting issue in northern Australia as well. In response to comments from Labor’s shadow minister for housing, Mr Anthony Albanese, when Mr Entsch came to Cairns late last year he said that that was just scaremongering and hoo-ha and that we were just raising a furphy. Yesterday on talkback radio in Cairns he attempted to say, ‘Well, it was really hard to work out what exactly the price rises would be. We knew they would be there. Yes, there would be price rises, but it was only fair because it was also going to be on people’s rentals.’ That would have been a rude shock for the listeners of that radio station because up until then they had been told that there would not be any increase in their rentals because of the GST. They had been told that no rise would occur. People are starting to realise that this government have led them up a garden path and that they will find out bit by bit the reality and the impact of a GST on their lives in general.

In the last minute that I have left I will reiterate the concern that I have expressed over the last year for people who live in very remote places. This is the first time that people will be taxed for simply living in very remote places. Every product that people in the Torres Strait and Cape York Peninsula receive is transported to them, and I will be watching very closely to see whether or not the diesel
fuel rebate will in fact decrease or—as I believe it will—increase the costs of transport in those very isolated places. I go back to my original point: people do feel trepidation about what will happen on 1 July. It is not scaremongering by people on this side. We have simply provided people with the facts and they are now weighing up that reality. That feeling that the community has is real and we cannot discount it.

Debate (on motion by Senator Kemp) adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.

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

NEW BUSINESS TAX SYSTEM (ALIENED PERSONAL SERVICES INCOME) TAX IMPOSITION BILL (No. 1) 2000

NEW BUSINESS TAX SYSTEM (ALIENED PERSONAL SERVICES INCOME) TAX IMPOSITION BILL (No. 2) 2000

Second Reading

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

That these bills be now read a second time.

Senator CARR (Victoria) (10.12 a.m.)—by leave—I wish to make a short statement about the re-ordering of business. I think it is important to note that a number of senators have come down to speak on the last bill before the Senate, and that the government has reorganised the business of the Senate at relatively short notice. It has adjourned the debate of the Indirect Tax Legislation Amendment Bill 2000 to a later hour of the day. That is a re-ordering of business which has been brought about by a request, as I understand it, of the Australian Democrats. I also understand that the Democrats are currently engaged in negotiations with the government with a view to sorting out the mess—

Senator Sherry—They should have thought of this when they passed the GST.

Senator CARR—You are quite right, Senator Sherry. The request has been made as a result of the need to sort out the mess on this caravan parks issue. I think it is important that the chamber is aware that we in the Labor Party stand ready to debate this matter. It is a disappointment to us that now it has been adjourned twice at the request of the Democrats, once last night and once this morning. Hopefully, it is a matter that can be attended to quickly, but I do fear that this is a matter that will be adjourned not to a later hour this day but to perhaps another day of sitting.

Senator KEMP (Victoria—Assistant Treasurer) (10.13 a.m.)—by leave—As Senator Carr said correctly, the government has been requested to adjourn the debate. We are happy to accede to that request. Let me assure Senator Carr that we want the Indirect Tax Legislation Amendment Bill 2000 through as quickly as possible, but the reality is that there is one party that needs to have further time, and we are always happy to assist people in this chamber.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (10.14 a.m.)—We are dealing with the New Business Tax System (Alienation of Personal Services Income) Bill 2000, the New Business Tax System (Alienated Personal Services Income) Tax Imposition Bill (No. 1) 2000, and the New Business Tax System (Alienated Personal Services Income) Tax Imposition Bill (No. 2) 2000. These are the bills that, taken together, are regarded as the business tax reform bills of the government.

Before I turn my attention to the bills, I want to remark on what the Manager of Opposition Business has just mentioned. There was before the Senate the Indirect Tax Legislation Amendment Bill 2000, and we were drawing to the end of the list of speakers in the second reading debate. My understanding is that the Australian Democrats have requested that the matter not proceed and, as a consequence, the government has sought to adjourn the debate and now that bill has been adjourned. As our manager said, we were in a position to proceed and we see no reason why that could not have been the case. However, we do acknowledge that, if the Australian Democrats are not in a position to debate the bill at this point, courtesy would suggest
that one should be gracious and give them sufficient time to do so; and so, obviously, we have done that.

What is clear about that bill is that it touches on the imposition of the GST on caravan and boarding house rents. It is a bill that touches, as well, on the fact that the government has concealed a report and claims to have no knowledge of it. What is obvious to us is that there are rushed meetings now between the Democrats and the government to try to paper over a major and irresponsible lapse in attention by the Australian Democrats in order to deliver on the Prime Minister's promise. It is the case that, as the bill stands, rents for boarding houses and caravan sites will rise beyond what the Prime Minister says. Now we are seeing a last-minute, desperate effort to see if the Prime Minister can be brought into line and made to honour the promises that he made. When the Democrats come back and put their views, we will join in that debate, but I cite for the record now that the Labor Party are not going to be moved on this. We are opposed—and I underline 'opposed'—to the GST and we are opposed to the increase in rents in boarding houses and on caravan sites because of the GST. If some half-baked measure comes back to lower the impact but still retain the principle that rents will rise, we will be opposed to that, too.

The bills before us, as I have said, relate to that package of legislation that is described as the government's business tax reform package. This is a package of legislation that the Labor Party have agreed to accept and will be voting for. We agreed to accept it, following an extended inquiry by the Senate economics committee into the impact of this legislation. There are many measures among the group of measures involved here that we certainly have concerns about and, in some cases, quite serious issues to raise. But, rather than de-aggregate the package, we have decided to support the package, based on what our examination in the Senate committee found was the revenue neutrality of the total package. By making these changes to business tax, the package meant that you did not subsidise business taxation by personal taxation on individual wage earners and that the measures stacked up within the business tax framework as being revenue neutral.

What we have in this legislation now is a major reversal. We now have outright deceit by the Treasurer, and an outright failure to honour an undertaking that he put into the Hansard, that the government would in fact stamp out business tax avoidance in the way in which the Ralph report—the report that the government itself had commissioned into business tax—had recommended that business tax avoidance be stamped out. The government has not kept its word. It has broken an explicit undertaking in the Hansard. The Treasurer has backed down, in order to protect tax avoidance—and, what is worse, he has backed down, knowing that in the House of Representatives and in this chamber he would have had the numbers had he had the courage to put the legislation that he had promised to put forward in the first place. The Labor Party would have supported him and, if he had just faced down the opposition within his own ranks, the principle of tax avoidance that we were keen to stamp out would have been stamped out.

The loss to revenue by not proceeding down that course is calculated at about $400 million. The revenue measure, overall, is calculated at $700 million. He has gone only part of the way and not all of the way, and the loss to revenue is $400 million plus. That $400 million has an eerie similarity to the $430 million GST Unchain My Heart advertising campaign that the government has embarked upon to try to dupe Australians into believing that the so-called tax reform measures that it is proposing are good for them. As well as the expending of that money, there is now a shortfall because tax avoidance has not been properly approached in the manner recommended in the Ralph independent inquiry that the government itself set up. It has not been properly approached, because the Treasurer has broken his explicit word and has engaged in deceitful conduct in terms of his dealings with the Labor Party. They are strong words but they are words substantiated at every point of the way by reference to the public record and to the Hansard. We have a Treasurer in Australia who talks tough but acts weak when it comes to tax avoidance.
Let me turn to the purposes of these bills with respect to the alienation of personal services income. These bills propose to introduce new rules for the income tax treatment of certain personal services income. Personal services income is generally paid to an individual who provides the services, or to a company, partnership or trust—that is, an interposed entity—through which the services are provided by an individual. The measures in this legislation are aimed to apply where an individual or interposed entity is conducting personal services business and affect the legal status of an interposed entity or deem an individual to be an employee for the purposes of any Australian law or instrument.

What that means in lay terms is that, because of an ideologically driven conviction of the government, there is growing haemorrhaging of the Australian tax base in the workforce by virtue of workers being pushed into individual work contracts and/or then being pushed further—being encouraged to set up a company or claim to be a company and claiming, therefore, not to pay personal income tax at the personal income tax rates but paying company tax at the lower company tax rates. These people are actually workers. They have been in contrived situations in which they are made to appear as businesses, and the reason for moving in that direction is obviously to avoid income tax that they would have to have paid as salaried employees and to claim the advantages of being a business, when in fact they are not a business. This contrivance is spreading. It is endemic in the building and transport industries and it is endemic in a number of other industries. It is an area on which the Commissioner of Taxation has reported in the past that the revenue is being haemorrhaged. It reflects the ideological obsession of the government: workers are bad, business is good, and everyone should be in business rather than be a worker. It reflects the ideologically driven, but obviously untrue and totally misleading, concept that somehow an individual negotiating with a company can negotiate on equal terms and without unfair use of market power by the company and that, therefore, the individual work contract is a superior mechanism for determining remuneration than might be the case with a properly negotiated collective agreement or award covering a workplace. But, because of this obsession, workers are being driven down this path.

What did the government do? In the Ralph inquiry it was found that it was indeed—as the Commissioner of Taxation expressed—a major cause for concern that the revenue to the Commonwealth is being significantly reduced and that workers in these artificial devices are in fact workers; they are not actually companies. The Ralph review recommended that this be terminated, and the Treasurer promised that he would do so. The Treasurer has a long history of not honouring his promises when it comes to tax reform. Let me go back to 1994-95 when he opposed root and branch Labor’s attempts to stamp out tax avoidance share schemes used by wealthy individuals that continued to flourish after 1996. In government Labor was trying to stop those schemes. What did the now Treasurer do? He opposed those attempts. Those schemes involved at least $1.5 billion in losses to revenue, and he decided that, from the position of opposition, he would use whatever influence he could to prevent that money being collected and to encourage, by resisting change, the avoidance to continue. Of course he knew that what we were trying to do back then was proper. We have his submission to the shadow ministry at the time. What did he say to the shadow ministry when he was advising them on what should happen? It was a confidential submission to the Liberal Party shadow ministry. With respect to that legislation, it stated:

The government’s decision to impose the fringe benefits tax on employee share acquisition schemes is motivated by the desire to stamp out potential abuse of such schemes.

That was his formal advice. That was his identification of what our legislation was about. But he then described the potential abuses of the system and, with breathtaking opportunism, recommended that the coalition ‘vote against the entire bill’. So even though he saw that we as the government were trying to do the right thing, he could not bring himself to support that on that occasion. In the 1996 budget he dropped our bill on alienation and junked our commitment to ongoing work
on this in this area, stating that 'the govern-
ment has decided not to proceed with either
of these proposals'.

In the 1996 and 1997 budgets, he watered
down Labor's trafficking in trust losses anti-
avoidance measures and ever since has de-
ferred cracking down on trusts. We then saw,
in May 1999, a special GST exemption for
casino high rollers, and in April this year he
walked away from a commitment to closing
off abuses of the tax system in relation to tax
shelters, at a cost to the Australian taxpayer
of $700 million. This has to be understood in
the context of the Treasurer imposing a 10
per cent GST on almost everything—a GST
which will yield $30 billion a year—and who
is spending $430 million to advertise this as
some sort of advantage to the Australian
community. These two things do not mesh:
soft on tax avoiders; hard on the rest of the
community. The punters pay, and those who
are in a position to afford to achieve tax
avoidance escape the burden.

When these bills came forward to the La-
bor Party, we decided that we would support
the entire package. We did so on the principle
that it is important to give business long,
strong, firm signals about the framework of
the tax circumstances in which they will op-
erate. Because many in the business commu-
nity believe that Labor would return to the
treasury bench sometime in the near future,
they sought from us an undertaking that we
would not tinker with the tax system if we
did so. We gave this a lot of thought. As I
said earlier, we thought some of the measures
here were questionable, some of them require
qualification and some of them we perhaps
might not have supported on a good day. But
in order to give certainty for business in-
vestment, we made those commitments.

What has been the outcome of that? The
Ralph committee examined the reduction of
the tax base from personal income and rec-
ommended that it be stamped out. That was
its recommendation. In the context of those
commitments and the fact that the legislation
would be revenue neutral, we thought that the
Treasurer should agree to do that. We asked
him to formally announce his position with
respect to the recommendations made by the
Ralph committee. In his press release No. 74
on 11 November 1999, the Treasurer said in
response to that request:

The increasing avoidance of tax through the al-
ienation of personal services income poses a
growing threat to the income tax base. The use
of interposed entities to avoid or defer income tax
raises issues of equity between those that can take
advantage of these arrangements and other pro-
viders of personal services, including wage and
salary earners, who pay the correct amount of tax.

That was on page 2 of attachment B of press
release No. 74 on 11 November. The Treas-
urer announced that he was supporting the
measures that the Ralph committee proposed.
He made a commitment to stop the reduction
of the tax base. We wanted to be absolutely
certain that he was going to pursue this
course, so the shadow Treasurer, Mr Simon
Crean, in the other place asked him to put
that commitment in writing and read it into
Hansard. Mr Crean asked for ‘an absolute
and public guarantee that these measures,
when the details are known, will be imple-
mented in full’. What did the government
say? In answer to that request, the govern-
ment said:

The government will introduce all the business tax
changes in full.

‘In full’ is in this case the operative term.
Then, on 24 November, in order to make sure
that this was in fact the firm position of the
government, Mr Crean made this statement:

... I welcome your personal guarantee that the
government will deliver in full all the business tax
changes announced, recognising that any slippage
on these measures in the future could expose the
government in terms of its commitment to main-
taining the integrity of the tax system.

What have we seen now that this legislation
has come out? We have seen that the gov-
ernment are not going to implement these
measures in full; they are going to implement
these measures in part. They are therefore, by
not going the full distance, breaking the un-
tertaking that they made. By not going the
full distance, they are not going to recover
the revenue that potentially existed to be re-
covered. By breaking their undertaking, they
are just showing up the government for being
soft on tax avoidance and, in the context of
the other things they are doing in taxation,
hard on everyone else. The Treasurer talks
tough but does not act that way.
The loss of revenue could of course have met proper community concerns and demands for other services. It is worth putting on the record that the extra $440 million—that is not the $440 million from the ads but the $440 million that could have been recovered in revenue—could have purchased 1,800 primary and secondary school teachers for over four years, or 120 new primary schools could have been built. Almost 1,500 extra hospital beds in public hospitals could have been provided for four years, or treatment could have been provided for around 140,000 extra hospital patients. Almost 110,000 extra apprenticeships over the four years could have been provided. Over 1,600 extra police could have been provided to guarantee the personal security and safety of Australians in some of the major cities, where there is a high incidence of crime. Those things could have been provided for over four years. I move, in respect of the New Business Tax System (Alienation of Personal Services Income) Bill 2000, the opposition’s second reading amendment: at the end of the motion, add “and that the Senate condemns the Treasurer for his continued soft treatment of tax avoiders, specifically by failure to:

(a) fully implement the announced policies which he publicly committed to introduce; and

(b) reach the revenue projections promised in his announcements, thus-breach-ing his commitment to revenue neutrality for the business tax package”.

(Time expired)

Senator RIDGEWAY (New South Wales) (10.34 a.m.)—I rise to speak on behalf of the Australian Democrats on the New Business Tax System (Alienation of Personal Services Income) Bill 2000 and related bills and declare from the outset that these bills affect many people, including family members. I put that on the record. The Democrats want to say a number of things and outline our views on why we think the bills ought to be improved. The purpose of the bills is essentially to prevent individuals from reducing their tax by alienating their income or diverting it to a company, a partnership or a trust. The bills will also limit the work related deductions available to such entities. The alienation of personal services income refers to situations where a person’s income from their own personal effort or skill is paid through an entity such as a company, a trust or a partnership. By alienating income through an interposed entity in this way, the person may in fact gain tax advantages which are not otherwise available to other taxpayers earning personal services income. One of the major advantages is the ability to split income, pay it to family members and consequently take advantage of the tax-free threshold and the lower marginal tax rates of those family members. Individuals who alienate income may also have access to income tested government payments and essentially avoid paying income based surcharges like the Medicare levy and superannuation surcharges.

The Review of Business Taxation, colloquially known as the Ralph review, considered the alienation of income in some detail. The basis of the rationale for outlawing the alienation of income is set out in the Ralph report and is simply stated as:

These practices raise significant issues of equity and pose a growing threat to the income tax base. The use of such arrangements to reduce the tax liabilities of individuals means that people in substantially the same financial and work situation would be paying significantly different levels of taxation.

That is the basic reason for the Democrats being wholeheartedly in support of outlawing the practices of alienation of income. It is simply about equity. It is about individuals in the same circumstances paying the same amount of tax. It is about not being able to construct a legal situation which means that a person earning an income as a result of personal exertion can pay less tax than another person similarly earning income as a result of a personal exertion. The Ralph report went on to say:

It is clearly inequitable that some taxpayers should be reducing their tax liability by using interposed entities to alienate income while other taxpayers also deriving personal services income, including ordinary wage and salary earners, pay the correct amount of tax.
So it is my understanding that in a perfect world alienation of personal services income would not occur, because it is contrary to the general anti-avoidance provisions of part IVA of the Income Tax Assessment Act. However, because the current approaches require that the general anti-avoidance rule be applied to the facts of each individual arrangement on a case by case basis, the resource requirements to ensure compliance with part IVA of the act would be very substantial indeed.

I would now like to examine what I believe to be a couple of ways in which the bills before us diverge from the Ralph recommendations. The Ralph review recommended the establishment of a scheme that posed two questions. If either were answered with a yes then the income would be regarded as personal services income of the individual. The first question was: does the interposed entity receive 80 per cent or more of its receipts in respect of personal services from one service requirer? If the answer to this question were yes then the income would be regarded as personal services income of the individual, unless the interposed entity is able to satisfy the Commissioner of Taxation on the particular facts that the interposed entity is conducting an independent trade or business.

The second question posed was: are the services provided to the service requirer in an employee like manner as determined by a range of specific criteria? If the answer to that were yes then the income would be regarded as personal services income of the individual, unless the interposed entity is able to satisfy the Commissioner of Taxation on the particular facts that the interposed entity is conducting an independent trade or business.

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Instead of the second question being whether the services are provided in an employee like manner, the question is whether one of the three tests is satisfied, which could suggest that the individual is conducting themselves in a businesslike manner. The difference might sound semantic, but the substance of the result is anything but. The result is that, where an individual does not fall foul of the 80 per cent test, instead of there being a consideration of whether he or she is providing services in an employee like manner—as recommended by Ralph—and having regard to a consideration of a number of facts, he or she need satisfy only one of the three tests to avoid the provisions. This was a point raised by the former Treasurer Mr Ralph Willis in his evidence to the Senate Economics Committee when looking at these particular bills. The Democrats take the view that the approach in the bills represents a significant watering down of the approach as recommended by Ralph. In a perfect world, the Democrats would like to send the government back to the drawing board to get them to redraft the entire bills so that they take the approach as recommended by Ralph.

We are apprehensive about, and have decided against, formulating amendments which would have the effect of deleting division 87 and replacing it with something more akin to that envisaged by Ralph, for two reasons. First, we would not be in a position to consult and take an input on proposed changes. Second, we would be concerned that, even if these amendments did get the support of the Labor Party, they would be rejected by the government, and the closure of this tax avoidance measure would be further delayed and possibly for a very long time. With that in mind, I would like to look at the provisions of the bills, particularly the tests that are contemplated. The first is the unrelated clients test. That is satisfied if the service provider provides services to two or more unrelated entities and the services are provided as a direct result of the service provider making offers or invitations to the public. There is no requirement in respect of the proportion of services that must be provided in an employee like manner. The bills did not adopt that proposed regime. In fact, they adopt a variant of the 80 per cent of income test, and I will discuss this a little later.

The second test is the employment test. That test requires an individual to engage one or more entities to perform work and requires that that employed entity performs at least 20
The fact that a person or entity is applying for a determination means that they are deriving 80 per cent or more of their income from one service requirer. Ralph considered that fact to be a prime indicator that personal services income was being derived. That should mean that very stringent criteria should need to be satisfied if that presumption is to be rebutted. Instead, the bill provides that the commissioner can make a determination if the individual could reasonably have been expected to meet one of the three tests. The Democrats will be moving an amendment to completely replace the basis on which the commissioner can make a determination because we believe that the existing provision is weak, to say the least.

Finally, as we foreshadowed in our minority report to the Senate Economics Committee inquiring into this bill, we are unconvinced of the need for the two-year transitional provision which this bill contains. Our understanding is that the transitional period costs approximately $190 million per year. We will be moving an amendment to reduce that transitional period to one year. In our view, the review of business taxation presented the government with an excellent opportunity to inject real equity into the taxation system so that taxpayers who derive their income from personal services, regardless of whether they be paid a wage of $20,000 per year or a salary of $200,000, would be taxed on the same basis without the ability to split income using interposed entities. The Ralph report, in our view, presented a fair basis for achieving that equity but, unfortunately, in its divergence from the Ralph report, the government appears to have at best made things a little more difficult for tax avoiders. (Quorum formed)
(Alienation of Personal Services Income) Bill 2000 and related bills—and Minister Kemp will no doubt correct this when he speaks to close the debate—is about what is a bogus contractor and what is not and how you deal with that situation. I think there is no doubt that in recent years there has been a great expansion of the number of contractors out there who wholly provide their services to a particular enterprise. The obvious one is in the building industry where this has gone on for some years. In fact, the nature of that industry itself is very difficult. It is very difficult to deal with because we have the situation where a building site may require work to go on for an indeterminate period of time and the permanent employment of particular individuals by building companies is dependent on continuous work on other sites afterwards. This problem has traditionally been dealt with by employing these workers as contractors, but that then poses the problem that they are solely dependent on that particular enterprise for their livelihood.

In the last 10 years we have seen the creating of other contracting out arrangements in the broader sector. We now find, particularly in insurance companies and a number of places like that, contractors who basically live on the premises. This is happening not only in the insurance industry but in other industries as well. But the insurance industry seems to be the one that is speeding this process up, and I suppose that is because of its connections with accounting firms that have given advice on this. We now have the situation where people who previously have had a worker or employee-employer relationship up until the Friday night reappear on Monday morning as a contractor. That then means they can split their income and bring into a play a whole range of things like that, thus eroding the tax arrangements.

As I understand it, in these particular bills—and the minister can take note of this comment and maybe respond to it when he gets up for his remarks—the government is largely accepting this particular position. It is going ahead and assuming that it is necessary for the purposes of the taxation act, as it goes through, to accept the nature of contracting out as it now appears. If I am wrong about this, I am sure the minister will soon tell me. But I am picking up on the fact that we have a large number of people who are seeking to package themselves as contractors who wholly or largely work for a particular enterprise, and this is happening quite widely out there in the community today. Of course, there probably would be some people who do get a small percentage of their work or their income from somewhere else. But what is happening is that there is an erosion of the legitimate taxation that PAYE workers just cannot avoid. So this is one of these provisions that I think is necessary. The minister might pick that point up when he comes to make his speech.

Debate (on motion by Senator Kemp) adjourned.

(Quorum formed)

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

In Committee

Consideration resumed from 20 June.

The bill.

Senator SCHACHT (South Australia) (10.58 a.m.)—The opposition have a number of amendments which, as I understand it, have been circulated. I also understand that the Democrats have an amendment which has been circulated. In the speech I gave yesterday in the second reading debate, on behalf of the opposition and the shadow minister Wayne Swan, I explained the background to our amendments. I explained that, first of all, we support the principle of the bill but we believe a number of areas should be amended. In that way this legislation will still achieve the government’s objective in principle, but it will also ensure that no recipient is unnecessarily disadvantaged.

I indicate that we have circulated 14 amendments. We are happy to have amendments Nos 1, 2 and 3 taken together, amendments Nos 4, 5, 6, 7, 8, 9 and 10 taken together, amendments Nos 11, 12 and 13 taken together and amendment No. 14 moved by itself. These amendments achieve the outcome outlined in our response to the minister’s second reading speech. I understand the
amendment the Democrats intend to move does not specifically relate to an issue in the bill that the government has put before us, but is an additional matter dealing with veterans' entitlements for disability pension. I point out that the issue raised in their amendment was raised by me as shadow minister for veterans' affairs in April last year. We indicated then that the situation where veterans who have not had active service are claiming a disability pension is an anomaly. Therefore, I indicate that the opposition will support the Democrat amendment because it is consistent with the view we took in April last year that this anomaly should be corrected. Last year when we dealt with the issue contained in the Democrat amendment, the estimate was given that it would cost around $20 million to remove this anomaly, as I call it. I would ask the minister and her advisers to update whether that is still the relevant figure. I suspect, from the running sheet, that that will be the last amendment we deal with.

I was wondering whether the minister and her advisers had had a chance to look at the opposition's amendments and could indicate whether any of them are acceptable. If some are going to be accepted then we can deal with them and get them out of the way. We can then deal with those that are still a matter of debate. I will come back to the other amendments later. My first question to the minister is: are any of the amendments circulated by the opposition and in my name acceptable to the government?

Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.03 a.m.)—The simple answer is no.

Senator SCHACHT (South Australia) (11.03 a.m.)—by leave—I move opposition amendments Nos 1 to 3:

(1) Schedule 1, item 111, page 20 (table item 3), omit "26 weeks", substitute "52 weeks".
(2) Schedule 1, item 111, page 20 (table item 5), omit "26 weeks", substitute "52 weeks".
(3) Schedule 1, item 111, page 21 (table item 9), omit "26 weeks", substitute "52 weeks".

These amendments deal with basic portability arrangements for social security payments. They bring portability arrangements for payments under the one section of the act and provide a table of payments and their portability entitlements. The government has argued that the locating of portability provisions within a single area of the act will streamline decision making processes and assist Centrelink customers. However, it should be remembered that the government's bill at item 111, in particular, does not result in one set of rules governing portability but the location of differing entitlements in a single place. Therefore, it is not sustainable to argue that the reduction of some entitlements from 52 weeks to 26 weeks will assist decision making.

Labor's amendments seek to alter the table contained in new section 1217 to preserve the existing portability entitlements of disability support pensioners, other than those with a severe disability, life pensioners who are not classified as entitled pensioners and widow B pensioners who are not classified as entitled persons. The intention of our amendments is to ensure that these individuals continue to be eligible for the maximum portability entitlements of 52 weeks. There are several reasons for this approach. The number of people affected and thus the savings generated from this measure are relatively small. On the government's own figures, there is little evidence that the entitlement has been subject to abuse. This reflects the fact that many people in receipt of pensions do not have the financial wherewithal to travel overseas. As the wife and widow B pensions are no longer granted, there seems little point in subjecting recipients to change.

Amendment (1), to schedule 1, item 111, table item 3, fifth column, ensures that disability support pensioners who are not severely disabled retain 12-month portability of pensions rather than the government's proposed six months. Amendment (2), to schedule 1, item 111, table item 5, fifth column, does the same thing for wife pensioners. Amendment (3), to schedule 1, item 111, table item 9, fifth column, does the same thing for widow B pensions. The effect of these amendments is to maintain the 12-month
portability as is rather than restricting it to six months. Talking about a fifth column, that is a phrase that somewhere else has some notoriety. We think leaving it at 12 months is very fair. As we have explained, the cost to the government is not much at all. I would be interested to hear whether the government has any more figures on the cost to the government if the issue contained in our amendments stayed as is.

Amendments agreed to.

Senator SCHACHT (South Australia) (11.07 a.m.)—We oppose schedule 1, items 114 to 120, in the following terms:

(4) Schedule 1, item 114, page 26 (lines 4 and 5), TO BE OPPOSED.
(5) Schedule 1, item 115, page 26 (lines 6 and 7), TO BE OPPOSED.
(6) Schedule 1, item 116, page 26 (lines 8 and 9), TO BE OPPOSED.
(7) Schedule 1, item 117, page 26 (lines 10 and 11), TO BE OPPOSED.
(8) Schedule 1, item 118, page 26 (lines 12 and 13), TO BE OPPOSED.
(9) Schedule 1, item 119, page 26 (lines 14 and 15), TO BE OPPOSED.
(10) Schedule 1, item 120, page 26 (lines 16 and 17), TO BE OPPOSED.

These amendments deal with the issue of short residence. At present the Social Security Act 1991 provides that, where an Australian resident proceeds overseas and ceases to be a resident, when that person returns and commences to receive an age pension, disability support pension or a bereavement allowance that person must maintain residence for 12 months before portability becomes available. The government is seeking to extend that requirement from 12 months to two years. Labor’s amendments oppose the substitution of the 12-month provision to a two-year provision and also seek to retain the provision relating to short residence that allows the secretary to the department to exercise judgment where the minimum criteria are not met. Labor is not convinced by the government’s argument for doubling the period before which a person re-entering the country can be eligible for further portability. Labor is not convinced that the integrity of the system is threatened, as the present system provides an adequate test for a person’s commitment to this country.

The short residence rules affect only a small number of individuals—FACS estimates around 10 people each year. Therefore, it does not appear the system is currently being abused. The government has also argued that it is difficult to determine the veracity of claims for the prescribed period to be reduced, given evidence must usually be obtained from overseas. This administrative problem is not as important as the retention of flexibility for circumstances where an individual may need to travel overseas unexpectedly. The retention of mechanisms to waiver the prescribed period would allow individuals to continue to travel overseas when a family member is ill or dies.

It has also been said that the one-year prescribed period is subject to high rates of attempted abuse with only two genuine claims out of 16 total claims in the last year. In its submission to the Senate Community Affairs Committee, the Department of Family and Community Services argued that such a high attempted rate of abuse deserves a swift response and that, what is more illuminating about these facts, the system appears incapable of detecting abuse from legitimate cases. Given that the one-year prescribed period provisions have a fundamental merit—that is, they allow discretion on humanitarian grounds—they are a low volume transaction—that is, only 16 cases in a year—and they are being enforced stringently, there is little need to remove the provision.

As to the individual amendments, amendment 4 to schedule 1, item 114, opposes the substitution in section 1220(1)(d) and (e) of the act of ‘12 months’ by ‘2 years’. Amendment 5 to schedule 1, item 115, opposes the removal of the word ‘and’ from section 1220(1)(e), which would have been necessary if item 116, the removal of section 1220(1)(g), was successful. Amendment (6), to schedule 1, item 116, opposes the repeal of section 1220(1)(g), which ensures the secretary must use his or her discretion to allow people who do not meet the criteria of short residence of 12 months to gain portability of their pension. Amendment (7), to schedule 1, item 117, opposes the substitution in section
1220(2)(d) and (e) of the act of ‘12 months’ by ‘2 years’. Section 1220(2) deals with people in the external territories. Amendment (8), to schedule 1, item 118, opposes the removal of the word ‘and’ from section 1220(2)(e), which would have been necessary if item 119, the removal of section 1220(2)(g), was successful. Amendment (9), to schedule 1, item 119, opposes the repeal of section 1220(2)(g), which ensures the secretary may use his or her discretion to allow people who do not meet the criteria for short residence of 12 months in the external territories to gain portability of their pension. Amendment (10), to schedule 1, item 120, opposes the repeal of section 1220(2)(g), which sets out that the secretary may waive the prescribed period of 12 months for people travelling overseas again. So those are the technical amendments to achieve the outcome that we want for that group of amendments, which is to maintain the requirement for 12 months but to give flexibility and discretion to the secretary to the department.

Again, we emphasise that only a small number of applicants are dealt with and, according to the government’s report, there were only two genuine claims out of 16. The fact that they were identified and dealt with indicates that the department is capable of identifying where people are claiming when they are not entitled to claim. To amend a piece of legislation to deal with only 16 applicants does seem a bit heavy-handed. We do not in any way support people fraudulently claiming benefits. But, if the departmental secretary does have the discretion, we believe that will more than adequately deal with that small number of cases compared with the total number of pensions provided by this department.

Senator BARTLETT (Queensland) (11.13 a.m.)—Senator Schacht has outlined what these amendments seek to do, so I will not repeat that. As I outlined in my speech on the second reading, the Democrats support the principle of streamlining administration of the Social Security Act and social security payments. In the absence of any response to Senator Schacht’s arguments from the government, I do not see why this change of extending the period from which a person re-entering Australia can be eligible for further portability from one year to two years particularly relates to streamlining administration or bringing this provision into line with other practices in the act. So to go down the path the opposition is suggesting does not seem problematic in terms of that goal.

I am aware of the submission put forward by the department to the Senate committee when it looked into this bill in relation to this and other matters. Personally, I do not see any particular reason why this change needs to be made. In the absence of convincing arguments to the contrary, the Democrats will be taking a position along the same lines as that being taken by Senator Schacht on behalf of the ALP. I did not speak to the previous amendments (1) to (3), but the fact that they were passed is obviously an indication that the Democrats supported them. But I want to put on the record that we supported those amendments which restored the status quo for particular pensions, again, probably for reasons similar to those I just outlined. That is why we took that position.

Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.16 a.m.)—I would like to respond very briefly to Senator Schacht’s arguments, although yesterday—I do not know whether or not Senator Bartlett noticed—I made a response on these issues in the second reading debate. I am a bit surprised, too, that Senator Bartlett is taking the approach he is about simplification and consistency when, having been a social worker in the Department of Social Security, as it was then, he would have a full understanding—as do those who have followed him and who are working in Centrelink today—of the complexities and sometimes the mistakes that can be made in people’s entitlements when a system is complex and inconsistent. Not only is that frustrating for people who work in the area of income support but also it is extremely concerning for people who have applied for assistance. I am disappointed that Senator Bartlett has not seen fit to use his experience as a social worker in social security to see that greater consistency and simplicity is put into the system.
I am also surprised by the Democrats’ position on the minority report, because the minority report, on which Senator Schacht’s amendments are based, came straight out of Labor’s minority report. The Democrats were not a party to the minority report. They endorsed, with the Liberal Party, the majority report. I find it quite surprising and inconsistent that the Democrats should take one position when looking at a bill in a Senate committee and then take a different position on the floor of the chamber.

I will very briefly respond in two or three points to the comments that Senator Schacht has made this morning. First of all, the retention of the 12 months non-portability period for former residents and the reinstatement of the secretary’s discretion are unjustified because the proposal is consistent with the residence principles of the Australian social security system. It requires a former resident to manifest a commitment to resume residence in Australia. It will prevent former residents returning to Australia only to obtain an indefinitely portable pension and return overseas. It will prevent abuse of the secretary’s discretionary power. Let me remind the chamber, as I pointed out yesterday, that people who are currently overseas when this comes into force will have their existing entitlements maintained. This applies to people who have recently taken up the option of overseas travel.

Secondly, the retention of the non-proportional period of 12 months is not justified because, under Australian social security agreements with major migrant source countries, the portable rate for permanent absence starts immediately. That has not had any effect on the number of people wanting to settle in agreement countries. Absences longer than 26 weeks are considered long term and subject to a proportional rate, and availability of ancillary payments for the first 26 weeks will assist many migrants while they are making up their minds to settle in their country of origin. Senator Schacht, I assume, can remember that they were points I made yesterday.

Finally, a longer short-term portability period for the disability support pension for the non-severely disabled and for wife and widow B pensions is unjustified because a very small number of customers travel for periods longer than 26 weeks. The payment of ancillary benefits, such as rent assistance and pharmaceutical allowance, will help many tens of thousands of customers who travel, including migrants. Customers who are not severely disabled are, like other customers, encouraged to participate actively in the community, and the community would rightly question a policy that allows beneficiaries who are being paid in respect of the permanent contingencies of life to remain overseas for a long period of time. In the interests of keeping this committee stage brief, I reiterate that the government is not prepared to oppose these items.

Amendments (11), (12) and (13) seek to preserve the proportionality provisions for age pensioners, some disability support pensioners and entitled wife and widow B pensioners. The proposal to reduce proportional portability from one year to 26 weeks for long-term travellers who receive age pensions, disability support pensions, severely disabled pensions and widow B and wife pensions will reduce the entitlements of a small number of the department’s customers. While the government claims many people will not be affected by these provisions due to their residency or other qualifying circumstances, it remains the case that some will.

The National Welfare Rights Network argued in its submission to the Senate inquiry that, for these individuals, difficulties may arise in their ability to settle in another country. The National Welfare Rights Network also contends that many of these individuals
will save Australia moneys through their relocation, as they would otherwise have drawn full pensions until their deaths. Given the small number affected, the desire to maintain maximum flexibility within the system to meet individual needs and the sound economic arguments for erring on the side of generosity, Labor supports the view that proportionality remain at one year for the abovementioned payments.

The particulars of the amendments are as follows. Amendment No. 11 is to schedule 1, item 121, and seeks to restore the period of 12 months before proportionality can begin in section 1220A in regard to age pensions. Amendment No. 12, to schedule item 1, item 121, seeks to restore the period of 12 months before proportionality can begin in section 1220B in regard to severely disabled disability support pensioners. Amendment No. 13, to schedule item 1, item 122, seeks to restore the period of 12 months before proportionality can begin in section 1221 in regard to wife and widow B pensioners. We believe these are very modest and reasonable amendments which in no way move from the thrust of what the government is trying to achieve in a simplified system but do preserve the entitlements of a small number of beneficiaries. We believe that we should err on the side of generosity, and the government has not yet given us an overwhelming case that there is a major problem or deficiency requiring the reduction of that period from 52 weeks to 26 weeks.

Senator Newman (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.23 a.m.)—Just briefly to put this on the record, all pensioners—wife and widow B, DSP and age—who are overseas at the time of implementation will be protected until they return to Australia for longer than 26 weeks. That means that many of those who are constantly commuting—some wife and widow B pensioners and some disability pensioners—will be able to preserve their old portability rules forever, provided that they spend less than 26 weeks in Australia every time they return.

Senator Bartlett (Queensland) (11.24 a.m.)—I want to put on the record the Democrats’ position on this. I also want to respond to the comments the minister made earlier, and I particularly want to respond to the comments the minister made just now about those people who will be able to preserve their portability entitlements. These amendments, as I understand it, are directed at those who will not be able to preserve their portability entitlements as a result of this change. In response to earlier comments from the minister in relation to the committee report, I want to say the Democrats are strong supporters of the Senate process of investigating legislation and other matters because it provides an opportunity to flush out the issues and examine them in more detail. The process also gives us more information and more time to consider the aspects being put forward. Without trying to elicit sympathy from other senators, having a smaller number of senators means the Democrats have a rather large workload and a smaller number of staff to try to keep across all the issues. Occasionally we use the Senate committee process to elicit information without necessarily determining a position in the time frame, particularly when it is a short time frame as tends to be the case with legislation inquiries. I suppose I could put in a minority report, where appropriate, saying we are still considering our position if that made it more clear for people. But on this particular issue, whilst we used the committee process to examine the submissions, we did not determine a position one way or the other at the time, and we did not give any indication of our position in the report. Obviously it would have been a majority report regardless of whether or not the Democrats put our name on it.

Due to my previous experience working for the Department of Social Security as a social worker I am aware of the difficulties that can sometimes descend on people if there are anomalies or complexities that lead to either mistakes or apparent injustices, and that is why I think it is an important principle to try to remove those where possible. As I stated before, I do not necessarily see that most of these amendments that we are considering today contravene that principle or offend it in a particularly strong way. But, as I have also said repeatedly, when we look at
issues of consistency and streamlining we need to make sure that people’s entitlements are not unnecessarily reduced as part of that process. The much more common experience that I had at Social Security, particularly as a social worker, was dealing with those people who were not eligible for entitlements for whatever reason, mainly because of lack of flexibility in the act. People were clearly in need but, because of the nature of the act in trying to force people into particular boxes all the time, there are always some people who do not fit in neat categories. Often they are the ones who fall through the cracks and have the most difficulties because they are the ones who are not able to get support, and they put pressure back on welfare, community and church organisations to try to assist them. I had that experience in dealing with people. These difficult cases are the ones that tend to end up with social workers. It is dealing with and trying to help these people that I most recall about my experience with the Department of Social Security.

I think a primary focus of any consideration of income support legislation has to be its impact on individual people. Occasionally it can seem like nitpicking to deal with amendments that address the situation for very small numbers of people but, as Senator Schacht outlined, they are still individual people and they can still be, as a result of changes, put in situations where their entitlements are reduced. That fundamental purpose of any income support system—ensuring that, wherever possible, people do not end up in poverty—has to take precedence over other principles. That is what I draw most from my experience working with the Department of Social Security, but I will not dwell further on what is getting close to being ancient history. The Democrats will vote in support of the amendments moved by Senator Schacht.

Senator SCHACHT (South Australia) (11.31 a.m.)—The opposition is opposing schedule 1, item 126, page 29 (lines 3 to 9), clause 129 of schedule 1A. It seeks to insert a provision 129 is now not necessary, and that is why we are opposing it.

Senator SCHACHT (South Australia) (11.31 a.m.)—The opposition is opposing schedule 1, item 126, page 29 (lines 3 to 9), clause 129 of schedule 1A. It seeks to insert a schedule 1A, which contains savings provisions. Clause 129 provides that, notwithstanding the government’s proposed changes to section 1220 that deal with short-term residency matters, the current provision will continue to apply to a pension or allowance granted prior to the start-up date for the measures in this bill. Given that our other amendments relating to short-term residency matters have now been carried, we strongly believe that provision 129 is now not necessary, and that is why we are opposing it.
The CHAIRMAN—The question is that schedule 1, item 126, clause 129 stand as printed.

Question resolved in the negative.

Senator BARTLETT (Queensland) (11.33 a.m.)—I move the following request for an amendment:

That the House of Representatives be requested to make the following amendment:

(1) Schedule 1, page 37 (after line 6), at the end of the Schedule, add:

Part 6—Certain income tests for veterans

166 At the end of paragraph 8(8)(y) Add:

or (x) a pension under Part II or Part IV of the Veterans’ Entitlements Act 1986; or

(xi) a temporary incapacity allowance under Part VI of the Veterans’ Entitlements Act 1986; or

(xii) a pension payable because of subsection 4(6) or (8B) of the Veterans’ Entitlements (Transitional and Consequential Amendments) Act 1986; or

(xiii) a payment (other than a pension referred to in subparagraph (x) or (xii)) that is a payment in respect of incapacity or death resulting from employment in connection with a war or war-like operations in which the Crown has been engaged;

This amendment is in regard to the treatment of the wartime disability pension under the social security income testing arrangements as against the veterans’ affairs arrangements and an anomaly that exists between the way the two departments treat those pensions. It is a matter that I have chosen to attempt to address through this bill, which I think is as close as we could get to an appropriate bill, except perhaps the Compensation for Non-Economic Loss (Social Security and Veterans’ Entitlements Legislation Amendment) Bill 1999. But that has been sitting in the Reps for about 18 months now, so I have chosen to move it as an amendment to this piece of legislation.

The current situation is that the Department of Veterans’ Affairs already exempts disability pensions from the income test applying to the service pension, whereas the Department of Family and Community Services counts the disability pension as income in the means test on the age pension. This amendment aims to exclude wartime disability pensions received from Veterans’ Affairs from the income test for payments under social security. The veterans disability pension is presently included in the social security income test, in contradiction to the fact that this pension is paid to veterans as compensation and is part of the special obligation owed to veterans. It is a compensation paid for disabilities incurred in war service. In some instances we are talking about people who are totally and permanently incapacitated from their war related injuries.

I am sure all parties are aware of this anomaly. The Democrats are certainly aware of the coalition promise before they came to government in 1996 to review the assets test on the war service pension. The coalition document entitled Veterans: for those who served, released before that election, stated:

The Coalition while maintaining existing entitlements will also review the apparent anomaly existing where a Disability Pensioner has that benefit counted as income when receiving a pension from the DSS.

It was DSS at that time. So it is an issue that the coalition certainly has been aware of since before they came to government. That commitment was to review, and I know the government has conducted that review. I am not sure that just telling veterans that ‘we have conducted a review so that is the end of the issue’ necessarily satisfies their concerns about removing this anomaly. In fact, I am sure it does not.

In 1998 I made a representation through correspondence to both the Minister for Social Security and the Minister for Veterans’ Affairs asking for disability pension to be exempted from the social security income tests. I also requested a copy of the report prepared by the ministers, the joint review that was part of that election promise, which was undertaken by the then Department of Social Security and the Department of Veterans’ Affairs. Both ministers responded similarly to my letter, declining to provide a copy of the departments’ report, on the basis that it...
was an internal one and for ministerial consideration only. They also gave no indication of any government moves to actually address the inequity and anomaly.

At the Senate estimates Community Affairs Legislation Committee in February of last year I questioned Minister Newman on this review, and again the minister declined to release the report. I asked the minister if it was simply a cost factor that precluded the government from wanting to address that issue—the cost of the change suggested then was estimated at $21 million—and the most positive thing that the minister said at that time was that it was 'not a dead issue'. It certainly is not a dead issue for the Democrats. And, as Senator Schacht indicated, it is an issue that he has raised and pursued as well. It may not be a dead issue for the government, but there is so little action happening that one would be excused for concluding that it is certainly in deep freeze.

In light of the continuing inaction in this area, I have drafted this amendment on behalf of the Democrats which aims to exempt the disability pension from the social security income test. Because it is an issue which has been around for so long, and I think all members of parties who are involved in these issues will be well aware of it, I do not think it is necessarily something that I need to explain much further. But I think it is important to put on the record the views of veterans about it because certainly, as someone who is also the veterans' affairs spokesperson for the Democrats, it is not an issue I pretended to have particular expertise in before taking up that position, although I might say my research on the issue does have a lot of expertise and experience in it. Obviously, as part of having responsibility for that portfolio for the Democrats, it is not an issue I pretended to have particular expertise in before taking up that position, although I might say my research on the issue does have a lot of expertise and experience in it. Obviously, as part of having responsibility for that portfolio for the Democrats, you consult with relevant people and with veterans and veterans' organisations, and this issue and this anomaly are almost inevitably at the top of things that get raised, usually amongst the first one or two things. I think the fact that everybody acknowledges it is an anomaly, that they have done so for many years and yet nothing seems to have happened is a source of extreme irritation to many of them.

The aim of this amendment is supported by all the peak veterans' organisations, including the Australian Federation of Totally and Permanently Incapacitated Ex-Servicemen and Women, the RSL, the Australian Veterans and Defence Service Council, the War Widows Guild, the Federated TB Ex-Service Association of Australia, the Limbless Soldiers Association, the Extremely Disabled War Veterans Association, the Vietnam Veterans Association of Australia and the Vietnam Veterans Federation. I doubt there is a veterans group in the country that does not support the aim of this measure. I have also received many letters from individual retired service persons specifically on this issue. I will quote from one, mainly to put the issue in the context of individual people and how they are affected by it. One person wrote to me and outlined their circumstances in this way:

I served five years during WWII including two active service squadrons, qualifying me for a Returned from Active Service badge, the Defence Medal, War Medal and Australian Service Medal but did not qualify me for a Service Pension. ... During the whole of my post war working life my war related disabilities caused me great pain and a great loss of income. At the age of 59 years I was forced to retire, causing me to lose most of my superannuation and some of my long service entitlement.

Not being eligible for a Service pension I was forced to live on our savings until I was eligible for a Social Security pension. Because of further health problems I applied for a disability pension gradually increased to 100% but as you know social security take a large portion of that. Being now 80 years old I am trying to save a little money so that my wife will not be left in poverty should something happen to me.

One of the few differences between the service pension and the age pension is its treatment of the war disability pension in terms of treating it as income if you are on the age pension. It is a situation that causes hardship. It is an obvious and acknowledged anomaly and, given that it has been acknowledged for so long as an anomaly, I think it is about time that something was done about it. So I seek the support of all parties in this chamber in rectifying this measure and in addressing the concerns of many veterans around the coun-
try to finally address a problem that has been acknowledged and identified for many years.

Senator Newman (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.41 a.m.)—This amendment seeks to exempt from the Social Security Act means test all benefits paid to veterans and war widows under part 2 and part 4 of the Veterans’ Entitlements Act as well as compensation payments paid to Commonwealth and Allied veterans living in Australia by their former governments. I have been advised that Senator Bartlett’s office was briefed last night on the problems that the Democrat amendment would cause more generally. His office was briefed by Minister Scott’s staff. As some senators will remember, for several years I was the shadow minister responsible for veterans’ affairs. I have had a good understanding of the wishes of the veterans community over many years, as my husband was also a returned serviceman and active in both the Vietnam Veterans Association and the RSL. I have always maintained links with the veterans’ organisations.

The point that must be acknowledged first up is that, while this is an anomaly that successive governments have recognised, it has not been the top issue on veterans’ lists of things that need redressing. Successive governments have attended to issues that were top priority for the veterans’ organisations. When we came into government the top issue that needed redressing according to the ex-servicemen’s association was the gold card for World War II veterans, and of course that has been implemented, as have a number of other things. The government has a number of reasons for opposing the amendment as it has been presented by the Democrats, including that it introduces more anomalies than it claims to address. I think Senator Bartlett would be very concerned about introducing more anomalies if his aim is to reduce one anomaly.

Unfortunately it is a crude and a simplistic approach to deal with a very complex issue. This amendment does not address the technical differences between the veterans and the social security systems. For example, veterans with service pension under the Veterans’ Entitlements Act administered by DVA and who rent will be disadvantaged because, although their disability pension is not counted in the calculation of their service pension, it is counted for calculating the amount of rent assistance. In other words, if they get more income from one element, they will have a reduction in rent assistance on the other hand. I do not know that the Democrats would be appreciated for achieving that success. By exempting disability pension entirely from the Social Security Act means test, veterans at Centrelink who do not have qualifying service and who rent will get a distinct advantage over veterans with qualifying service under the Veterans’ Entitlements Act. I cannot believe that opposition parties are prepared to endorse that.

Senator Schacht—Say that again?

Senator Newman—Yes; sure. By exempting the disability pension entirely from the Social Security Act means test, those veterans at Centrelink without qualifying service who rent will get a distinct advantage over veterans with qualifying service under the Veterans’ Entitlements Act. In other words, you would think it desirable that, if they were not treated equally, at least those with qualifying service would, if anything, be treated better. But, in this case, the amendment will mean that veterans with qualifying service will be treated worse than those without qualifying service.

Furthermore, the amendment provides for Commonwealth or Allied veterans who receive a disability pension from their governments and also for Commonwealth or Allied war widows to be advantaged over those who receive income support payments from Veterans’ Affairs. In other words, those veterans who are financially much worse off than the rest of the veterans will be disadvantaged, as compared with Commonwealth or Allied veterans receiving a disability pension from their governments or with Commonwealth or Allied war widows. I cannot imagine that that would be the priority that the chamber would expect.

As well as producing those anomalies, this amendment also confuses the treatment of benefits, such as the disability pension for
veterans and the war widows pension. These are quite different benefits and they have different policy origins and different purposes. All these amendments are a poor attempt to address an anomaly that the government have always acknowledged. But we have also recognised that the veterans community have a number of issues that they want to see addressed. They are being addressed—and have been addressed over the years by successive governments, but largely according to the priorities of the veterans community of the time.

The final point I would make is that all these amendments entail significant costs. Senator Schacht might be interested to know that the sums have now been done, by the two departments providing information together. The cost would be in excess of $50 million per year. That is based largely on the following. The DVA disability pension exemption would cost in the order of $22 million. The overseas pensions exemption cost is unknown and cannot easily be determined. The widows pension exemption would be in the order of $30 million. Putting those two together, that is $52 million; but I am advised that I must emphasise that those figures do not include administration costs. So the amendments do entail significant costs, in excess of $50 million per year.

The government has already assigned a high priority to other initiatives in the veterans portfolio—such as extending the eligibility of repatriation benefits to include service in South-East Asia between 1955 and 1975, and simplifying access to health care, as well as the gold card for World War II men and women over 70, as I have already mentioned. I do not think there can have been a senator in this chamber who has not, over the years, had a huge amount of lobbying from those people who felt utterly neglected by not having their service in South-East Asia between 1955 and 1975 recognised. That has been very important to a relatively small group of people, who did need to have their service recognised. The government do not have any reason to be ashamed of the treatment they have given to veterans in the 4½ years we have been in government. While recognising that there is an anomaly, as Senator Bartlett has mentioned, we do believe that we have shown our good faith with veterans. This measure is in the order of more than $52 million. I do not think it is reasonable to have this request attached to this bill by the Democrats, no matter how kind the heart behind their request.

Senator BARTLETT (Queensland) (11.49 a.m.)—There are two main thrusts to the minister’s argument there. Firstly, I am certainly not suggesting that the government has done nothing on veterans affairs issues. There have been some positive measures undertaken by this government, including those that the minister has mentioned; and I have spoken of those myself in this chamber on other occasions and have acknowledged and supported those initiatives of the government. I do not think that that in itself should be used as a reason for not addressing this particular anomaly, however, by saying, ‘We have done these good things, and therefore people should be happy with that.’

I am sure the minister herself would acknowledge that there are still concerns and issues that the veterans community, as with any other part of the community, would still like to see addressed. I am sure that the veterans affairs minister is aware of those as well and is working on some of them. The fact remains that this is an area where there has not been action and where, to put it in a clearer context, the injustice of this anomaly has not been addressed. It is an issue that veterans organisations frequently raise. That may be because it is so obvious and so straightforward and so clearly unfair that it rankles so many people so much; or it may be because they cannot understand why what appears to be such a simple thing is so difficult to change.

This moves me on to the second part of the minister’s argument, which is that the amendment, as put forward by me, is broader than the aim I am seeking to achieve. My staff were briefed by some people from the department last night and, as always, we are thankful for and welcome extra briefings from any department. I took further advice following that briefing and further consideration of the issues raised. I am sure that the minister can recall from her time in opposi-
tion the mechanisms by which we are able to put forward amendments: if you outline what you are wanting to achieve with a particular amendment—and it is pretty clear-cut and everyone understands what the aim and intention of this amendment is, as I have stated—you then go to the clerk who drafts amendments for opposition parties, and they then produce an amendment that aims to address the outcome that you put to them.

I am sure the government is aware that those clerks are extremely capable—I am sure it would not suggest otherwise. They also have an incredibly heavy workload and are, in my view, incredibly underresourced. That is an issue the minister might like to follow up in terms of assisting the drafting of amendments that are considered by this chamber. I certainly have confidence in the ability of the people that draft amendments. I know the government and the opposition are aware of the intent of this and that they are aware of the issue. If the department, with its rather larger resources at its disposal, can indicate wording that more precisely meets the intent that I am outlining, I am happy for that to be provided. Indeed, I would welcome it providing it, if it believes that it can be defined in a clearer and more precise way. In the costings she gave then, the minister outlined an initial part of the cost to be $22 million, which related to the disability pension. That sounds fairly similar to the $21 million she mentioned to me in an estimates committee a couple of years ago, so I am assuming that is part of it—the anomaly that I am talking about—that has been costed. I cannot believe that the veterans community would wear the suggestion, ‘This is an anomaly. We know it is there, but it is too complicated to fix through legislation. It cannot be done.’ I am sure it can be done and, if the department believes that there is a clearer way for it to be done, I am happy for it to provide the wording.

Senator Newman (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (11.54 a.m.)—I will respond briefly to the comments about the clerks. Having enjoyed tremendous service from the Senate clerks over the years that I was on the frontbench in opposition, I would be very supportive of them having greater resources. But that is not a matter for government; it is a matter for the Department of the Senate.

Senator Schacht—The finance department have a fair say about the money they give them.

Senator Newman—I am glad you make that point, Senator, because the reality is that some committees of the Senate consume much greater resources than others, and some inquiries seem to be almost never ending at times. Maybe the question of the proportion of resources that goes to various services provided by the elements of the Senate department should be looked at if the clerks who assist with drafting amendments are not adequately resourced. I am not in a position to comment on whether they are or they are not. But if that is your perception, Senator, perhaps you might see to it that some of these committees that go on endlessly get a bit more limited in their ability to consume disproportionate elements of the Senate resources. I do also point out that, by world standards, Australia has one of the most generous veterans affairs systems in the world. There will always be areas where people would like to see more done, and there always will be more things done, I am quite sure. But right now the way to go is not through an amendment which was not inadequately drafted per se but fails for lack of reference to the veterans affairs legislation. That is where it has come a cropper. I suggest that for that reason you really should not endorse it today.

Senator Schacht (South Australia) (11.55 a.m.)—The opposition indicate their support for this amendment from the Democrats.

Senator Newman—You can’t be serious!

Senator Schacht—I am always serious, Minister, but I will make a few comments which, if you are in a generous or cooperative spirit, you might respond to. You will see that I am not unmov by some of the remarks that you have made. I think Senator Bartlett has indicated in his remarks that there may be a way of dealing with some
of these issues to remove the anomaly that is particularly relevant to the veterans community. When you said in this chamber a short time ago that the cost of removing this anomaly was over $50 million, I was checking a statement I made in April last year when this anomaly was being dealt with and we said we would support removal of this anomaly. The figure was then around $21 million. I note when you broke it up into three areas, the extension of eligibility to veterans who did not see active service overseas, who served only in Australia, would cost about $22 million. As a ballpark figure, it is still around the amount for dealing with the major impact of the anomaly. You then pointed out that you believed the amendment moved by Senator Bartlett overcoming the anomaly extended into some areas of extra beneficiaries: veterans from overseas Allied countries and war widows. You said that war widows would cost an extra $30 million and you could not estimate what it would be for the overseas veterans. Previously, in estimates, the department has said that there could be as many as 90,000 veterans from Allied countries now residing in Australia who have taken out citizenship. So I have to agree that there would be a cost there that might run into some millions.

The issue I want to raise is that the specific anomaly the veterans community has consistently raised is overwhelmingly about those Second World War veterans who volunteered for overseas service but for various reasons were not sent overseas. They joined up, they served in Australian Army, Air Force and Navy units but never saw active service. They wished to see active service but, at the time, they were not sent—through no fault of their own, you might say. If those veterans have accepted and now get a disability pension for a disability incurred during their service, it is now counted as a source of income for the means test if they get other pensions and benefits from social security. Whereas, if you had been sent overseas, had seen active service and are getting the same disability pension, it is not counted in the income test for other social security benefits. That is the anomaly that has been around for a long time, and the minister is quite correct to say that the anomaly was there when the Labor Party was in office. I fully accept that, Minister, but sometimes when you are in government pollies on the other side do not have the full benefit of what the argument is about.

That is the anomaly that I raised last year and raised in estimates. Senator Bartlett raised a long list of ex-service organisations which are raising it. They have all carried resolutions. You might say that the extension of the gold card was a higher priority for the veterans community than removing this anomaly. Obviously it was a higher priority because more people would have got the benefit of the extension of the gold card. There are many other benefits, so an extension that helps more people will be given a higher priority. I have not come across anybody in the veterans community who knows about this particular anomaly of those Second World War veterans who did not serve overseas but volunteered to do so and who believes that this anomaly should not be removed. That is why I supported this amendment in principle to start with. I would also have to say, Minister, that I am cautious when a government introduces legislation—because we are the alternative government—to deal with a number of matters that have a wide coverage of activities, such as social security or the veterans entitlement. I am cautious when a government brings a bill into the parliament to deal with some issues in a specific area and yet somewhere else someone moves an amendment to deal with an issue that has nothing to do with what the bill was introduced for. I agree that, by and large, those of us who want to be in government and those who are in government know that it is not a principle that you would automatically establish. On every bill that comes in and on any taxation bill, you do not want to move 57 different amendments that go all over the place so that the bill is a dog’s breakfast. I agree with that view. Therefore, we are cautious.

Senator Bartlett made the point that there have been opportunities to deal with this in another bill that has been sitting in the House of Representatives for 18 months. This particular anomaly has not come out of left field absolutely unheard of and unsighted; it has
been consistently raised. Therefore, I do not think the principle I am subscribing to is being overturned and abused by Senator Bartlett’s amendment. With opposition support, we can all count on this Democrat amendment getting up. I know that the government has a legislative program until 30 June with lots of legislation in it, but I want to say to you, Minister, that as part of the opposition I would be willing, in consultation with the Democrats and you, to redraft this. If you believe this amendment extends the scope of providing benefits to too great an area and to something other than the specific anomaly that the veterans community has been raising—I do not want to do overseas beneficiaries or widows out of an opportunity of getting a fair benefit—the amendment can be redrafted to deal with what I call the $21 million cost.

Senator Newman—Plus the administration.

Senator SCHACHT—Plus administration.

Senator Newman—Don’t forget that. You have been a minister.

Senator SCHACHT—I know, and I know Finance and Treasury hit you over the head all the time in discussions in ERC about administration costs and savings. We have all been flogged to death over that in those private meetings, but I do not think the administration cost of this is going to be overwhelming. If it is overwhelming, if administering this is going to run into millions, I suggest that your advisers are having a lend of you.

I want to say that we will vote for this amendment or, if you want to suggest, Minister, that we adjourn the debate now and have a discussion in the next couple of hours with your advisers about redrafting the amendment, we in the opposition would be happy to look at that. We can carry it now so that it goes back to the Reps and you send it back up here the next day with a message saying, ‘Stick it. We’re not going to cop it,’ and we will have a further debate. In the meantime, an amendment can be drafted in formal consultation. I am willing to cooperate on that basis. I do not ignore the points you raise. If it is true that it has gone from $22 million to over $50 million, I cannot ignore that that was beyond the scope of what I raised last year. I would also like to talk to the veterans community itself about whether the widows and the overseas people find that they are dipping out and they do not like that. There is an old saying that it is better to have a couple of slices of the loaf of bread than nothing at all. In conclusion, that is the offer the opposition make. Certainly at this stage we will vote for the Democrat amendment. If you want to take it on, adjourn or bring it back up tomorrow after further discussion, then the opposition will be cooperative and have that discussion with you.

Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (12.05 p.m.)—Thank you very much for your kind offer. However, let me make just a couple of points. I find them quite compelling; I would expect that you would. Let me remind you that the different treatment of the disability pension for DVA service pensioners is, like other distinctions between the veterans and social security systems, in special recognition of the stresses faced by veterans who served in areas where enemy forces were actively hostile—that is, those who have qualifying service. If you aligned the treatment as per the exemption, you could generate pressure to remove other distinctions between veterans with and without qualifying service, such as access to the service pension and extension of the gold card.

I think the Labor Party will have to think very seriously about giving equality of treatment to those with and without qualifying service. I well understand the debate. I have heard it for many years. But I think that you would find that the veterans community would be highly incensed if the value placed on those who have suffered the stress of facing active hostile forces were removed. If the special recognition given to those people were removed, I think you would find that people would not be too happy with the opposition trying to become a government. That is the first thing, but that is for you to weigh up.
Can I let you weigh up something else that perhaps we should have put on the agenda before. I am reminded that the tax reform changes to the income test will somewhat alleviate this anomaly. You can think about this while the bill makes its way to the House of Representatives and back again. Let me remind you—because you no doubt have not thought about it in the context of this legislation—that there will be a 2 1/2 per cent increase to the free area, which will make quite a difference to people, and the taper will be reduced from 50c to 40c. Those are significant in terms of the money that people will have in their pockets. That might go some way to alleviating the issues that you see facing you now that you were not prepared to see facing you when you were in government. You were not prepared to do anything about a gold card for the Second World War people either, and you very clearly were not prepared to do something about the Far East people. You must have been lobbied about that just as hard as I was, and it always seemed desperately unfair that those people were not recognised. I am sure that Senator West, who is sitting in the chair, would have had representations on that issue over the years too.

Senator Schacht interjecting—

Senator NEWMAN—Nevertheless, the point is that the government have not been inactive in looking after the interests of veterans. There are priorities, and government policy largely follows the priorities that the veterans community have set. We have done that as you did before us. We are not prepared to change the current policy at this stage. I am sorry that I am not able to give you any comfort about any benefits that might flow from greater consultation between the parties on this matter.

Senator SCHACHT (South Australia) (12.09 p.m.)—I appreciate your honesty, Minister, in telling me that I am not going to get much comfort as far as the suggestions I have made are concerned. I presume then that, if this amendment is carried as it is, it will go back to the House of Representatives.

Senator Newman—The Labor Party will then be responsible for a commitment of $52 million of extra Veterans' Affairs funds.

Senator SCHACHT—In that case, we will claim full credit for the extra money going out to all of those beneficiaries, and so on. Of the extra $7 billion that the GST is now bringing in, $52 million to veterans is probably a small amount of money, and they deserve to get it in view of the fact that you are going to be putting up the cost of their food and everything else. In that argument, we will batter each other around the head. I think we will win on points on that, because you will be the ones looking like Uncle Scrooge.

Senator Newman—You spent 14 years not doing those things!

Senator SCHACHT—But we also spent 14 years not putting a GST on everything, including for the veterans community.

Senator Boswell interjecting—

The CHAIRMAN—Order! Senator Boswell, you know interjections are disorderly at the best of times but totally so when you are not in your seat.

Senator SCHACHT—I am glad Senator Boswell has arrived. The crisis a day National Party has now arrived. If it is not caravans, it is the dairy industry. If it is not the dairy industry, it is the sugar industry. If it is not the sugar industry, it is the wool industry. Every industry in the rural area is in crisis.

Senator Boswell interjecting—

The CHAIRMAN—Order! Senator Boswell, you know interjections are disorderly at the best of times and even more so when you are not in your seat. Senator Schacht, I would ask you to address the veterans affairs and social security legislation.

Senator SCHACHT—Can I, through you, Madam Chairman, suggest that Senator Boswell go to his seat so he can interject properly with me and I can respond?

The CHAIRMAN—No. I do not wish to have any further interjections. I wish you to continue your remarks.

Senator SCHACHT—Therefore, Minister, you will send it to the House of Representatives, and the government in the House of Representatives will send it back. In that case, we will make up our mind whether we insist on it, and so on. As a senator who has
spent a fair length of time in opposition, you know this place as well as I do.

Senator Calvert—You won’t be here much longer to worry about it!

Senator SCHACHT—That might well be true, Senator Calvert. You might be joining me too, who knows? If Senator Eric Abetz gets his way, you might be on the death seat, as I am. Irrespective of that, Minister, when the bill does come back, we will have a look at it. We may discuss it with the Democrats to see whether we will then move a further amendment that might reduce the outlays on this proposal. But it will be very hard for the opposition at the very minimum not to support an amendment that deals with the DVA and the $22 million. We already made a public statement last year that we believe that expenditure is reasonable in the circumstances. So, when it does come back, that would be the very minimum we would be insisting on. Then the government has to make up its mind what it does with the legislation. I appreciate your honesty in telling us the attitude of the government.

I did not have the opportunity to respond to Minister Scott’s offer last night to be briefed about this matter, and it was the same this morning. Yesterday, I was away at the funeral of Mr Greg Wilton and, with all due respect, last night I was not thinking much about details of amendments and legislation. This morning, I did not have a chance to get back to it, but I will have a further chat about it in the next day or so as we deal with this.

Senator Newman—We’re always cooperative.

Senator SCHACHT—I appreciate the cooperation of the minister’s office and the officers of the department on this issue. But, in the meantime, we will vote for the Democrat amendment.

Request agreed to.

Bill, as amended, agreed to, with request.

Bill reported with amendments and request; report adopted.
In respect of the New Business Tax System (Alienation of Personal Services Income) Bill 2000, I think it is important to outline some background about the alienation of personal income. It might not be a description that is well known to those who may be listening to this debate, and I think it is important to look at the issue in context by firstly defining the problems in this area. It refers to a situation where a person is able to have amounts for their personal exertion that would otherwise be subject to normal employee tax arrangements paid to another entity such as a company or a partnership. Such an arrangement is used to gain tax advantages—principally income splitting and larger deductions—that are not available to an employee taxed under the normal employee PAYE or, from 1 July, PAYG arrangements.

This issue was examined in some detail in the Review of Business Taxation, which is known as the Ralph report. In that document, it was found that the number of owner-managers of incorporated businesses increased by more than 400 per cent, while the number of self-employed and all employed increased by only 50 per cent. So there has been an explosion in growth in this particular area. The report did recognise that there were factors other than taxation arrangements which contributed to growth in the proportion of owner-operator businesses. There are certain structural changes occurring to the economy, particularly the growth in the services sector, that are driving this in part. The report considered that the area had implications for the integrity of the taxation system. That required a thorough overhaul in an attempt to at least rectify the loss to revenue of the growth in the number of these arrangements.

There are a number of reasons other than taxation implications for a person to operate as an interposed entity. Some of them are, to some extent, what I would describe as jargon: we have assertions about greater freedom of negotiation, less restriction on how work is to be performed, ability to seek a wider range of work and meeting various enterprise demands for greater non-employee input. That is the jargon explanation for this government’s desire to eradicate unions from the workplace and the protective role that they play in ensuring that employees receive a fair go in respect of their treatment by employers.

Under current tax law, a person will be taxed as an employee where a common law employee relationship exists. The test for this deals with how a number of matters apply to the relationship, including what is known as the control test exercised by the employer. In circumstances other than a common law employment relationship, the general anti-avoidance rules contained in part IVA of the Income Tax Assessment Act 1936 must be used to apply employee tax arrangements. While rulings may be made outlining the conditions when the commissioner considers part IVA applies, its application and enforcement often involve the examination of individual cases to determine if a case can be made out for that part to apply. Of course, there is a practical difficulty here with the examination of what would literally be hundreds of thousands of individual cases and the individual circumstances that need to be examined to carry out the fundamental test to determine whether someone is an employee or what is known as an independent contractor.

There are a number of major tax advantages that can be gained by what is known as alienating personal income. They were examined closely in the Ralph report. I will not go into all the detail here, but the first is income splitting. This allows an amount received to be split amongst two or more people, often immediate family members. Obviously, this is not normally available to a person paying PAYE tax in a traditional employer-employee relationship. There are advantages of greater deductions and the deferral of tax. Where a company is used as an interposed entity, profits can be retained in the company at times when their distribution would result in a higher marginal rate of tax being paid if profits were immediately distributed.

There was one other area that the Ralph report did not look at in any great detail, and it is disappointing that this was not examined...
more closely. Whilst the Ralph committee looked at the advantages to people who have been able to enter into arrangements, such as companies, and change their tax arrangements to their advantage, it did not look in any great detail at the role of the employer in these sorts of arrangements. There is no doubt that some employers at least are entering into contrived or artificial arrangements in respect of what have traditionally been regarded as employees. It is not just a matter of employers seeking to avoid what they would regard as burdensome paperwork requirements in respect of the employment of labour; there are significant advantages to the employer in terms of avoiding workers compensation costs and superannuation guarantee contributions.

This latter payment, superannuation guarantee contributions, is a very major issue in the sense that the current level of contributions is seven per cent, going to eight per cent on 1 July and nine per cent in 2001-02. The avoidance of contributions by some employers in this area has a very significant impact on the long-term retirement incomes policy of this country, particularly at a time when the ageing population, as it is known, will increase from about 12 per cent to 22 per cent of the population over the next quarter of a century. That is another issue, another story, but it is a very important matter in relation to employer costs.

That is the background. The Ralph committee report I think did a fairly solid job in identifying the particular problems. As for the costs, the Ralph committee estimated that the arrangements I have been outlining were costing around half a billion dollars a year in tax minimisation and avoidance and that, if this particular area were not addressed, the level of avoidance would grow to around $3 billion per year. This is obviously a very substantial amount of money to be lost to our taxation system and, in addition, there is the unfairness of persons in a traditional employer-employee relationship not being able to enter into such arrangements.

The bills we are considering do lay a foundation for addressing this problem. Income will be caught and treated as the income of the individual, not the interposed entity, where an individual or an interposed entity obtains more than 80 per cent of their income from the one employer and they are not conducting a personal services business. The rules for determining 'personal services business' contain three tests. If a person passes any one of these tests, they will be conducting a personal services business and, hence, not be caught by the new rules.

These are the three tests. The first is the unrelated client test. To pass this test, a person has to provide services for two or more unrelated clients during the year, and the services have to be provided as a direct result of the individual entity making public offers—for example, advertising. The second test is the employment test. To pass this test, the person has to employ an apprentice for at least half the year or employ someone who performs at least 20 per cent of the principal work of the business. It does exclude telephones and bookkeeping. For example, a computer programmer has to employ another programmer. This seems to be, I think, a reasonable test.

The third test is the business premises test. The premises must be separate from the person's home and they must be used for producing the income. Apparently, simply leasing an office is not enough if it is not used. I certainly hope that garden sheds would not suffice. But this is an area that does need, I think, some close scrutiny. The tests represent a reasonable attempt to distinguish what often is not an easy distinction to make: the difference between an employee and someone genuinely conducting a business.

However, since the government's announcement that it would accept the Ralph committee recommendations in this area, I note that our shadow Treasurer, Mr Crean, in the other place, has indicated that we will be voting for these measures on the basis that the government will introduce, in full, all the business tax changes announced—and, of course, the Treasurer has accepted these changes. The legislation we have before us does contain some important changes made since that agreement was entered into, and there are some transitional arrangements that were not mentioned by the Ralph committee or, indeed, in the Treasurer's press release of
11 November last year. These measures represent a $440 million hole in revenue projections for the financial years 2000 through to 2002, and there is a fairly minor effect in the year 2002-03.

So we have another backdown, another roll-back by this government of its initially stated intentions—and it is not an insignificant roll-back in that it is some $440 million. I note that Senator McGauran and Senator Boswell are still in the chamber, and I would just like to emphasise this point to them. Here we have this government, a government which the National Party is part of—some would say subsumed by. The National Party, as I understand it, had an interest in this matter, particularly as it concerned self-employed small business contractors, and there has been a $440 million roll-back, Senator McGauran and Senator Boswell—a $440 million roll-back.

If your government can do it in this area, why can it not do it for caravan park residents? I take this opportunity to remind Senator McGauran and Senator Boswell, who were not here when I spoke on this matter, that the government is apparently also going to accept a roll-back for the treatment of artists and the way their income is included for the purposes of the business tax package.

Senator Boswell—Good minister.

Senator SHERRY—You compliment the minister, Senator Alston, for considering this roll-back. I think it is perfectly justifiable that artists have been arguing about the way they will be taxed. If the National Party and the Liberal Party can agree to roll it back for artists, why are they not doing it for caravan park residents? I think Senator McGauran and Senator Boswell will struggle when caravan park residents say, ‘You did roll it back by $440 million for self-employed contractors. It was rolled back in respect of artists. Why isn’t anything being done for caravan park residents?’ I think you would have a problem justifying the position of the government in this area, given the roll-backs that have occurred in recent times. I understand that you are now going to use the name ‘National Party’ instead of ‘coalition’. I think you need a good deal more than that to extract yourself from the current difficulties.
great promises of the new GST and tax system was that it would reduce the amount of tax avoidance in the Australian taxation system. This bill is a clear example of the government’s weakness in dealing with taxation and yet another example of a broken promise. It makes a most limited attempt to reduce tax avoidance through alienation of personal services and will not solve the growing problem of employees contracting themselves out in order to reduce their taxation liability. In effect, this bill will allow anyone who can afford a smart lawyer or accountant to continue as they are—that is, avoiding taxation through alienation of personal services. The Ralph Review of Business Taxation described the problem as follows:

The use of such arrangements—in other words, interposed entities—to reduce the tax liabilities of individuals means that people in substantially the same financial and work situation would be paying significantly different levels of taxation. It is clearly inequitable that some taxpayers should be reducing their tax liability by using interposed entities to alienate income while other taxpayers also deriving personal services income, including ordinary wage and salary earners, pay the correct amount of tax.

In the last few days, the government, through Peter Reith and Peter Costello, has claimed that the new taxation system will deliver great dividends by flushing unpaid taxes from the black economy. Peter Costello claimed that it would produce around $3½ billion. Peter Reith has since claimed that it would produce around $7 billion in additional revenue. He is well known for making extravagant claims. However, on this occasion I think he has gone beyond the pale.

With measures like the alienation of personal services criteria, we will be fortunate if any of the black economy is reduced. It is worth while noting here, as we have on a number of occasions in this chamber, what happened in Canada. The Canadian experience when they introduced a goods and services tax was that $6 billion disappeared out of the Canadian economy overnight down a black hole. In fact, the introduction of a goods and services tax facilitated the operation of a black economy in that country. It is also interesting to note, for the benefit of my colleagues on the other side of the chamber, the impact that it had on the political party that introduced it. It went from 156 seats in the parliament to two at the next election following the introduction of a goods and services tax. That result may not be as dramatic for those on the other side of the chamber but, if you look at the opinion polls and what is coming through at the present time in respect of the electorate, it could well be the fate of the current coalition government sitting on the other side of the chamber, of which the National Party is an integral part.

In response to the Ralph report on business taxation, the government has introduced these bills to address the alienation of personal services and reduce the ability for tax avoidance. The Ralph review recommended that the criteria to determine if one is an employee should be comprehensive tests based on the Victorian payroll tax system. The review described this as the ‘most robust’ model. The tests, as outlined in the Economics Legislation Committee’s report, are as follows:

1.16 The measures in the Bills will apply to individuals and interposed entities that receive 80 per cent or more of their PSY—personal services income—from one source, unless the Commissioner of Taxation determines that the income is from a personal services business (PSB). The measures will also apply to individuals and entities that receive less than 80 per cent of their PSY from one source but do not self assess as a PSB.

1.17 The Bills establish three tests for self-assessing if an individual or entity qualifies as a PSB:

- Having two or more unrelated clients (the ‘unrelated clients test’);
- Having one or more employees (the “employment test”); and
- Having separate business premises (the “business premises test”).

1.18 Only one of these three tests needs to be met to qualify as a PSB.

1.19 Individuals or entities that cross the 80 per cent income threshold must request the Commissioner to determine that their income is from a PSB. The grounds on which the Commissioner
must be satisfied to provide a PSB determination are:
That the “employment test” or the “business premises test” are met or
But for unusual circumstances, one of the three PSB tests could be met or
That the individual or entity is producing a result, supplies their tools of trade and is liable for the cost of rectifying defective work (this can be called the “results test” or “fourth” test).

This bill is an example of the government not being able to act due to its competing interests. The coalition government is constantly promoting the efficiency of contracting out of services. The public sector under this government has had more contracting out than ever before. This, amongst other things, promotes employees to form companies and contract back to their former employers. This is the exact situation that this legislation is designed to avoid. The problem is essentially that if you set a lower taxation rate for corporations and for individuals this becomes a tax avoidance measure. The government, faced with the competing interests of, firstly, reducing tax avoidance and, secondly, furthering the proliferation of employment contractors, has adopted a spineless approach to this situation. It has chosen to outlaw the tax avoidance but create a series of criteria under which business can opt out. These measures are inadequate and are nothing like the Victorian payroll tax legislation of the states—particularly of Victoria—and involved testing against a detailed list of criteria and the tax commissioner forming an opinion.

The CFMEU in their evidence also pointed out the flawed nature of the tests. They believed that the tests would pose ‘no barrier’ to contractors alienating personal services in the building industry. The flaws identified by the CFMEU are as follows:

The government’s approach is rather to apply three simple tests for ascertaining whether the contractor can be regarded as a personal services business and providing that they only need pass one of them. It seems to me that the approach is clearly less demanding for contractors than Ralph was recommending, and especially so given that almost everyone will be able to pass the unrelated clients test. I would ask the committee to really focus on this test. This test requires them to simply earn some income, no matter how small, from two or more unrelated sources. The mere fact that these contractors are earning less than 80 per cent of income from one source and associates of that source would seem to me to say that they are highly likely to be earning income from more than one source—that is, by definition of earning less than 80 per cent of their income from one source you would think that they are earning their income from two or more sources.

One who cannot pass this test is not trying. This is a walkover. This is a complete pushover of a piece of legislation. I never saw anything less likely to stop anyone avoiding tax in my life. The requirement that the work come from public offering or invitation by the contractor—for instance, by advertising—is also no barrier. It does not describe what that is: is it a sign in your garden, is it a sticker on your car, a sign on your house? Even if it is a small notice in the paper, it is a small price to pay to avoid a lot of tax. So it is terribly easy to get around. So with almost everyone passing this test, the other two tests become almost irrelevant.

Debate interrupted.
MATTERS OF PUBLIC INTEREST

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

Australia: Beyond 2000

Senator PAYNE (New South Wales) (12.45 p.m.)—Today in this debate, I want to make a few remarks that briefly encapsulate some of my thoughts in relation to what Australia does, as it were, beyond 2000—and I am not talking about a Channel 7 television program. We find ourselves halfway through the year and so, some would say, the new millennium has begun. And, as yet, notwithstanding all the doomsayers’ warnings, the world has not ended. We have had a big start to a big year, both across the globe and in Australia, and it can only get bigger.

This year we star on the stage of the world, hosting the millennium Olympics and Paralympics. Next year we celebrate our Centenary of Federation. I think both of these events have invited us to look at ourselves with introspection and reflection. We ask: how do we maximise the cultural and financial impact of the Games? How do we celebrate 100 years of nationhood? What image of Australia do we want to present to a world audience? If you are a young Australian, how do you want your country to be seen? Where should we be beyond 2000? Certainly the Olympics have focused our minds, whether it is on the torch relay crisis, American marching bands, occasional corruption allegations, tickets, sponsorships or selections. We have both privately and publicly sometimes questioned our capacity to succeed at this huge undertaking—a concern that is probably felt by every nation that hosts the Games. Each host nation wants to ensure that the character and the spirit of their nation are presented truly to the world through the Olympic spotlight.

Even 40 years ago Australians took very seriously the challenges facing them in staging the 1956 Games. There were the same sorts of arguments, disagreements, criticisms and oppositions. So much so that, at the time, Avery Brundage, who was the President of the IOC, noted:

"It sets me wondering why Australia knocks itself, when all the other nations realise the potential boost they receive in the public’s eyes when granted the Games."

I think the organisers of the ’56 Games realised just what we all realise now: that the staging of the Games is more than the building of a stadium or the design of a team uniform. It is in fact a tangible opportunity to focus on the present and, more importantly, to plan for the future. The celebration of world sport and culture is not only a time for enjoyment but also a time for representation and reflection of who we are and who we want to be in our own eyes and in the eyes of the world.

And we have another opportunity with the Centenary of Federation. On 1 January 2001, the Commonwealth of Australia will have existed for 100 years—no mean feat, given the extraordinary processes of compromise that were inherent in its birth. The processes of reflection that have gone hand in hand with both the planning of the Olympics and the Centenary of Federation are very valuable. Some might describe them as a national engagement of ‘navel gazing’, but in this case it is a worthy pursuit as we move into a new era for our nation, for whatever we are today and whatever we are to become in the future is undeniably a result of what we were in days gone past, whether influenced by Federation or our sporting or cultural achievements. It is our past, our present and our future that form an interwoven thread of character and direction which we pass to young Australians.

I think there is a possibility that, in celebrating the present and in glorifying the past, we might forget to actually watch where we are going. Whilst we can all revel in the Olympics and appreciate the significant achievement of 100 years of history, we might also consider what lies beyond these events. As politicians, we are often criticised on all sides of the respective chambers for relating to opinion polls, to sound bites and to votes or for focusing on the short term rather than the medium or, dare I say it, the long term. And sometimes that is a valid criticism. A casual observer might say that, at the moment, it is the short-term focus that
has in fact grasped our national psyche and that many Australians are thinking little beyond the Olympics themselves in September. Just as it is pretty easy to predict that Australia will perform brilliantly at the Olympics, so, too, it is easy to predict that, the day after the Games, the nation will engage in a collective scratch of the head and wonder, ‘Where to now?’

Since I became involved in politics much of that involvement has been as a youngish political activist. It has always been my belief that young people should be involved and engaged in their democracy. I think that is now even more important than ever because moving beyond the Olympics and providing a direction for the next millennium is a task for the next generation. I know that, if young Australians are to make the most of their opportunities and capacities and to make a contribution to the development of our nation, they need to be conscious of who we are now and where we have come from.

To me, the most striking characteristics of our modern nation are innovation and invention. Australia has given the world an extraordinary number of devices and advances that people now take for granted, whether you are talking about the heart pacemaker, the black box flight recorder or, more simply, the wine cask and furniture castors. We are an extraordinarily accepting nation of new technologies, and our enthusiastic take-up of IT is testimony to that. We are the world’s third highest per capita user of the Internet after Finland and the United States. We have access to a range of services, information sources and retail outlets previously unknown, but we still have problems with some of the fundamentals. The Queensland University of Technology conducted a study recently which found that, while 90 per cent of first-year students have a computer, only half actually feel confident at managing computer files or searching the Internet. And if the conservative estimate of 30,000 job vacancies in the IT industry is accurate, coinciding skills and experience with these vacancies, in the light of those statistics from the study, is a major challenge for us.

If we are to maintain that strong sense of innovation and make the most of IT trends, we actually need to reappraise our approach to technology. As the logical starting point, we have to be prepared to ensure adequate educational standards for dealing with IT, but we also have to start at the top. The leaders of the nation and the leaders in every area of business and the community have to be prepared to familiarise themselves and be comfortable with the enormous opportunities and capacities that information technology gives us. So we have to start early, but we cannot afford to ignore those who are long out of school, who are already in the work force or who are coming back into the work force and who might be struggling to grasp the technologies. As I have said in the chamber before, it is the families who cannot even pay home phone bills, let alone buy mobile phones and computers for themselves and their children, who are at real risk of falling on the wrong side of the digital divide.

Australia has also often found that it is leading the world in cultural and social developments. It will not surprise anyone to know that I want to remark on the fact that I think we are a nation strongly influenced by pioneering women. From Elizabeth Macarthur, who is generally recognised as the first educated woman in Australia and who showed a keen interest in colonial politics, to Elizabeth Kenny, who developed treatments for infantile paralysis, we have been heavily influenced by the strength and leadership of women.

We were the first country in the world to give women both the right to vote and the right to stand for parliament. In fact the first polling day in Australia to include women voters was in South Australia on 25 April 1896. It was not surprising to me when I learned this, but women turned out to be very enthusiastic voters, with a higher percentage of those women who were enrolled going to the polls than men. Australian women continue to make significant gains. The labour force participation of women achieved the record level of 54.9 per cent in May of this year. At Commonwealth board level, 30.9 per cent of board positions are occupied by women, and there are encouraging trends at the private sector level, although much still remains to be done.
Women play an increasingly important role in small business, but it is not all a bright outlook. In fact 90 per cent of all sole parents with dependants under 15 in this nation are women and, in the age of equality, more mothers than fathers state that they always or often feel rushed or pushed for time. A total of 23 per cent of women who have been married or are in a de facto relationship experienced violence by a partner at some time during that relationship. These are aspects of Australian community which are about quality of life, not just existing.

So while we build on our history to accentuate the positive and empower young women, we also have to address the negatives and reverse some of those trends. I think we should be actively encouraging the development and promotion of female role models in every profession, every pursuit and every area of interest. That applies across the board, from politics to business and from the community to sport.

Given this country’s pre-Olympic obsession with sport—although some may say lifelong obsession—I thought the recent fundraising use of a calendar featuring nude photographs of the Australian women’s soccer team, the Matildas, was a very telling moment in this area. I am hardly prudish—that is not the basis of my concerns; anyone who knows me well knows that—but many young women in this country suffer from insecurities which lead to eating disorders. I do not think the exploitation of physical appearance in that way is a plus. We, on the one hand, actively commend media outlets for positive depictions of women in sport and we seek out greater interest and greater representation of women in sport and then, on the other hand, we confuse the situation with that sort of approach. I think those inconsistent attitudes are a problem.

We must also continue to provide young Australian women with a range of opportunities and options. Whether these are in terms of career, family or any other pursuit, young women should have choices open to them. To demonstrate and publicise these choices is one task for the role models I referred to earlier to lead young women positively into the 21st century.

On another level, one of the most concerning trends, which presents contemporary society with a huge challenge over coming years and which has little historical reference, is the increasing level of mental illness in Australian communities, with a cost to the community, a cost to families and an ultimate cost to individuals at all levels. This has only too sharply, tragically and personally been drawn to our attention in this parliament over the last week.

A report released by the health minister late last year indicated that one in five Australians has a mental illness and less than half of these people seek professional help. At the most disturbing end of the spectrum, the number of deaths in Australia attributed to suicide rose by 24 per cent over the 10-year period to 1998. I have spoken about this before in the chamber. For me personally, the tragic death of the member for Isaacs last week brings just another person—too close, too important to even describe—who has felt themselves to have no other option.

In the context of my comments today, perhaps even more concerning are indications that mental disorders are most common among younger adults, with one in four adults between the ages of 18 and 24 affected by one or more disorders. So in one sense it is all very well and good for me or anyone else to talk about involving and engaging young people in their democracy but, if at the same time they are dealing with the enormous challenges of mental illness on a day-to-day basis, I guess their attentions and stresses probably fall elsewhere.

The challenge for us as we move beyond issues such as the Olympics, not only from the most basic measure of chronology but also in terms of the impact on people’s lives, is how to deal with these sorts of problems. I am encouraged by the introduction of the National Depression Initiative, chaired by the Hon. Jeff Kennett. The initiative, which is funded significantly by the federal government, will form the focus of work in this area and it is an initiative where government, business and community will work together. It takes leadership to help erase the stigma associated with mental illness and to help our friends and our family members to seek help...
when they really need it. It will take much more leadership from parliamentarians, medical professionals and the community to have a real impact.

The approach where different levels of society work in partnership is the most effective way that we can deal with not only the challenge of mental illness but also the challenges of information technology and achieving real gender equality, as I have discussed today. Equality, achievement and wellbeing are fundamentals which impact on the way we interact with each other and the way in which we have approached the issue of the broader direction of national development.

Australia has always been a nation defined by a strong sense of community and commitment of its people to one another. It might come from a collective sense of rejection from developing as the penal colony, but I think it has more to do with a spirit that has developed over many years. Influenced by wars, friendships and a unique geology and geography, we are a nation unlike any other and our communities are different from any other. We are more multicultural than many other nations and we are more disparate geographically than most. We have a different set of experiences from other nations which might have the shared history of colonialism.

It is that diversity that places us in a unique position: to enjoy the benefits of our history, accept the challenges of the present and define the nature of our future. Every day in this job I see Australians who are trying to do just that. Whether it is the young and enthusiastic participants of the Work for the Dole projects in Albury who have been identifying Aboriginal artefacts and history, the volunteers who run the National Youth Initiative or the activists who set up young Australians for or, in some cases, against a republic, those young people are defining the future of our nation. I saw it again yesterday in facing what I would describe as the probing, sometimes personal, questions of 90 sixth grade boys at the Canberra Boys Grammar Prep.

I am always encouraged by these young people, in seeing their keenness and their desire to make a contribution. Their enthusiasm is in fact contagious and it creates a real challenge for us. One of my concerns in this the Olympic year is that Australia does not lose sight of the bigger picture, a picture that is bigger than the Olympic stadium or bigger than 100 years of Federation. We have so much to be proud of, but still so much to work on. While these two events give us great opportunities, we also have to look at how we see ourselves. There is a lot of similarity between two particular ‘Sydney’ events: staging the Olympics and constructing the Opera House—both mammoth projects, both controversial, both with stretched budgets and both involving a tremendous amount of vision.

We have great challenges. When we meet these challenges we will have positioned our nation very well and we will have a future that builds on our history. (Time expired)

Aviation Safety

Senator O’BRIEN (Tasmania) (1.00 p.m.)—Today I want to speak about aviation safety. Firstly, I want to draw the attention of the Senate to the charter letter written by the Minister for Transport and Regional Services, Mr Anderson, to the board of the Civil Aviation Safety Authority on 30 September last year. The letter was designed to give the board a better understanding of the broader government policy framework in which the agency operates. The minister said that his letter should be treated as strategic guidance.

"CASA's regulatory and enforcement decisions can have a severe effect on the economic and social life of remote communities. You will recall that the Government had to use military aircraft to fly children to school in the Torres Strait earlier this year. I will never ask you to compromise air safety. As far as possible though, you are to notify me and my department before you take actions that disrupt air travel to remote communities, so we can consider alternative travel arrangements for them."

It appears to me that CASA has always confronted the potentially competing objectives of ensuring the provision of regional air services while at the same time ensuring..."
those services meet the safety standards required of low capacity regular public transport operators. In the past, the balance between these two objectives may have been tipped in favour of maintaining a service at the expense of ensuring proper safety standards are met. That was certainly the case with Monarch, Seaview and Aquatic Air and it may well be the case with Whyalla Airlines, though that is yet to be determined.

It should be noted that the Director of CASA, Mr Toller, went to the issue of CASA's approach to safety and regional regular public transport operators in a letter to air operating certificate holders in August 1998. He said that for too long some CASA staff had accommodated marginal operators. He said:

… the Australian people do not deserve, the Australian aviation industry cannot afford, and CASA will not accept such marginal operators.

This is in sharp contrast with the tone of Mr Anderson’s letter to the CASA board last September. Specifically he gave strong emphasis to the potentially negative impact of CASA’s enforcement decisions on the maintenance of regional air services and ‘the severe effect of those decisions on the economic and social life of those communities’. CASA continues to be caught between the tough line outlined by Mr Toller in his letter and political pressure from the government—I mean that in the broadest sense—to ensure that regional operators are able to keep operating.

There is now further evidence that the safety standards set out in Mr Toller’s letter are not being upheld by the authority. I fear that some operators have been kept in the air, despite their failure to properly meet the safety standards required of them. I am concerned that the problems highlighted in Mr Toller’s letter of August 1998 remain and the deteriorating economic climate in many areas of regional Australia is further limiting the ability of many of these operators to meet the safety standards required of them. Add to this mix the political pressure to look after services in the bush and we are facing an alarming combination of factors, all working against aviation safety.

I have a copy of a letter from the authority to Captain K.E. Brougham, the chief pilot of Whyalla Airlines. It was dated 26 December 1997. The contents of that letter are alarming, to say the least. I will not go through the contents of this letter in detail because it runs to nine pages but I will simply make a couple of points. The contents of this letter, which go to the detail of what appear in some cases to be deliberate breaches by the company of air safety regulations, surely raise the question of the suspension of its air operating certificate, not simply the cancellation of Captain Brougham’s chief pilot certificate. Further, while there should not, in principle, be a basic incompatibility where one person is both the principal and also chief pilot of a regular public transport airline, the circumstances of Whyalla Airlines suggest that in reality there is. An airline operator also being the company’s chief pilot and often its maintenance controller saves money but has the potential to create a conflict that is not in the best interests of safety.

Many small regional operators are financially marginal at best. It is a tough business. The role of the chief pilot is to ensure that the airline operates in a safe manner and meets all the obligations imposed on it by the Civil Aviation Act and civil aviation regulations. The owner of the company obviously wants to keep the business operating and providing a service to passengers. In difficult market conditions, commercial pressures have the potential to conflict with the operational and maintenance standards. Based on the letter from the authority to Whyalla Airlines at the end of 1997, that potential conflict appears to have become a reality. For example, it appears that an aircraft licensed for only charter operations was used to provide regular public transport services on at least 15 occasions. It also appears that the operator failed to monitor operational standards, maintain training records and supervise the training and checking of flight crew. The letter also highlighted problems relating to load control. It stated:

Overweight operations reduce fatigue life and induce performance penalties that may make the difference between continued flight and forced landing.
Operations outside the Centre of Gravity envelope affects controllability.

Later it says:

The associated administrative and procedural requirements are intended to record and enforce the discipline necessary to achieve the desired outcome of safe flight.

All these standards and procedures are essential for safe operations but also take time and cost money. When things are tight, meeting those obligations comes under pressure and in the case of Whyalla Airlines, at least in 1997, they were not met. The letter lists the following breaches of regulations by Whyalla Airlines under the control of Captain Brougham as chief pilot: 17 instances where the load or trim sheet was not completed; two instances where passengers' names were left off the passenger list; 17 instances where the take-off weight was not calculated; three instances where the maximum allowable weight was exceeded; two instances where centre of gravity limits were exceeded; 34 instances where the aircraft take-off weight was incorrectly calculated; and 19 instances where an invalid or superseded trim sheet was used.

In light of the history of both Captain Brougham and his airline, it is important that the minister establish the basis on which his chief pilot certificate was reinstated earlier this year. To say that his certificate was reinstated simply because his attitude to safety had improved is far from satisfactory. The information released to date suggests Captain Brougham should never have been reinstated to the position of chief pilot. The minister must also establish why Whyalla Airlines did not at least have its AOC suspended at the end of 1997. I understand that the suspension of its AOC was the subject of lively debate in the authority at the time. The minister must also make public his role, the role of his office and the role of the authority in keeping this airline operating and reinstating Captain Brougham's chief pilot licence earlier this year, given his record.

There have been a number of reports in the media about the interests of politicians in the CASA scrutiny of Whyalla Airlines. The integrity of investigations into the Whyalla Airlines crash is extremely important and any political involvement in the regulation of the airline either supporting the operator or expressing concern must be fully disclosed from the outset. Of particular significance are letters written by the federal member for Grey to CASA and to the federal government. Media reports have suggested that there may be other letters of this nature on the files of CASA or in the minister's office. I support the call by my colleague Mr Ferguson for Mr Anderson to disclose details of all communication and correspondence between politicians and CASA in relation to the regulation of Whyalla Airlines. As Mr Ferguson stated in a recent media release, these records must be released publicly to ensure that all decisions taken in relation to this operator were taken in accordance with the rules. I also note that the member for Grey, Mr Wakelin, has released correspondence relating to Whyalla Airlines for the years 1997 and 1998. It is important that he also release all correspondence relating to this company for the period from 1 January 1999 until today.

As I said earlier, I am concerned the approach taken by the authority to Whyalla Airlines is not an isolated incident. Following an investigation into the operation of a company called Carpentaria Helicopters, a brief was sent to the Director of Public Prosecutions on 27 October last year. However, on 22 November the Assistant Director (Aviation Safety Compliance) wrote to the DPP outlining the administrative action taken by CASA and asking the DPP to reconsider the matter and stay prosecution proceedings. The DPP then advised CASA on 15 February that, despite that request to stay prosecution, it still planned to proceed with action against the company. It is disturbing to say the least that, having gone through the process of investigating this operator and I assume finding admissible and reliable evidence of a serious contravention of the law and referring that matter to the DPP, there would then be an attempt to withdraw that reference.

I am also seeking an explanation as to why, having gone through a long and detailed investigation of the Albury based operator Air Facilities and determining at Assistant Director (Aviation Safety Compliance) level
that its AOC should be suspended, the authority again suddenly changed its mind. As I have said in this place before, there may be a rational explanation for CASA’s action in this regard, but it has failed on two occasions to provide that explanation satisfactorily. I was then given little choice but to follow the course that I have, and the majority of senators in this place have endorsed that action.

I also have concerns about the relationship between CASA and a company called Professional Helicopter Services. I understand that on 6 October 1998 the authority wrote to this company issuing a notice to show cause why its maintenance certificate should not be cancelled. I also understand that CASA wrote a second notice to show cause letter to this company in relation to its air operating certificate on the same day. I further understand that there was an informal conference between the company and CASA on 2 December in Melbourne and both show cause notices were withdrawn by the authority on 14 December. I placed a number of questions on notice in relation to this matter and I will make no further comment until I have received the minister’s response, which is due on 15 July. On this occasion it is very important the minister answer the question within the 30-day limit as required under the standing orders.

Mr Smith also revealed that in a discussion with Mr Anderson, the minister said he did not want to be bothered with questions about CASA in the parliament and wanted the authority to stay out of the headlines. Mr Anderson’s failure to do his job properly has had just the opposite effect, with CASA finding itself in the headlines for months on end for all the wrong reasons. So in relation to regional airline operators, CASA’s role is not to ensure those airlines continue to operate, as was implied in Mr Anderson’s charter letter; its role is to ensure that they fly safely and in accordance with the law. Mr Anderson should make that very clear to the CASA board as a matter of urgency.

Genetically Modified Organisms

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (1.15 p.m.)—I rise in the chamber today to address the issue of genetically modified organisms. I assume this is why the National Party is cheering. Clearly they are very interested in GMOs and their impact no doubt on our farming communities and whether or not we have clean green crops and industries. I wish to refer to three recent developments in the gene technology regulation debate in recent times—in fact, most of them occurred this week. Firstly, there is the cabinet’s failure to meet its promise to the Australian people to effectively protect the environment from the risks of genetically modified organisms. That did not happen this week; that deal was blatantly and arrogantly broken by this government a couple of weeks ago. Secondly, there is this week’s launch of the Australia New Zealand Food Authority’s safety assessment processes for genetically modified foods. That happened on Monday in this very building. Thirdly, there is the tabling of the House of Representatives Standing Committee on Primary Industries and Regional Services inquiry into primary producer access to gene technology entitled Work in Progress: Proceed with Caution.

All these events have significant implications for a debate that the Democrats have been very keen to have, one that we have been waiting for for a long time—in fact, many years—that is, a detailed debate about effective regulation of gene technologies.
The issue of regulation is something that the Gene Technology Bill 2000 will soon facilitate. I understand that bill is due to be introduced into the House of Representatives this afternoon. I look forward to that bill coming to the Senate for debate and scrutiny. The Australian Democrats have a wide range of concerns regarding the regulation of gene technology. I should put on record and make very clear that we do not oppose every aspect of gene technology. We are the first to acknowledge that the moratorium that is touted by some groups in our community would have to be very carefully considered so that it did not undermine Australian scientific research or the pursuit of bio-remediation gene technology applications. In fact, in my submission on behalf of the Australian Democrats to the House of Representatives inquiry into primary producer access to gene technology I stated my concern of excluding representation of many interests—that is, that this debate has often occurred among the science community to the exclusion of important consumer groups, indeed legislators and a range of other groups such as farmers and many people in our community who have an interest, maybe not necessarily a direct interest, in this technology and are certainly either wary of or curious about the new technologies being pursued.

Considering the history of the debate on this issue in this place, I have argued on many occasions that we should have a committee to investigate these issues. I would have preferred to see some sort of joint parliamentary committee, at the very least ensuring that there was effective debate and consideration of genetic technologies and their implementation. It follows that I was fairly sceptical about the terms of reference for the House of Representatives inquiry. Indeed, the scope of that inquiry was of concern, not least, of course, because it excluded parties like the Australian Democrats, so it was not a genuinely cross-party committee. But while being quite broad, the terms of reference also tended to reflect a pro-first generation biotechnology approach. But I am pleased to see—and I readily acknowledge—that the range of issues reflected in the committee’s report do actually reflect many of the wider interesting aspects and intersecting aspects of the application of this technology. So I think by virtue of the many submissions—you only have to look at a copy of the report that was tabled to see that a range of groups took the time to make a submission to that inquiry—a lot of those views have been incorporated into not only the findings and recommendations of that report but also the text of that report.

In fact, the report makes a series of recommendations—37, to be precise—and the Democrats will, I think, support at least 17 of the recommendations in whole or in part. Some of the good points to which I would like to refer include advocating or recommending increased funding for research into the potential risks and benefits—that means environmental, health, social, economic and ethical issues—presented by GMOs, and monitoring the impact of the new business tax arrangements on the level of investment in biotechnology and the implementation of further changes to taxation arrangements if further stimulus to invest is needed. Of course, the Democrats very strongly support the notion that we invest more money in resources in technology and science fields.

I particularly welcome recommendation 20, which acknowledges and reviews the contribution of grant programs and the 125 per cent tax concession for research and development and, of course, recognises the need for more support through grants and taxation measures for investment in the early stages of commercialisation.

I should put on record that, while acknowledging the need for the conservation and collection of Australia’s germ plasm for research purposes, this should not be encouraged without strong intellectual property protection of indigenous knowledge. Also, the frequency of biopiracy of both plant and animal genetic information and that of humans is a concerning issue and one that remains to be addressed by this or any other parliament in Australia. It needs to be addressed by Australia domestically or at least through signatures to international conventions. They are some of the issues the report perhaps needed to make more stern, tougher or different recommendations on. Throughout the report there are a number of recommen-
Mr Deputy President, I turn to an issue that happened a couple of weeks ago—that is, the broken deal between the Democrats and the government on the issue of the role of the environment minister in relation to GM issues and, in particular, a set of amendments in relation to the EPBC bill—the environment powers bill. Under the proposed amendments, which of course the Australian Democrats confirmed last year, we saw the environment minister—actually the environment minister, I should acknowledge, is on record as endeavouring to honour them—saying that he supported the role of the environment minister in relation to an environmental assessment of GMs before they were released. Under the EPBC Act a licence to deal with a GMO was required to be issued by the Gene Technology Regulator, the GTR. This application, if involving a deliberate release of a GMO into the environment—I think it is clause 43(b)—was required to be referred to the environment minister, who could then stipulate specific requirements to protect the environment if the minister believed that that release posed a significant risk of harm to the environment.

The environment minister could accredit an assessment process for the GTR to pursue or direct an assessment on preliminary documentation if considered ‘a controlled action under part 7 of the EPBC Act, clause 43(c)’.

With respect to the environmental assessment under clause 43(f), the environment minister could provide advice to the GTR which must be considered by the GTR when considering the licence application. Let us compare this now to the new proposal by cabinet which I think has no amendments to incorporate GMs into the EPBC Act. The act that was designed to ensure the most comprehensive environmental assessment at a Commonwealth level has now been completely undermined—and with it, of course, the role of the environment minister in the approval of GMs and GMO releases. The new proposal, under the auspices of the health minister and the department, does not begin to make up for the ground lost by the rejection of the Democrats’ original proposal. The draft substitute amendments to the Gene Technology Bill 2000 do not require the environment minister’s input in matters of deliberate release to the environment, nor do they stipulate adherence to any advice that the minister may volunteer if he or she deems it appropriate to offer.

The Democrats are on record a number of times in the past week or so as saying that we regard the latest cabinet proposal as inadequate; and we will be seeking to rectify the situation when the bill is debated in this place. What is also questionable is the extent of the power of proposed amendments to the Gene Technology Bill 2000 without reciprocal amendments to the EPBC Act, putting the protection of the environment under the bill into further doubt. We know that consumers, through the health department’s consultations on the Gene Technology Bill, are saying that they want environmental and health matters to be given equal weighting when discussing the release of GMOs. Yet basically it is a slap in the face to those people who participated in those public consultations. The role of the environment minister and the role of the environment in terms of assessing the risks and benefits of GMOs has been completely undermined. The federal cabinet’s decision of 13 June, which did decide to undermine the environment minister’s role in the regulation process, can be construed as being in conflict with the objectives of the bill as it currently stands, albeit in a draft form, where section 3.1 of part I stipulates:

The primary objective of this Act is to protect the health and safety of people, and to protect the environment, by identifying risks posed as a result of gene technology, and by managing those risks through regulating certain dealings with GMOs.

That is out of the draft bill. I commend the health minister on the work that he and his department have done in consulting with the community, with consumers, about these issues. It seems unfortunate that some of the recommendations that have come forward as a result of those consultations will be ignored in the final bill. We will wait to see what happens in the house today.
The Australian Democrats support the primary object as it was outlined in the draft bill as it not only reflects what the Australian Democrats have always argued—that is, that public health and safety and protecting the environment are of equal value and to a large extent synonymous—but also identifies that gene technology does pose a risk to public health, safety and the environment. There is that potential. This, I believe, is a huge step forward in the debate surrounding gene technology regulation in this country.

Concern must be raised about the scope of the legislation—that the Gene Technology Bill 2000 will regulate GM products only where they are not covered by an existing regulating agency. The idea is to fill the gaps where current agencies or regulatory mechanisms are not covering the GMO debate. Considering the inadequacies—and there are many, and they were certainly exposed by the House of Representatives inquiry—of current monitoring of GM field trials under the auspices of GMAC and despite glossy PR launches such as that which we saw in this building on Monday regarding ANZFA’s safety assessment processes for genetically modified food, the fact remains that ANZFA is still heavily reliant on test data from agrichemical companies such as Monsanto for assessment of GMO applications.

On a final note, I turn to the issue of labelling, which has been dealt with in a cursory manner in the House of Representatives report. The committee talks about the need for the public’s understanding, or use, of label information in relation to a national labelling scheme for GMOs or GM food. It talks about the need to evaluate whether it is useful or otherwise after the revised standard for labelling genetically modified foods is instituted. That has been a long time coming. We know that GM foods have been in this country for almost a decade; we know that they crept in, largely by stealth, in the early 1990s or 1994, 1995, 1996 onwards and we know that we have not had a national mandatory labelling scheme. It is belated but it is coming and, hopefully, it will be implemented in July.

I put on record once again the Democrats’ disappointment and downright anger, I suppose—and that is reflected in the community, I believe—that it has taken so long and that the Prime Minister has wilfully endangered this process when we have seen state and territory health ministers agreeing to the implementation of the national labelling scheme to make sure that consumers are making informed choices about what they buy, what they eat and what they consume. It is outrageous that the Prime Minister, back in December last year, at the eleventh hour, delayed this process and since then has contacted those very health ministers to suggest a watering down of the labelling standards. That will embarrass us in the eyes of the world when we look at the UK and even the EU and the work they have done in relation to gene technology and in particular labelling of GM products and foods. We will face a backlash from the consumers if we do not treat them with the respect they deserve—that is, to ensure they are able to make an informed choice when they are buying or consuming products. This is not an anti-science measure; it is pro the benefits of science but it is also pro-consumer and that is what we should be aiming for in this debate while protecting Australia and Australians from any adverse effects of GM foods and products, especially in relation to health, safety and the environment.

Telemecine

Senator EGGLESTON (Western Australia) (1.30 p.m.)—Today I would like to talk about telemedicine or telehealth, which has been altering medical practice in this country and has the potential to bring about a revolution in health care, for remote and rural areas especially, that could fundamentally alter the face of medicine as we know it today. Australia is an acknowledged world leader in the area of telemedicine, with a large number of trials already under way. In Queensland, for example, the largest telemedicine network in the world has been established, with more than 120 telemedicine sites across the state.

Senator Boswell—that’s out of Networking the Nation—from the sale of Telstra.

Senator EGGLESTON—it is indeed, Senator Boswell, and it just shows us that the benefits of Networking the Nation and the
sale of Telstra are flowing through to rural Australia.

Senator Boswell—Working for the bush.

Senator EGGLESTON—Yes, working for the bush, as Senator Boswell says. That is another example of the great focus the Howard government has on improving services in regional and rural Australia. Thank you, Senator Boswell, for calling my attention to that.

The federal government has founded Health Online under the auspices of the National Health Information Management Advisory Council to help coordinate telemedicine trials and develop a national action plan for information management in the health sector. Telemedicine has the potential to bring a large range of benefits to consumers and clinicians alike. In rural medicine, this is particularly the case. The vastness of Australia and the remoteness of many of its communities have always provided a unique challenge for the timely and efficient delivery of both health and other services to the more remote areas of Australia. Telemedicine has the potential to reduce the inequalities of access to general and specialist health services and health information in remote and rural Australia.

Medical consultations and screening procedures can be conducted in real time over vast distances by the use of videoconferencing and Internet technology, reducing the expense and necessity for people to travel to larger centres. Telepsychiatry and teleradiology are two good examples of this. Teleradiology enables the radiologist with appropriate equipment to receive images from anywhere in the country, look at those images, make decisions about patient management and give advice to a doctor a long way away about the management of a patient.

Telepsychiatry has proved very popular in Australia. In Australia we do have a maldistribution of psychiatrists. There are very few psychiatrists in regional areas, very few outside the capital cities. But with teleconferencing, it is possible for a psychiatrist to have a consultation with a patient a very long way away. In Western Australia, the WA Health Department and the North-West Mental Health Services have been involved in a telepsychiatry pilot project involving training and education, clinical consultations and service administration to patients in very remote areas. The project involves videoconferencing and links towns such as Broome, Derby, Kununurra, Karratha and Port Hedland to the Graylands Hospital in Perth, which is the main psychiatric hospital. Some people have thought that people who think their television set talks to them are perhaps suffering from a psychiatric problem but in this case rather than it being an indication that something is seriously wrong, they are in fact receiving appropriate psychiatric help and attention.

A pilot project currently under way in Queensland provides a good example of the use to which technology can be put. The Brisbane Mater Mothers Hospital has been providing real-time obstetric teleultrasound consultations to patients in Townsville, with most clinicians and patients apparently very happy with the outcomes. That could be repeated in many centres around Australia. Were it necessary to have very sophisticated ultrasounds carried out on pregnant ladies or other patients requiring ultrasound and were the equipment available in a regional centre, a very highly specialised clinician could read the ultrasounds and provide advice to the local doctor, wherever that local doctor was, using telemedicine services.

Another advantage of telemedicine is that consumers now have more access to medical information. In late April the Federal government launched HealthInsite, which has links to more than 50 web sites from which some of Australia’s leading health organisations provide up-to-date information on a large range of health topics such as heart disease, diabetes, malignancy and many other problems. By giving the public access to these sites, it improves the extent and reach of public health programs and thereby hopefully cuts down the cost of dealing with preventable problems in our health system.

All the information on the HealthInsite is subject to a rigorous quality assurance process and is assessed by medical experts and consumer representatives. Doctors themselves have access to similar information,
which provides a solution to the difficulty doctors in isolated areas have of keeping up to date with the latest medical information. It means that doctors living in remote locations can now have access to the very latest views on various conditions and can keep themselves well informed.

A very good example of the way videoconferencing can be used for postgraduate education in medicine is the monthly teleconferences conducted by the Western Australian Centre for Remote and Rural Medicine. The WACRRM service in Western Australia provides a monthly teleconference which goes out to every hospital in Western Australia where the local doctors are interested in participating. The conferences always have a theme—they are about some particular aspect of medicine. The WACRRM providers in Perth have specialists in that field who either present cases or present a video on an issue. Then they have an interactive discussion with the doctors in rural Western Australia, which might go on for several hours. That is a very good practical example of how telemedicine is bringing benefits to doctors in regional areas and improving health services in regional Australia.

There is no doubt that telemedicine is a system which has the potential to deliver major cost savings to consumers and governments in terms of the provision of, and access to, health care. The cost benefits to patients in rural and remote areas are obvious when we think about it, with less need for transport to city hospitals, a reduced need to travel to major centres for specialist consultations with all the expense that entails—the travel costs, accommodation, loss of income and so on. In Western Australia and around Australia there is the patient assisted travel scheme, which is now funded through the state governments but which used to be funded through the federal government. Quite obviously, with telemedicine, the cost of PATS for people in remote areas will be substantially reduced.

If, for example, a patient with some sort of rash can be seated in front of a videoconferencing unit and a dermatologist in Perth can have a look at it and say exactly what the problem is and recommend a treatment program or if a patient, for example, has a foreign body in the eye or some other problem with his eye, there are now slit lamps which can be set up with a small camera in them and the picture of the eye transmitted in direct real-time to an ophthalmologist in a major teaching hospital—in my experience in Perth, but anywhere in Australia—and the condition can be assessed by the ophthalmologist and a decision made as to whether or not that person can be treated locally or needs to go to a metropolitan area.

A doctor in Port Hedland who has a major interest in occupational health has established a telemedicine facility in his practice, which is used very largely to assess workers compensation type injuries arising from the BHP plant in Port Hedland. The potential saving to the mining industry of having telemedicine centres set up in remote mining locations, where it is possible for a patient to be assessed by specialists in various fields at long distance, is enormous. The cost savings to the mining industry have been estimated in the millions and millions of dollars, when one takes into account the saving in lost work time that is involved when a patient is evacuated from a remote mining location and taken to a specialist in the metropolitan area. Often that time need not be lost if a specialist is able to look at the injury or the eye and recommend action to whoever is responsible for the medical treatment of the worker at the mine site, and in that way there are vast savings to be achieved.

A Queensland telemedicine trial under way provides a very concrete example of the sorts of patient cost savings that can be delivered. Since 1997 the Children’s Nutritional Research Centre at the Royal Brisbane Hospital has been conducting virtual clinics in Mackay, Townsville, Cairns and Mount Isa. As a result, during the first 200 virtual clinics some 900 kilometres of travel and 13 hours of family dislocation have been saved per patient, as have 20 air transfers and the prevention of a significant loss of income per person. Results of the trials have revealed that some 76 per cent of patients gain access to specialists sooner, with a majority believing the care they received was as good as a face-to-face consultation.
A further possibility offered by telemedicine, which is somewhat controversial, is the possibility of electronic lifetime health records, as envisaged by Health Online. But, of course, there are issues of privacy and confidentiality surrounding electronic health records, and concerns have been expressed that records held in electronic form will not be sufficiently secure. Patient records often contain highly personal and sensitive information and there is a need to ensure that, if this kind of service is provided, patient confidentiality is utterly secure.

Other problems related to the expansion of telemedicine services include, for example, current registration practices, because as things stand medical registration is on a state by state basis. Yet with telemedicine, of course, state boundaries become somewhat irrelevant, in that a person can be assessed in a telemedicine centre, we will say on a remote mining location in the Kimberley, by a doctor in Sydney or Melbourne, yet those doctors will not be registered in Western Australia. That becomes an issue in terms of the legality of any advice given and one presumes any liability arising from any malpractice or a bad outcome. This also raises the question of whether there should be special registration requirements for doctors who intend to incorporate telemedicine in their practices, and that is perhaps something which could be looked at by the council of Australian health ministers. (Time expired)

Nursing Homes: Accreditation

Senator CHRIS EVANS (Western Australia) (1.45 p.m.)—I wish to address some remarks today towards my growing concerns about the crisis in aged care as the deadline for the government’s new accreditation system comes upon us. From 1 January 2001, all aged care facilities will have to be accredited to the Commonwealth standards or risk losing funding for the residents they provide care for. Clearly any of those facilities that lose funding would effectively be forced to close, because the Commonwealth pays the vast majority of aged care costs of those facilities. The industry and a range of consumer and other groups in society have raised concerns about the management of the transition to the introduction of these new standards.

There is growing concern that the introduction of the new standards will see a significant number of nursing facilities close. It has been estimated that more than 10 to 15 may close in Victoria alone as a result of their failure to comply with those new standards. I want to raise concern today because of the absence of any effective management plan to manage the transition to the new standards and to deal with those providers who cannot or will not meet those new standards. They may well be forced to close their doors on 31 December 2000 or some time between now and then. What I want to know is what plans are in place to ensure the safety and protection of the residents of those nursing homes during that period if these closures are forced upon the providers.

As I say, I think it is likely that at least 15 facilities in Victoria alone are not certified and will not be certified by the end of the year. On top of those uncertified homes, approximately 100 nursing homes have not yet submitted complete applications for accreditation. That is 10 weeks after the deadline for submitting applications. Many of those 100 facilities have indicated that they are uninterested in gaining accreditation and intend to close down in the next six months or so. So we are talking about a significant number of nursing homes. Many of those have between 20 and 80 residents, so thousands of elderly, frail aged Australians living in nursing homes will potentially be affected by the inability of those homes to meet the standards.

It can take up to two years after a facility closes down before its bed licence becomes operational again in a new facility. It is not a question of just transferring those licences to somebody else and opening up the next day. If there was ever any need for evidence of that, Riverside Nursing Home proved it most conclusively. We had the trauma and the turmoil of the treatment of those residents. We know for a fact that three months after their transfer from Riverside, three or four still had not found permanent alternative accommodation. Victoria will be hardest hit because it is likely to see the highest number of closures and has the greatest shortage of beds. We need to see a national plan that manages the transition to these standards and deals with
the industry in a holistic way in the lead-up to these deadlines.

As nursing homes close down, they will pull out of the system hundreds of nursing home beds, adding to what are already very serious shortages. It seems inevitable that some residents will be left without a bed and without alternative suitable accommodation. That will put enormous pressure on them and their families. We need a management plan now. The industry has been calling for it for some time. I have raised these issues at Senate estimates and I am most concerned that the government does not seem to have a clear management plan in place to deal with this looming crisis.

The government has already put in place a small number of fairly minor initiatives, but there is no evidence to suggest that a proper management plan dealing with the seriousness of this looming crisis is in place. An aged care crisis plan must be developed. It should identify those facilities not likely to meet certification or accreditation standards; it should involve consultation with the residents and their families who are likely to be affected by the closure of facilities over the next six months, ensuring they are fully informed and involved; it could help to identify spare capacity in the aged care sector that could be quickly brought online ahead of schedule; it could involve state governments in what arrangements they might be able to provide in assisting with alternative accommodation; and we should clearly be involving the peak provider bodies in this process to use their expertise and resources.

In Victoria alone in February there were 35 uncertified facilities, representing the majority of uncertified facilities in this country. Of those 35, industry sources advise me that approximately 10 to 15 appear unlikely to gain certification in the remaining six months. An uncertified facility is ineligible for accreditation. From 1 January next year, these facilities will no longer receive their Commonwealth subsidies and the residents will be thrown into a very uncertain position with no guarantee of ongoing care being provided.

The concerns are heightened by the shortage of residential aged care beds that already exists, particularly in Victoria. Under the Howard government, in Victoria the ratio of beds to those aged 70 and over has fallen significantly to the current level of 81.4 beds per thousand. That compares with the government’s target of 90 beds. Already this represents a shortage of more than 3,600 residential aged care beds in Victoria alone. Not surprisingly, therefore, the waiting time for people entering nursing homes has increased dramatically over the last 2½ years. In Melbourne, the percentage of people finding a nursing home bed within two weeks has fallen from 51 per cent in 1997-98 to just 32 per cent in the six months to December last year. Even more worrying is that the percentage of people finding a bed within three months fell from 96 per cent to 83 per cent. That means one in five people are still looking for a bed after three months; that is, three months in which the family is desperately trying to find suitable accommodation for a relative who has been assessed as being in need of high-level care. Some regions are worse off than others. In the western suburbs of Melbourne just 19 per cent of people can find a nursing home bed within two weeks and one in four are still looking for a nursing home bed after three months. Given the acute needs of these people and the distress it can cause to family, that is totally unacceptable. Waiting times in rural areas have grown at a similar rate. Occupancy rates in these facilities are close to 100 per cent, with families struggling to find facilities with empty beds or even relatively short waiting lists.

The possibility of having 10 or more nursing homes close down over the next six months will severely compound the shortage and really exacerbate the personal tragedy affecting residents unable to find a bed. The closure of Riverside shows what happens when just one nursing home is closed down. Residents were still looking for beds three months later and the stress that process puts on the residents and their families is often unbearable. We have to make sure that proper arrangements are put in place to ensure continuity of care. I am not convinced that has been done. The industry is saying to me it has not been done. The government has not consulted with the sector properly about what needs to be done. Through its continual fail-
ure to provide enough residential beds and then imposing the deadline of 1 January, the
government has accepted responsibility for the problem. It must accept responsibility for
the solution and putting in place a plan. The minister so far has refused all the calls to
make sure that those plans are in place.

People in the sector are already reporting
that residents have been shunted from facility
to facility, that some facilities have closed
down, and the only facility that has a bed is
often one that is similarly placed; that is, one
that is likely to close. That has significant
implications for residents’ care. Loss of the
continuity of care causes great distress to
them and can make it very difficult for the
families, particularly if the person ends up in
a facility a long way from their home. The
minister must, as a matter of urgency, ensure
there is a proper plan in place to make sure
that permanent beds are available for all resi-
dents affected by closures brought about by
the new standards. I think that perspective is
supported by everybody I have spoken to in
the industry and it reflects a growing concern
about the lack of government action. Not
only are families and the residents them-
selves affected but, as we saw at Riverside,
there are significant employment conse-
quences as well. The staff at Riverside lost
their jobs and did not receive their full enti-
tlements. That is what happens when there is
not a proper plan in place or proper manage-
ment of the process. It will be too late in two
or three months time when a few nursing
homes close for people to try to seek action.
We need action now; we actually needed it
some months ago.

Another aspect of the looming aged care
crisis is the delay in the agenda for accredita-
tion of facilities. As at 7 June, the Standards
Agency had accredited only 718 facilities.
That represents less than a quarter of the
number of facilities that must be accredited
by 1 January 2001. It means that in the nine
months since the accreditation system began
only 718 facilities have been accredited,
leaving the remaining 2,260 to be accredited
within the next six months. This will require
the agency to have to accredit 78 facilities
every week to the end of December. To date
it has managed to accredit, on average, 18
facilities per week. You have only to look at
the agency’s web site to see a plea for extra
staff. They just do not have the capacity to do
the job and the deadline is looming. What is
even more concerning is that in the effort to
get accreditation in place the whole focus of
the agency has been moved onto accredita-
tion at the expense of standards monitoring.
We think the problems at Riverside and other
nursing homes are the direct result of the
government taking its eye off the ball in
terms of the standards monitoring role. That
is why there were not any surprise inspec-
tions. All the effort has been put into ac-
creditation. They will struggle to meet the
deadline but at the same time the standards
monitoring role has been downgraded as they
try to meet their self-imposed deadline. The
recent budget provided for 10 more staff but
it is a totally inadequate response to an
emerging problem. There will be serious
concerns about the standard of the accredita-
tion process if too much pressure is put on to
accredit thousands of facilities in a hurry
when the whole object of the exercise was to
ensure a lift in quality. I am not sure that
quality will not be risked in the rush to ac-
credit facilities to meet the deadline.

All these things indicate that there is a real
problem emerging in meeting the govern-
ment’s deadline for certification and accredi-
tation of aged care facilities. We all support
the attempt to lift standards and the drive for
improved quality of care for older Austra-
lians, but we have to manage the transition to
those new standards. There is no evidence
available that I can see that establishes we are
managing that transition properly. It is not
good enough for the government to reassure
people that it will be all right. The industry is
saying to me that there is a problem, a crisis
is looming, nursing homes will close, resi-
dents and families will be affected and that
we need some action. We need an aged care
crisis management plan in place now to pro-
tect the residents and pick up the issues of
certification, accreditation and the potential
closure of facilities and ensure continuity of
good quality care for all the residents who
may be affected. We do not want to see any
more Riversides or the need for knee-jerk,
short-term responses that really hurt residents
and deny them the quality of care they de-
Wednesday, 21 June 2000

serve. We need a proper management plan. The aged care crisis must be addressed in a systemic, holistic way and plans must be put in place well before the deadlines hit the industry.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Information Campaign

Senator Murphy (1.59 p.m.)—My question is directed to the Assistant Treasurer, Senator Kemp. Can the minister confirm that the government has commenced a householder distribution of material promoting the GST, including a letter from the Prime Minister? Is the minister also aware of the contents of the legal advice provided by the Government Solicitor to the Taxation Office on 19 May this year, which states at para. 15:

... the Commissioner and his office should not participate in the distribution of overtly political material, such as material criticising opponents of the new tax system.

Isn’t the Prime Minister’s letter in blatant breach of this legal advice, containing as it does blatantly political propaganda, such as the section titled ‘Why we need to break away from the old tax system’? Wouldn’t this material be more appropriately paid for from a political party advertising budget?

Senator Kemp—It is just an extraordinary question. In answer to the first part of your question, I think it is correct that the mail-out has commenced. If that is not correct as yet, I will make sure that you are informed of that, but my understanding is that the mail-out has commenced. Senator, I do not know whether you fully understand. If that was what you described as a political statement, you should be aware that your own party now believes that. This is now bipartisan policy. Correct me if I am wrong, but is it correct or not that Mr Beazley has indicated that the GST will not be repealed? Is that correct? I would really ask the Labor Party—I have challenged them in a number of question times—to stand up after question time and tell me if I am wrong. I am saying to the Labor Party and to anyone who happens to be listening to this that Mr Beazley has indicated that the GST will not be repealed. So, Senator, the GST is your policy now, as it is our policy. He said that the Labor Party is considering a roll-back in a number of areas, but the substance of the case is that the Labor Party has signed on to the GST. That is why we are seeing a classic example of the politics of deceit.

Senator Faulkner—Madam President, I raise a point of order. I draw your attention to the fact that Senator Kemp is not even attempting to answer the question that was asked by Senator Murphy, which went to whether the minister was aware of the contents of legal advice provided by the Government Solicitor to the Taxation Office. The further question Senator Murphy asked was in relation to whether the Prime Minister’s letter was a blatant breach of that legal advice. They were the questions that were asked. The minister is just raving and ranting, and I would ask you to draw his attention to the question and direct him to answer it. If he cannot answer it, he ought to sit down.

The President—There is no point of order. The minister is dealing with the issues raised in the question. He may not be dealing precisely in the fashion that you want or in the areas you wanted, but I cannot direct him as to how he does that.

Senator Kemp—Let me say that Senator Faulkner was clearly off the mark. It was not a point of order. In relation to the first part of the question I said that I understood that the mail-out had commenced, and I said that is if that was not the case I would come back and inform the good senator. In relation to the second point—whether this was blatant political material—if I remember correctly, Senator Murphy then quoted an extract. I responded that I did not see that at all as blatantly political material.

I made the very important point—and this is why the point of order was taken, because the one thing the Labor Party hates is to be reminded of this—that the Labor Party is indulging in the politics of deceit. The reason it is indulging in this is that the Labor Party has signed on to the GST. It is pretending to the public that it has not. As a consequence, day after day we get members in the other place and senators in this chamber standing up and complaining about this and that, and then when they are asked the critical ques-
tion, ‘Does this form part of the roll-back?’ the answer always is, ‘We can’t say that at this point in time. We cannot say that.’ The truth of the matter is that the Labor Party is refusing to back up its complaints.

The reality is the Labor Party has now signed on to the GST. The public should know that. The public should know that this is the politics of deceit. Let me tell you that the Prime Minister is posting out material. His covering letter involves information on material about the new tax system. As I have said before, it is important for the public to be informed about this. It is a very big change in the system. It is probably the biggest change in 100 years. It is one which the public should know the Labor Party has now signed on to. (Time expired)

**Senator MURPHY**—Madam President, I really have to ask a supplementary question, because I would hope that on this occasion the minister might turn his mind to the question that I originally asked, which went to the legal advice and the question of whether the Prime Minister’s letter was in breach of that legal advice. But, Minister, is it not also the case that the glossy brochure included with the Prime Minister’s letter is simply an expensive colour version of the newspaper advertisements which have been assaulting the senses, and commonsenses, of the Australian public? Given the overtly political nature of these taxpayer funded advertisements, does this not add weight to the claims that this entire mail-out to every household in Australia is both unlawful, according to the government’s own legal advice, and a grossly improper use of taxpayers’ money?

**Senator KEMP**—The answer is no and no. The truth of the matter is it is an entirely proper use of taxpayer money to inform the public about the new tax system.

**Senator Murphy**—Have you read the letter?

**The PRESIDENT**—Order! Senator Murphy, you had a minute in which to ask your supplementary question and, if that was a part of it, it should have been included then, not shouted out during the minister’s answer.

**Senator KEMP**—Unfortunately, Senator Murphy’s behaviour is occasionally quite appalling, and we have had just had another example of that. Let me make the point that certainly the Labor Party has signed on to the GST. What is making a lot of people nervous is that it does not seem to have signed on to the tax cuts. I hope that, after question time, Labor senators will clarify that.

**Senator Faulkner**—The more you talk about the GST, the better. You just keep talking about it!

**Senator KEMP**—Senator Faulkner interjects. Senator Faulkner, it will dawn on the public that your party has signed on to this.

**Tax Reform: Families**

**Senator GIBSON** (2.08 p.m.)—My question without notice is to the Assistant Treasurer, Senator Kemp. Minister, with the introduction of the new tax system, will you outline the benefits of the $12 billion of personal income tax cuts it 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 Herron**—That was a particularly good question.

**Senator KEMP**—Can I echo the comments of my colleagues that that was a particularly good question, Senator Gibson. But it is not surprising to get a particularly good question from Senator Gibson. In just 10 days the coalition government will deliver the largest personal income tax cuts in Australian history.

**Senator Forshaw**—Coalition? Where’s the National Party? They’re not here. Opposition senators interjecting—

**Senator KEMP**—Most of the public would have thought that this is good news but when one makes this comment the Labor
Party, as you can hear, shout out. They are obviously embarrassed by it.

The PRESIDENT—Order! The noise on my left is so loud that I am having difficulty hearing the minister.

Senator KEMP—The $12 million in tax cuts will flow through to individuals and families. In fact, some 80 per cent of salary earners will face a top marginal rate of around 30 per cent. This is in stark contrast to the Labor Party’s income tax scale which would have seen workers on average weekly earnings pay tax at the top marginal rate in just a few years. Of course, that would have provided a significant disincentive to save.

Senator Cook has gone on record in the past—I do not often quote Senator Cook in this chamber, and that is probably well known—with a couple of very famous quotes. I will not mention the most famous one, Senator Cook, out of deference to you. One of his most famous quotes is this: ‘I confirm that the Labor Party is a high tax party.’ Senator Cook did say that, and Senator Cook is dead right. He is absolutely dead right on that one. The Labor Party is a high tax party. And this throws into context why the Labor Party refuses, when asked the question—I think Mr Beazley has been asked this question some 30 times; I have posed this question in this chamber on numerous occasions—whether the Labor Party guarantees the income tax cuts that we will be delivering to Australian taxpayers on 1 July—

Senator Conroy—Where’s Benalla? That’s the only question you have to ask.

Senator Forshaw—Who’s been out rounding up the Nationals?

Opposition senators interjecting—

The PRESIDENT—Order! There is far too much shouting in the chamber. It makes it difficult for everybody to hear. I think all senators are aware of the contents of standing order 203. If not, I invite you to re-read it.

Senator KEMP—As I was saying, the tax cuts will deliver to many Australian families benefits in the order of $40 to $50 a week. These are very big benefits. They will be welcomed by Australian families. I think the question that Australian families will be posing, probably in the light of Senator Cook’s comment about the Labor Party being a high tax party, is whether the Labor Party will ensure that it is part of its own policy as it goes to the next election that it guarantees those very large tax cuts to individuals and to families. I believe it is very bad news that the Labor Party is not committing itself to the tax cuts. In light of the many questions people are asking on tax these days, I think it is important that we get some clarification from the Labor Party on this very important aspect. The government is very proud of these tax cuts. The government makes no apology for cutting taxes. There is a clear difference between this government and the Labor Party. We are a low tax government and, as Senator Cook says, the Labor Party is a high tax party.

Goods and Services Tax: Information Campaign

Senator FAULKNER (2.13 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the Government Solicitor’s legal advice of 19 May advises at paragraph 15 that:

In so far as the distribution of material fell within the legitimate role of the Commissioner and his office, it would be useful if the material were identified in some way with the ATO, e.g. distributed in envelopes which indicated the material was sourced from the ATO.

Can the Assistant Treasurer inform the Senate why there is no identification either on the letter or on the outer cover that the material that has been referred to in Senator Murphy’s question had been sourced by the tax office as advised by the Government Solicitor?

Senator KEMP—This is the usual attack by the Labor Party on an information campaign designed to inform the Australian public about the new tax system. The government is confident, as always, that it acts according to proper legal proprieties. If Senator Faulkner does not like people being properly informed about the new tax system, that is a pity because I think most of the public do want to know what is happening in relation to taxes. They do want to be informed about the way the new tax system will work; they do want to be informed about tax cuts that they
will be receiving. They want to be informed about this information.

Equally, Senator Faulkner—just before you jump to your feet again—they would very much like to be informed about the Labor Party policy in a number of critical areas. Those critical areas I think we can effectively identify as the Labor Party's policy on income tax cuts—that is what the public want to know—and the Labor Party's policy on the very substantial, effective cuts being given to diesel excise. They would very much like to find out the Labor Party policy on those critical areas. I know that many Labor Party senators who have an interest in rural areas would be very interested to find out exactly what the Labor Party policy is there.

Senator Faulkner—I rise on a point of order. My question was a very clear one to the Assistant Treasurer. I asked if he could inform the Senate why there is no identification, on the outer cover of the material and including the Prime Minister's letter, that it had been sourced by the tax office—as advised by the Government Solicitor. That is my question. I believe that, if as usual this minister is incapable of handling serious questions asked of him, he should sit down. He should not be allowed by you to rave on in this manner.

The PRESIDENT—My impression was that the minister had referred to the question of the legal advice—although, obviously, not to your satisfaction—

Senator KEMP—Senator Faulkner, I might say, as usual does not—

The PRESIDENT—are you speaking to the point of order, Senator?

Senator KEMP—Oh no; I will just respond to the question.

The PRESIDENT—There is no point of order.

Senator KEMP—Again, we have had two points of order from Senator Faulkner today, wasting time in question time—and both of them were duds. Senator Faulkner, perhaps you might like to look at the back cover of the publication you are referring to. I think I am right in saying this, as this has been passed to me by Senator Ellison. It says, ‘Authorised by the Commonwealth Govern-
Senator ALSTON—Senator Eggleston is very much aware, as are most Australians, that we have a very impressive scorecard. He is quite right in pointing to the declining level of industrial disputation, down 11 per cent in March, and to the unemployment rate, down to 6.7 per cent, the lowest in a decade. There are a lot of very significant improvements. Certainly, the fact is that low income earners now have had a very significant increase in their real wages under the coalition government, to the tune of about 9½ per cent, as compared to the some five per cent reduction under the Labor Party. Remember that they used to boast about that, because that was the way they could get inflation under control—to take it out on the workers, who were actually pawns in a wider, and ultimately failed, economic game.

Probably the most significant achievement in recent times was the decision by the High Court to uphold the validity of the government’s workplace relations legislation in relation to award simplification. This, of course, came before the court as a result of an application by the CFMEU, who are officially represented in this chamber by Senator Murphy. The court found that the government was perfectly entitled to proceed down that path. Award simplification not only reduces paperwork on the part of small businesses but allows a lot more flexibility in the workplace; and of course, 68 per cent of women in the work force are now able to take advantage of much more flexible working arrangements. But do we expect the unions to comply with that latest decision? Of course we do not. I had the pleasure—or the misfortune, I suppose—of sitting in the estimates for workplace relations and hour after hour copping the implacable hostility of people like Senator Collins who hate every reform with a passion and who were clearly just reading out questions that have been ground out by the trade union movement and that make it abundantly clear that every reform will be rolled back. The trade unions have their agenda, and it is going to be delivered on in spades by this crowd—if they ever get the chance.

You have only got to look at some of the comments of people like Dean Mighell, who said recently that the reason unions are affiliated to the ALP is to have the ability to implement political outcomes in the interests of members. I did a quick check to see who represented the Electrical Trades Union in this chamber, because they are basically all represented here, as we know, in one form or another. But what did I discover? This is one of the few unions that do not have representation in the Senate. I suppose you have got to take it that this is basically Dean Mighell’s job application. He is showing how tough he can be. In fact, he is the guy that once said, when asked whether he was going to attend a meeting with Steve Bracks, ‘Why should I? He is only the Premier of Victoria.’ In other words, he shows complete contempt for the democratic process.

Senator Lightfoot—Madam President, I rise on a point of order. There are at least four independent meetings going on in the opposition at the moment. It is most unseemly, it brings disrepute to this chamber, and I would ask you to enforce the standing orders with respect to that.

The PRESIDENT—There is no point of order.

Senator ALSTON—It is instructive to notice that there is an emergency meeting convened of the ‘sandpit club’ whenever they all want to bury their heads in the sand and do not have an answer to the fact that the trade union movement controls this outfit, lock, stock and barrel—the crowd that gave them $100 million between 1983 and 1995 and that they will do it all again next time around. As John Ducker said recently: ‘Being in government is simply the icing on the cake as far as the union movement is concerned.’ Laurie Oakes described Mr Beazley recently as a waffler, but I think what Australians are really concerned about is that this guy is a bigger jelly back than anyone else who preceeded him in the Labor Party. That means rolling over to the unions on every count. The writing is on the wall: it is quite clear that dramatic progress has been made in industrial relations reform and none of it is going to be accepted by this crowd. When they come to the next election they will make it crystal clear, as Mr Beazley did only a few
weeks ago, that whatever the unions want they will get. (Time expired)

Goods and Services Tax: Fuel Excise

Senator MACKAY (2.24 p.m.)—My question is to Senator Macdonald representing the Minister for Transport and Regional Services. Is Mr Howard correct in claiming, as he does in his non-personalised letter to householders on the GST, that ‘there will be a reduction in the cost of transporting goods to and from regional areas when diesel costs for heavy road and rail transport come down’? Or is the National Association of Road Freight Operators correct in claiming that truckers will not be passing on the benefit of the diesel fuel excise cut and that, if possible, the industry will in fact be increasing freight rates? See if you can answer that one, Minister.

Senator IAN MACDONALD—I very much thank Senator Mackay for that question. It is the second question I have received from her this century, and I am delighted with it. It is quite clear that the transport industry will do very well out of the goods and services tax, as we have said on a number of occasions. I am particularly delighted, representing regional areas within the government, at the great concessions that have been given to transport—the significant concessions that have been given to transport moving into and out of rural and regional Australia.

We have explained a number of times to members of the Labor Party that the concession in reduction of the fuel excise will be a tremendous boost to rural and regional Australia. Currently, the excise is around 44c a litre. Senators will recall when it used to be 7c or 8c a litre. The Labor Party then got to power and, in their 13 years, increased the fuel excise from 8c a litre to 44c a litre. And all of that went into the general revenue; it was not spent on roads. In fact, they got rid of the road safety black spots program, a project that all Australians liked. The Labor Party got rid of that and just ripped off the motorist—as they are trying to do in Queensland at the moment. It seems to be typical of the Labor Party that, where they can, they rip off motorists, particularly motorists in rural and regional Australia. They are doing it in Queensland at the moment, and they did it federally right across Australia in the 13 years of Labor government.

Under the Howard government the cost of diesel for heavy transport is being reduced from 44c a litre to around 23c a litre. That is a huge saving, and it means that transport operators will be able to get goods out much more cheaply. As well as that, under the Labor tax system—that is, the tax system they used to have before they signed on to the GST—they were charging 22 per cent wholesale sales tax on tyres, on parts and on motor vehicles. All of that added to the cost of transport in rural and regional Australia.

Senator Mackay—I raise a point of order, Madam President. This minister is failing to answer the question. The question was: is the National Association of Road Freight Operators correct in claiming that truckers will not be passing on the benefit of the diesel excise cut and that, if possible, the industry will in fact be increasing freight rates? That was the question. Can the minister please try to answer it this time?

The PRESIDENT—There is no point of order.

Senator IAN MACDONALD—Again, I have learnt from sad experience, as most of my colleagues have, that you would never unconditionally accept allegations from the Labor Party of what other people say. I have not seen this particular representation; they have not made it known to me. I really cannot comment on what Senator Mackay says some other people might be saying. What I can comment on is the first part of her question; that is, explain the Prime Minister’s quite obviously correct assertion that the new tax system will be great news for those of us who live in rural and regional Australia. Most of the Labor senators live in the capital cities; it is not so important there to have this reduction in transport costs. But for those of us—and there are a great many of us—who live and work in rural and regional Australia, who rely on heavy transport to get goods out to us and also rely on heavy transport to get the goods we produce down to the wharf to be exported overseas and to earn money for Australia, this system cuts the costs of our exports and makes them much more saleable.
overseas, which means more jobs for rural and regional Australia. *(Time expired)*

**Senator MACKAY**—Madam President, I have a supplementary question. Has the minister checked with his National Party coalition colleague Senator Boswell on the veracity of the report in *Inside Canberra* of 16 June that Senator Boswell has accepted the case put by the truckies that freight rates have not kept pace with the increase in running costs and that the National Party is ‘resigned’ to the reality that there will be no reduction in freight rates by long-distance truckies serving regional and rural areas?

**Senator Boswell**—I never said that.

**Senator Conroy**—You know it’s true, Bos.

**The PRESIDENT**—Order! The question is from Senator Mackay to Senator Macdonald, and other senators should not be attempting to answer it.

**Senator IAN MACDONALD**—Rather than relying on Senator Mackay or the publication that she quotes, I would rely on Senator Boswell’s interjection that he did not say that. Senator Boswell, I might say, has been a great advocate for rural and regional Australia, and in his role as Parliamentary Secretary to the Minister for Transport and Regional Services he is again helping rural and regional Australia work through these issues. The facts are quite clear. There are substantial reductions in the costs of delivering goods to rural and regional Australia—costs that escalated dramatically under the Labor Party and which the Howard-Anderson government is reducing dramatically. I thank Senator Mackay again for those questions. It was not my turn today. It was not a Dorothy dixer from my side today, but I appreciate Senator Mackay giving me the Dorothy dixer from the other side.

**Lucas Heights: Nuclear Reactor**

**Senator STOTT DESPOJA** (2.31 p.m.)—My question is addressed to the Minister for Industry, Science and Resources. Can the minister confirm the estimated cost of the Lucas Heights replacement reactor proposal? Can he confirm reports that the cost of the reactor is now estimated to be up to $580 million—approximately twice the originally cited amount of $280 million? What is the likelihood of further cost blow-outs for the preferred tenderer, INVAP, considering their questionable safety record, in particular in relation to constructing comparable reactors such as the one in Egypt, the ETRR-2 reactor? Will safety be a secondary consideration when trying to stick to such an arbitrarily constructed budget?

**Senator MINCHIN**—I thank Senator Stott Despoja for her question because it gives me an opportunity to clarify the facts on this matter. In response to an FOI request from the Sutherland Shire Council, the Department of Finance and Administration released a number of documents about a fortnight ago. One of those documents has been used by the council to claim, in what can only be regarded as an incredible beat-up, that the true cost of the new reactor is double what the estimate is. That is completely untrue. The document referred to is a working document from an early stage of the cost estimation process. It included estimated costs, such as $94 million for the construction of a waste processing plant, which the government had rejected. The government rejected the request from ANSTO for $94 million for the construction of a waste processing plant. These documents included $36 million for decommissioning the current reactor. Whether you have a new reactor or not the old reactor has to be decommissioned, so the cost is independent of the cost of a replacement reactor. A further $17 million was included for transporting spent fuel rods, and that cost was actually for spent fuel from the existing reactor. So the cost of the replacement reactor remains the $286 million in 1997 dollars that was originally allocated for the project. That figure has been endorsed by DOFA, which made its own estimates of the costs independently of my department and of ANSTO. It will be a fixed price, lump sum contract set at—

**Senator Schacht**—It is a government instrumentality in Argentina.

**Senator Bolkus**—Why do you want to stop the process?

**The PRESIDENT**—Order! There are senators interjecting who ought not to be
doing so. I would remind you that persistent interjecting is disorderly.

Senator MINCHIN—I repeat that the contract is a lump sum, fixed price contract at no more than the $286 million in 1997 dollars originally agreed by cabinet. It cannot be exceeded and will not be exceeded, and the project will remain within budget. It is just an idiotic, cheap political exercise by the Sutherland Shire Council to rely on early working documents without ever checking with the government about the veracity of those documents.

Senator STOTT DESPOJA—Madam President, I have a supplementary question. I thank the minister for his answer and ask for clarification. Given that the working document estimation to which he referred included a figure for waste storage and the government has apparently rejected this figure, isn’t the approval under the ANZFA Act of the reactor contingent upon the inclusion of specific design details, including management provision and waste storage? If those figures to which you referred do not include waste storage, Minister, will you have to consider a new amount to spend on the new reactor? If you are not prepared to increase the budget for this reactor if required, I ask again the question: will safety be a secondary consideration when you are trying to stick to this budget, which is clearly arbitrarily constructed?

Senator MINCHIN—That is just a stupid assertion. The bidders were all told what the budget for the project was. This is a project which is in the national interest. It is a major piece of science infrastructure for the nation. All the tenderers were told what the budget for it would be and were required to meet that budget. We have accepted a tender which is within that budget. The $17 million I mentioned for transporting spent fuel rods is for transporting spent fuel from the existing reactor. It is not about the new reactor. Waste management has been provided for in relation to the new reactor.

Senator Bolkus—Where are you going to take the waste?

The PRESIDENT—Senator Bolkus, it is not appropriate for you to be shouting questions across the chamber.

Goods and Services Tax: Beer

Senator GIBBS (2.36 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister advise what the government’s response is to the ongoing campaign of the Australian Brewers Association to draw attention to the Prime Minister’s broken promise than beer would rise by only 1.9 per cent under the GST? Does the government intend to attack the problem or simply continue to attack the messenger?

Senator KEMP—What is the government’s attitude to the ongoing campaign by the brewers? The government’s approach to that campaign is that it is an absolutely disgraceful campaign. I do not know whether I can be more frank than that. It is based on a misrepresentation—to put it politely—of what the Prime Minister said. The government was always up front with its commitments in this area. I suspect the public will want to know whether beer prices are part of the Labor Party roll-back. The Labor Party has a few things on the old roll-back front these days. It will be interesting. It is not appropriate for a minister to ask a question in question time, and I will not be doing that. But I was very frank about the government’s position on this. My colleagues and I would be interested to hear Senator Gibbs be equally frank about the Labor Party position on this. I implore you, Senator, to ask me a supplementary question and, as a preamble to the supplementary question, could you just make that clear? Seeing as I have been so frank about our position on beer prices, would you be equally frank on the Labor Party position? I ask my colleagues, through you, Madam President, to listen very carefully to what Senator Gibbs says to see whether beer prices are the high priority roll-back that the Labor Party is saying they are.

Senator GIBBS—Madam President, I ask a supplementary question. In light of that response, why is beer going to rise by eight to nine per cent under the GST when the Prime Minister promised it would rise by only 1.9 per cent?
Senator KEMP—I was hoping that, because I had been so frank with Senator Gibbs, this frankness and honesty would be reciprocated by Senator Gibbs. Could I ask some of my colleagues to stay behind after question time, because I think Senator Gibbs will be taking note of the answer to her question.

Senator Faulkner—Madam President, on a point of order: the Assistant Treasurer has been asked a very direct and very clear question by Senator Gibbs. It is perfectly reasonable for the Senate and for you to expect an answer from him.

Honourable senators interjecting—

The PRESIDENT—Order! That behaviour is out of order. The minister has 41 seconds left to deal with the question that he has been asked.

Senator KEMP—Indeed, I fully agree that Senator Faulkner’s behaviour is quite disgraceful. The many people who listen to question time would not appreciate the constant abuse which comes from Senator Faulkner during question time. It is quite unseemly. We have indicated that the price of a carton of full-strength beer need increase by only 1.9 per cent. That was the commitment that was made. That is the commitment which will be delivered. In Senator Gibbs’s mind, this is obviously a very big issue. I have stated the government’s position on this—

The PRESIDENT—Order! Minister, the time for answering—

Senator KEMP—and, Senator Gibbs, we will wait behind if you are taking note—(Time expired)

Senator Faulkner—Sit down, you idiot!

Senator Newman—Madam President, I rise on a point of order. The Leader of the Opposition in the Senate is accustomed to calling people idiots around here and to never being stopped. He brings the Senate into disrepute. In the years that I have been here, I have not known behaviour like the behaviour we have been subjected to over the last few years under the leadership of Senator Faulkner, who thinks anything goes in this place. This is the parliament of the people, and people outside are not all that impressed with the lack of leadership that is shown by a senator who purports to represent Her Majesty’s opposition in this country. Would you please make sure that he is constantly stopped for his misbehaviour.

Environment: Indigenous Lands

Senator FERRIS (2.42 p.m.)—My question is to the Leader of the Government in the Senate and Minister for the Environment and Heritage, Senator Hill. Would the minister please inform the Senate of the valuable progress being made by the coalition in working with Aboriginal communities to protect the high conservation values of indigenous lands?

Senator HILL—I thank the honourable senator for the question. She, as a senator, at least takes the parliamentary process seriously. As part of the Natural Heritage Trust, the Howard government and indigenous communities have been working together, through the Indigenous Protected Areas program, to expand and enhance the natural reserve system. Through the IPA program, indigenous land-holders are being supported to protect conservation and cultural heritage values on indigenous land across Australia. Since 1998, eight indigenous protected areas have been declared, enabling an additional 2.8 million hectares of indigenous owned lands to be managed primarily for biodiversity conservation.

The program is also currently supporting 26 active projects across all state and territory jurisdictions. These projects occur across a diverse range of environments, including tropical wetland and coastal estuarine systems in remote Arnhem Land and the Kimberleys, coastal rainforests in Queensland and New South Wales, spectacular desert ecosystems in Central Australia and unique islands in the Torres Strait and Bass Strait.

Nantawarinna was the first indigenous protected area and was declared in August 1998. It covers 58,000 hectares and is adjacent to the Gammon Ranges National Park and the northern Flinders Ranges of South Australia. Members of the Nepabunna community, which is near Leigh Creek, manage the Nantawarinna property and have undertaken significant on-ground works, including
fencing and revegetation; the development of infrastructure, including signage; and feral animal and weed control. Nantawarinna was among only three Australian winners of the United Nations Environment Program Global 500 Awards on World Environment Day, recognising the significant efforts and leadership of the Nepabunna community in managing the area as an indigenous protected area.

Yesterday, the government announced the latest addition to the Indigenous Protected Areas program. The Anangu Pitjantjatjara people of South Australia have declared 2.3 million hectares of their lands as indigenous protected areas. The lands will be managed in partnership with the Commonwealth and South Australian governments for the protection of the area’s unique biodiversity and cultural heritage values, and for that they should be congratulated. The newly declared indigenous protected areas include part of the magnificent Birksgate Ranges and have one of the highest diversities of reptile species found in the world. The two areas, known as Watarru and Walalkara, will be managed by traditional owners as part of the national reserve system in accordance with internationally recognised protected areas management standards and guidelines.

This government respects the unique contribution the indigenous people of Australia can make to addressing contemporary environmental issues. Through the Indigenous Protected Areas program, we are demonstrating our commitment to a partnership with the indigenous community which is crucial to ensuring that a representative range of Australia’s ecosystems are protected.

Goods and Services Tax: Used Vehicles

Senator CONROY (2.47 p.m.)—My question is to Senator Minchin, the Minister for Industry, Science and Resources. Can the minister assure the Senate that the new scheme for imported used vehicles that he has announced will not be changed? Can he also clarify who is now handling this policy? Is it true that the Prime Minister has taken it over and is reviewing the issue? Is this a consequence of the minister’s colleagues being disgusted at his handling of the issue, referring to him as a disgrace, accusing him of lying to them, accusing him of not listening to them and accusing him of having a dismissive attitude towards their concerns and those of the small businesses involved?

Senator MINCHIN—As the shadow minister presumably knows, the Motor Vehicle Standards Act is the responsibility of the minister for transport, and the subject which he is describing revolves around amendments to that act which will be brought to the parliament in due course, and which I am sure the opposition will support. The government announced, as a result of input from the industry department—

Senator CONROY—Were you wrongly accused?

Senator Chapman—Yes, he was.

Senator MINCHIN—Because this issue does involve significant industry policy issues, naturally my views were sought in relation to this matter and I have been deeply involved in the consultations—

Senator Faulkner—Who did the accusing, Grant?

The PRESIDENT—Order! Senator Faulkner, don’t shout across the chamber.

Senator MINCHIN—I was deeply involved in the lengthy consultations that involved all stakeholders in resolving this matter. I think on 8 May a joint statement was made, following a cabinet decision and discussion with the relevant backbench committees—

Senator Conroy—Why do they call you a liar?

The PRESIDENT—Senator Conroy, it is your question and you should be listening to the answer.

Senator MINCHIN—Madam President, as I was saying, Minister Anderson and I made a joint statement, following the cabinet decision and discussion with the two relevant backbench committees, on the resolution of this matter following the review of the Motor Vehicle Standards Act. What we presented was a very fair and sensible review of this scheme, one that is strongly supported by the Federal Chamber of Automotive Industries in this country—

Senator Carr—Why did they call you a liar?
Senator MINCHIN—one that is supported by the Motor Trades Association—

Senator Carr—Why did they say you are a liar?

The PRESIDENT—Senator Carr, you are persistently interjecting.

Senator MINCHIN—and one that is supported by mainstream car dealers in this country. Naturally, because it does involve some restrictions on the enormous blow-out in imports of used vehicles mainly from Japan, the dealers involved—the importers of these vehicles—were disappointed with the government’s reaction. Nevertheless, we do believe what we have set in place is a very sensible new scheme—the Specialist and Enthusiasts Vehicle Scheme—which does appropriately allow for the import of these cars on a concessional basis after they have been properly inspected in registered workshops and satisfied the Specialist and Enthusiasts Vehicle criteria. The policy is a sensible one. We are discussing with the importers and with members of the electorates in which these importers are concentrated the transitional issues involved in moving to the new SEVS. I am sure those transitional issues can be resolved satisfactorily. While never expecting that the used vehicle importers will be totally satisfied, because it will involve some restrictions on the enormous growth that has occurred in this industry, I do believe it is fair and reasonable.

Senator CONROY—Madam President, I ask a supplementary question. Don’t these party room frictions demonstrate a new avenue for lobbying the government on industry and transport policy matters: stirring up the backbench until the Prime Minister takes over the issue? Has the minister called on his state colleagues Senators Hill and Vanstone to vouch for his honour and integrity?

Senator MINCHIN—That really is a very childish question and hardly worthy of an answer at all. I would have thought, just like the ALP caucus room, obviously we have good discussions and debates in our party room. I am proud of the fact that we have members who represent electorates very well, and they do bring to the party room the views that their constituents are expressing. They express them frankly, just as I am sure they do in the Labor Party caucus.

Oil Refineries: Quotas

Senator RIDGEWAY (2.52 p.m.)—My question is also addressed to the Minister for Industry, Science and Resources, Senator Minchin. Minister, in a media release on Monday you stated that the petroleum industry refiners and marketers needed quality assurance improvements in reporting. What action has the Department of Industry, Science and Resources taken to ensure that oil refiners, with applicable quotas under the Petroleum Retail Marketing Sites Act, adhere to their quotas?

Senator MINCHIN—The question from Senator Ridgeway relates to the matter I reported on publicly concerning the Mobil Oil company. I said in my release that Mobil had indicated to us that some of its returns provided under the Petroleum Retail Marketing Sites Act had been inaccurate. The company has provided a written assurance that its returns are now accurate and it has indicated that it is currently within quota, which we accept. But I have indicated that I am very concerned about the inaccuracies in Mobil’s reports. Section 11 of the sites act requires the companies to furnish accurate reports. Section 10 requires them to operate within their quota. Before I am in a position to determine what, if any, action should be taken, I need to have accurate information about the extent of the misreporting and consequent implications for compliance with quotas. Mobil is working to provide this information to my department on an urgent basis.

Once we have that information, and I get advice on an appropriate course of action, I will consider what action we do take. My responsibility is to consider whether proceedings should be taken against Mobil under the sites act. In doing that, I must take regard of several factors, including whether the misreporting was the result of a bona fide mistake, the extent of any breaches, past practice where breaches have occurred, the prevalence of breaches and the need for deterrence. I believe that we are handling this matter properly. I appreciate the fact that Mobil brought this matter to our attention and is working very closely with us to identify the
extent of the misreporting. I am pleased that the company is now in compliance with the act. I remind you that we do not believe this act is an appropriate piece of legislation. It is government policy to remove this act and replace it with the oil code that we have developed. But while this act remains in place, it is our responsibility to ensure that it is observed.

Senator RIDGEWAY—Madam President, I ask a supplementary question. I thank the minister for his answer. Minister, in light of the current situation involving Mobil Oil and its embarrassing breach of the sites act, how did Mobil operate over its limit for so long without the department apparently being aware? How can the department now be sure that all petroleum refiners named in the sites act are in fact operating within their quotas? Is the department abrogating its responsibilities in policing under the sites act in anticipation of the possible repeal of the act? Is the government intending to audit all other refiners to ensure compliance?

Senator MINCHIN—As I have said, we do think this act is obsolete and should be replaced. But, in the meantime, it remains an act of the parliament and we are obligated to and will ensure that it is observed. I regret what appears to be the extent of Mobil's inaccurate reporting. The head of my department has written to all oil companies seeking to establish a process with each company to review company procedures for providing reports under the sites act and to ensure that appropriate quality assurance mechanisms are in place. We will need to be satisfied that each oil company is properly meeting its responsibilities, whether or not there are any deficiencies in the system. I leave open the option of having an independent audit if we are not satisfied with the reports that we get from the oil companies.

Goods and Services Tax: Lay-by

Senator O'BRIEN (2.56 p.m.)—My question is addressed to Senator Kemp, the Assistant Treasurer. I ask the minister: is it true that any goods on lay-by which are not collected by 1 July will be subject to the GST changes on the full price, regardless of what proportion of the price has already been paid? Is it also true that the GST rule on lay-bys is complex and likely to lead to consumer confusion and disputes? Given that so many people, particularly low income earners, use the lay-by system, particularly for clothing, what is the government doing to inform them of the impact the GST will have on their lay-bys?

Senator KEMP—Thank you, Senator O'Brien, for that question. The treatment of lay-bys under the GST is clear and unambiguous. I might say that the Labor Party has now signed on to the GST. In case someone missed that point I make it again. If the goods are collected by the customer before 1 July 2000, then the lay-by is not subject to the GST. If they are collected after this date, the lay-by is subject to the GST. When a lay-by agreement is entered into before 1 July 2000 the time of supply is determined when the customer takes possession of the goods. The time of payment does not determine when the supply is made. Generally, lay-by sale agreements provide for the goods to be collected by or delivered to the customer after the purchase price has been paid in full. Usually this happens when the last in a series of instalment payments is made. Generally, the goods would be removed either by the customer taking possession of them or by the retailer sending them for delivery to the customer just after the final payment is made.

Senator O'BRIEN—Madam President, I ask a supplementary question. To the extent that the answer was given, I thank the minister. Will the Assistant Treasurer take this opportunity to, in a clear and unambiguous fashion, warn those many hundreds of thousands of Australians with goods on lay-bys, particularly items of clothing which will increase by eight to 10 per cent, that they have only 10 days to pay off their lay-bys if they wish to avoid the risk of the GST costs?

Senator Knowles—It’s never been a secret, you twit.

Senator KEMP—I will just echo the comments of Senator Sue Knowles, my very distinguished colleague: these arrangements have never been a secret. Senator, it is true that some prices will rise, but it is equally true that some prices will fall. The trouble with Labor’s questions is that they are highly selective. We are taking the 22 per cent
wholesale sales tax off a number of areas—the tax that Labor strongly supported until it did a backflip and decided to come on board with the goods and services tax. So, as I said, Senator, some prices will rise and some will fall, and I think these arrangements have been pretty clear.

**Goods and Services Tax: Australian Manufacturing Industry**

Senator **LIGHTFOOT** (2.59 p.m.)—My question is also addressed to the Assistant Treasurer, Senator Kemp. Could the minister outline how the new tax system will benefit the Australian manufacturing industry to grow, develop and create new jobs?

The **PRESIDENT**—Senator Kemp.

Senator **MINCHIN**—Madam President, I am honoured to be Senator Kemp for a day.

*Opposition senators interjecting—*

**Senator MINCHIN**—I thank Senator Lightfoot for his question. He quite properly puts the focus on our manufacturing industry, which has been an enormous beneficiary of our economic policies. Our policies are helping Australian manufacturing to be internationally competitive.

I think members should be aware of the reports that we received yesterday from Australia’s ambassadors in Europe who have been reporting on the Australian export success stories in that continent. They have reported on Australian fast ferries being sold not only in Europe but around the world, Australian automated ticket systems being sold in Italy, air traffic control systems being sold in Spain, even Adelaide spaghetti being sold in Italy and, of course, our car industry which is selling cars and car components around the world, Saudi Arabia and the US. As many members would know, manufacturing is our biggest export component—bigger than resources, bigger than agriculture, bigger than services. I also draw the Senate’s attention to the ABS figures for May 2000 indicating that manufacturing employment is now at its highest level since 1990.

This great success story has been achieved despite the handicap of the Labor Party’s wholesale sales tax, which is a tax—a very unfair tax—on manufacturing and a very unfair tax on the manufacturing states of Victoria and South Australia. Under that WST, the wholesale sales tax, manufacturing bears the whole burden of indirect taxation. But in just 10 days we will be rid of Labor’s wholesale sales tax system. And we are yet to get, but soon to benefit from, the company tax reforms, which, I am pleased to say, the Labor Party did support.

But I think industry rightly is praising the benefits of the new tax system for Australian manufacturing. As Mark Paterson from the Chamber of Commerce said just this month:

*This tax reform package—*

*Opposition senators interjecting—*

**Senator MINCHIN**—Well, you should listen. To continue:

This tax reform package will make the Australian economy more efficient, more competitive and more resilient. It will raise productivity and over the longer term raise the real incomes of Australians.

That the ALP, the party that says it supports Australian manufacturing, should vote against this kind of tax reform really is a disgrace.

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

**ANSWERS TO QUESTIONS WITHOUT NOTICE**

**Goods and Services Tax: Aged Care**

Senator **HERRON** (Queensland—Minister for Aboriginal and Torres Strait Islander Affairs) (3.03 p.m.)—Yesterday Senator West asked me a question in relation to aged care and the GST, and I have an answer from the minister which I seek leave to incorporate in Hansard.

*Leave granted.*

The answer read as follows—

**AGED CARE: GST**

**SENATOR SUE WEST**—Madam President, I ask a supplementary question. I was asking about the GST treatment of special or supported residential services, not hostels or nursing homes. I want to
know from the Minister: are special or supported residential services, from what he has been telling us, going to be treated the same way as residents of hostels, who are entirely free from the GST? Can he confirm that it will be up to providers to determine how much of the fee they pay is related to care and will be GST free and how much is related to accommodation?

SENIOR HERRON—The Minister for Aged Care has provided the following answer to the honourable Senator’s question, in accordance with advice provided to her:

The GST legislation sets out what is GST-free in Sections 38-10, 38-25 and 38-30. GST-free status relates to services received by individuals, not whole businesses.

The objective of the GST legislation is to treat people in like circumstances in a like manner, whether they are in privately funded or government funded residential accommodation.

Under Section 38-10, all nursing and 20 other specified services are GST-free to anyone using them and require no determination by the Minister for Aged Care.

The determinations required to be made by the Minister for Aged Care to activate certain provisions are pursuant Sections 38-25 and 38-30. These determinations, however, cannot override, exceed or alter the primary legislation.

It is important to remember that for services to be GST-free for residents in privately funded accommodation, they will need to satisfy certain eligibility criteria as defined in the primary legislation. Not all residents of a facility may be eligible.

Pursuant to Section 38-25, residents in privately funded residential accommodation in a residential setting who require, and are receiving, ongoing assistance with daily living activities of the kind specified in item 2.1 of Schedule 1 of Aged Care Act Principles such as bathing, eating, dressing, mobility, continence management and communications; or nursing services like those in item 3.8 of Schedule 1, (Principles) will receive both their accommodation and care services GST-free.

This is because they are in a like situation to persons in a residential aged care facility funded under the Aged Care Act 1997. This includes both care and accommodation.

In addition, residents who do not qualify for GST-free accommodation, as they are not like aged care facility residents funded under the Aged Care Act, may still obtain a range of GST-free services.

All community aged care services funded under the Home and Community Care (HACC) Act 1985, the Aged Care Act 1997 or other Commonwealth or state funded programs will be GST-free. This includes meals on wheels, home help, home maintenance, gardening, transport, respite and social support services such as day care centres, personal and nursing care and community care packages under Sections 38-30 (1) (2) and (4).

Also, privately funded community care services involving the supply of personal care will be GST-free. (Section 38–30 (3)) in addition to nursing services (Section 38-10). This ensures that older people and people with disabilities who purchase these community care services privately will also obtain them GST-free.

I approved the draft determinations on March 30 and forwarded them to the Treasurer, who in turn forwarded the draft determinations to all State and Territory Treasurers for their consideration.

Before the determinations can be tabled in Parliament, they must obtain unanimous approval from the State and Territory Treasurers in accordance with the agreement struck between the Commonwealth and States and Territories.

In principle approval from all States and Territories was only reached on May 31.

Since then I have agreed to one State’s proposal for a minor amendment to the drafts and have written to the Treasurer to convey this agreement.

Following written confirmation from all State and Territory Treasurers of their approval of the determinations, they will be publicly released, gazetted and tabled in Parliament.

**Goods and Services Tax: Vehicles**

Senator QUIRKE (South Australia) (3.03 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Industry, Science and Resources (Senator Minchin), to a question without notice asked by Senator Conroy today, relating to the importation of used cars.

Senator Conroy’s question raised a number of very serious points. The first one was that this good senator was asked if indeed the
scheme that he had developed in consultation, or theoretical consultation, with the industry was now taken out of his hands. He was then asked who was dealing with this policy now. Then a series of matters were put by Senator Conroy to Senator Minchin about the party room yesterday. Those questions went to whether members were disgusted at his handling—that is, Senator Minchin’s handling—of the issue, whether they had referred to him as a disgrace and whether they had accused him of lying, of not listening and of having a dismissive attitude.

They were pretty serious charges. I thought Senator Minchin would have got up here and told the Senate and Senator Conroy, through you, Madam President, that he was in full control of his own portfolio and, indeed, this policy was going to stick. I thought he would have said that in fact—as was referred to by Senator Conroy in his supplementary—it was not necessary at all to go around a group of disaffected backbenchers and get them to attempt to change this policy but that he was fully in control, his department was satisfied with the way things were going and all the rest of it.

What he told us was that really he was only peripheral to the matter anyway, that it was the minister for transport that had carriage of cars coming into the country and that really, as it was a fairly major issue, he had some input into it. Then he told us that there was a robust debate within the party room. I am sure there was a robust debate. I have been reading about it in a couple of today’s papers, and I will come to that in a minute. But I would have thought that that was probably confirmation that these events did take place.

In the *West Australian* today, which seems to be the source of much of the discontent with this particular policy, there are a number of things, and I can only presume that there must be some truth to them because of the minister’s answer that he gave to Senator Conroy—that is, he did not deny it. One of those articles in the *West Australian* of today says, ‘Coalition sources’—and I will come to whom I think that is in a minute—‘said Senator Minchin responded angrily to Ms Moylan’s remarks.’ It goes on, ‘Other MPs then rose to her defence labelling the minister and accusing him of handling the issue disgracefully.’ It then went on in the same article to say that Queensland Liberal Gary Hardgrave then launched a further attack on Senator Minchin. He said, ‘The policy was disgusting and his management of it disgraceful.’

In the *Age*, which also seems to have something here—I think a fairly serious criticism of a party room exchange—there is an article headed ‘Minchin savaged on car imports’, which says:

Prominent Queensland Liberal Gary Hardgrave responded by saying he was “disgusted” by Senator Minchin’s performance.

He told the minister to listen to his backbench for a change, rather than bureaucrats and his office advisers.

I do not know who supplied this information to the media. I can only say that some of the members concerned in this—

**Senator Sherry**—It wasn’t us.

**Senator QUIRKE**—No, but we will make use of it. Senator Sherry. Obviously some members were talking. I wonder whether a few of the other people involved in these sorts of debates had not fallen over Mrs Moylan and Mr Hardgrave on the way to the press gallery.

**Senator Sherry**—You would have to push the National Party aside.

**Senator QUIRKE**—Well, possibly the National Party, but I was thinking more of the member for Sturt in this particular exercise. You always look at these articles and ask: who is not mentioned but who is implicated and who tries to cover their tracks? I can tell the Senate that it was no-one in the Labor Party because we were not present at these discussions, but I suspect Mr Pyne, the member for Sturt, was probably there salivating yesterday. I hope the minister will take the opportunity to set the record straight and tell us that he has taken these events of yesterday seriously, not just as robust debate, and that these necessary things will be dealt with presumably at the next party meeting because, after all, loose lips do sink ships.

**Senator CHAPMAN** (South Australia) (3.09 p.m.)—It is interesting that in the gamut
of Senator Quirke’s remarks this afternoon we have not heard any comment from him in relation to the issue of low volume vehicle imports. We do not even know where the Labor Party stand on this issue. All Senator Quirke is trying to do is stir up mischief within the government, mischief that is completely unfounded. As I said, where do the Labor Party stand on this issue? Where do they stand in relation to the very complex issues that have had to be dealt with in determining the government’s position on this matter?

I want to lay to rest any suggestion that there has been inadequate consultation within the government in determining the government’s policy position in relation to the issue of low volume vehicle imports. In fact, I can identify no less than seven meetings of the government members’ industry, science, resources, sport and tourism committee over the last nine months that have dealt with this issue. These meetings have included discussions with representatives of automotive manufacturers—the main manufacturers in Australia such as Mitsubishi, Ford, Holden and Toyota—and the Federal Chamber of Automotive Industries. They have included meetings with representatives of the low volume importers and the Vehicle Importers and Converters Association of Australia and they have involved no less than three meetings with Minister Minchin and his advisers to discuss the issues surrounding this matter.

Senator Faulkner—that’s because you are in the ‘in’ group.

Senator CHAPMAN—No, this is the government members committee that have met to discuss this, I point out to the opposition leader. Further to that, there has also been a roundtable discussion, which I initiated, between representatives of low volume vehicle importers, the manufacturers and the Motor Trades Association. So there has been extensive consultation on this matter before the announcement was made on 8 May by the minister with regard to the government’s policy. That policy was fully supported by the members of not only the committee which I chair, the government members industry committee, but also the government members transport and regional services committee. I should point out that these meetings were joint meetings between those two committees because of the joint responsibility for this of Minister Minchin and Minister Anderson, particularly with regard to the administration of the rules relating to low volume vehicle imports. Both of those committees agreed with the policy announcement that was made by the ministers, who jointly brought that proposal to us after it had been approved by cabinet.

I can say that in my experience as chairman of this particular government members committee no issue has ever received the extent of consultation and the extent of discussion between the ministers responsible and the relevant backbenchers who make up those two committees. Not only has there been consultation between the ministers and members of the backbench, but between that backbench committee and the relevant players in the industry, as I have outlined already—the manufacturers, the low volume vehicle importers, the Motor Trades Association and all of those who have an interest in this important issue. Therefore, the decision that has been taken has been taken not only on the basis of widespread consultation with those relevant people in the community but also on the basis of widespread consultation with members of the government parties’ backbench. So it needs to be understood that any suggestion that Minister Minchin is guilty of anything that was reported in the press today is complete nonsense, and I reject it absolutely, having been very closely involved in the consultations right through this process, as have all of those backbench members.

Senator SCHACHT (South Australia) (3.13 p.m.)—I rise to speak on the motion to take note of the answer given by Senator Minchin. I want to make it clear that the opposition has always supported the Australian car manufacturing industry. The car industry is based heavily in the state which I represent. When I was Customs minister I took a decision similar to the decision that Senator Minchin has now taken to ensure that the Australian car manufacturing industry was not adversely affected by people finding ways to get round the then tariff levels and
the rules of the car industry plan. When Senator Minchin introduced this policy to close off a further loophole that appeared, we did not argue with that and we thought it was a very necessary development, particularly from a South Australian perspective. We now find that there is clearly a very strong dispute in the Liberal Party. Some sections are not willing to support their minister in supporting the car manufacturing industry which many tens of thousands of jobs, directly and indirectly, in South Australia and in Victoria are reliant upon.

From the press reports that Senator Quirke mentioned, it is clear that the minister, Senator Minchin, was savaged in the party room. Those sorts of leaks do not occur unless there is more than a little element of truth. This is not a matter of just trying to make some smoke and then claiming fire. There clearly was a large amount of smoke emerging from the Liberal Party room as a result of the fire raised by Mrs Moylan, Mr Charles and Mr Hardgrave, who are directly quoted in the press reports. It may be that one of Senator Minchin’s factional enemies gave those remarks from those three members to the press, but I want to point out that here we have three Liberal members who disagree apparently with Senator Minchin’s policy of protecting manufacturers of cars in South Australia and Australia from loopholes. That is what I find extraordinary.

We are now seeing, in one form or another, the government having a crisis a day. On Monday, it was the caravan parks and the mess this had made of the National Party; yesterday, it was dairy industry deregulation; and today, it is cars. All of this indicates that this government is reaching that critical point of distress where it goes past the line of believing that it can win the next election. When that happens, all unity disappears, and every man and woman is out for themselves, trying to find a way in which they hope they can hold on to their seats by, first of all, disassociating themselves from the government of which they are part and making that clear by getting some publicity for tackling their own government, which is now so unpopular. This has not been an uncommon feature of Australian politics over the last nearly 100 years of Federation.

When governments get into real distress and crisis, backbenchers in that government who think they might lose their seats are the first to find a life raft, a life jacket or a lifeboat and leave the sinking ship. The first thing they do is attack their own ministers and their policies. That is what we are seeing in the way that Senator Minchin was attacked by his own party room colleagues. They were therefore quite willing to have it leaked to the press to show that they had been the ones who had given a minister a savaging. They do not want to be associated with this government, just as some National Party members do not want to be associated with the government over the caravan park issue and other National Party members do not want to be associated with the government over dairy deregulation, and just as some coalition members do not want to be in any way associated with the introduction of the GST. This week could well be the turning point where government members accept that they are on the slippery slope to defeat and are now only interested in saving their own necks and their own seats. That is why Senator Minchin was so savaged yesterday in his party room on an issue which the government should be united on. (Time expired)

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.18 p.m.)—I cannot but intervene and respond to Senator Schacht. The first thing I would like to say is how pleasing it is to hear from Senator Schacht because we on this side of the chamber wish him to lift his public profile after the mauling he received at the hands of Senator Bolkus and Senator Quirke, who combined together in a cruel pincer movement between the Right and the Left to demote Senator Schacht to the bottom of the ticket. I think in those circumstances he deserves some support. I am pleased to see, as I said, that he is now speaking in the chamber again. He has got over his initial disappointment. He is lifting his public profile and I wish him well.

I was also pleased to hear him, as one senator, come out and defend the local car manufacturing industry because implicit in
what he was saying, if anyone was listening to him, was that his colleagues were not. What were they attacking Senator Minchin for? They were attacking Senator Minchin over restraints that were being introduced in the trade of imported second-hand vehicles. That trade, of course, has the potential to put in jeopardy the local car manufacturing industry, particularly in South Australia, where Mitsubishi and General Motors manufacture cars. I would have thought that the whole of the Labor Party would be standing behind the local car manufacturing industry and behind the jobs that are involved in that industry, including those that are involved in all the ancillary services to that industry. I would have thought that the traditional Labor Party, the one that really cared about the workers, would be applauding Senator Minchin in his efforts to support the Australian car manufacturing industry. But no, the only person who was prepared to get on his feet and say that was, in fact, Senator Schacht—the one that they had demoted to the bottom of the ticket. It is disappointing to us that the ALP has abandoned the local car manufacturing industry and the thousands of Australians who are employed within that industry in an effort to win a few short-term, cheap political points today.

Yes, we have vigorous debates in the coalition party room. There is a debate between those members whose constituents are in the business of importing cars and wanting to build that particular trade and those members who are more interested in supporting the Australian car manufacturing industry. I am happy to say that, as a South Australian, I am pleased to see Senator Minchin on his feet supporting Mitsubishi and General Motors. I would have thought that all Victorians would be on their feet supporting Toyota and Ford. Certainly they might be on this side of the chamber but they are not on the Labor side of the chamber. In case there is any doubt, let me say that the coalition party strongly supports Senator Minchin in the position that he has taken on this particular issue. This issue is not easy, but he has clearly come down on the side of Australian jobs, and that is what the Liberal Party is all about.

Senator CROWLEY (South Australia) (3.22 p.m.)—I was very interested to hear Senator Hill gloriously and grossly misrepresenting the Labor Party position.

Senator Faulkner—That was a very lukewarm defence he made.

Senator CROWLEY—It is an extremely interesting defence that he has to start abusing the Labor Party and even using such blatantly dishonest lines as ‘the Labor Party has abandoned the local car industry’.

Senator Hill—That is Labor Party policy.

Senator CROWLEY—You can keep saying that, but we know what you are doing; you are doing anything to distract us from the brawl that happened in the Liberal Party over this matter. The issue is not the car industry—the Labor Party has been supporting it for ages and will continue to do so. The issue is that a minister of the government has been roundly condemned by his own colleagues for his dismissive attitude and for failing to listen. That is the point. If you read some of the quotes—even those of some of the Liberals who protested in the party room; Judi Moylan, for example—of course they say they are concerned about the local car industry. But what they are particularly concerned about is that this proposal will make it difficult for people who have businesses importing cars in their own electorates. They do not want the good tarred with the bad, and they feel that the proposals are unfair. But the issue of substance is not that of cars in or out of Australia; the issue is about how arrogant some of the ministers in this Liberal government have become. I am not even sure that Senator Minchin has become arrogant; he might have been born that way.

The DEPUTY PRESIDENT—Order! Do not reflect on an honourable member in this place.

Senator CROWLEY—If I am reflecting on him in an unkind way, I will go back and change the words. Thank you, Madam Deputy President. What is emerging is that we have a minister who does not listen and a government which does not listen. Those are the issues that are of concern here. I do not see how you could possibly ignore that, Senator Hill. You read the Adelaide Adver-
You have seen what the cartoons have done and what the newspapers have said about Senator Minchin in South Australia. They have cartooned him thumbing his nose at all the people in South Australia over the question of whether or not there should be a nuclear waste dump in that state. The local Liberal government opposes it and your colleagues oppose it.

Senator Hill—What side are you on now? You opportunist!

The DEPUTY PRESIDENT—Order, Senator Hill!

Senator CROWLEY—You could have read theAdvertiser where we actually said what we would do, Senator Hill. What will you do? Are you hot to trot on it? The point is that Senator Minchin says, ‘I don’t care what the people of South Australia say. I don’t care what my Liberal colleagues in South Australia say. I don’t care what the Labor Party or anybody else says. What I’m saying is that I’m Senator Minchin and I’ll do what I like.’

Senator Hill—What he said is, ‘You’ve got to act in the national interest.’

Senator CROWLEY—That is what your party room has protested—to the point that the Prime Minister, who is fairly good at doing what he likes, too, has been forced to take over this issue. The major concern here is a government that is not listening to what people are saying. It is not even listening to its own members who are protesting in your party room on behalf of their own constituents. And angry and upset they are—the newspaper articles make it very clear. They have used words such as ‘disgusted at Senator Minchin’s handling of the issue’. They have referred to him as a ‘disgrace’. They have accused him of lying to them. They have accused him of not listening to them and of having a dismissive attitude. The issue here is government ministers who take no heed of what their colleagues are saying and thumb their noses at what the people of a state or a certain industry say. We know about Senator Minchin’s examples of total disregard. It is interesting to at last find that some members of the Liberal caucus are now prepared to come out, in their party meeting, and take up the fight with him that he should listen, that he should have regard to what people are saying. He should note that he is alienating the people.

Senator Hill interjecting—

Senator CROWLEY—No amount of abuse of the Labor Party, Senator Hill, will ‘distract’ us—as Senator Hill said—from the issue, that is, an unfeeling, dismissive minister who takes no notice of what the issues are.

Senator Hill—You are wanting to run down the Australian car industry.

Senator CROWLEY—Senator Hill can try all he likes but he does not like being fingered on this issue and he does not like knowing the division in his own party about this dismissive, disregarding and unsympathetic minister. That is the problem. We in South Australia know he pays little regard to what the people feel. We know what he says about his own Liberal colleagues, and now he has got to take note not just of his South Australian colleagues but of his federal colleagues. They are very angry and very upset about his dismissive, disregarding attitude. It is an attitude that prevails widely in the Liberal Party and in this government. (Time expired)

Question resolved in the affirmative.

Lucas Heights: Nuclear Reactor

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (3.27 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Industry, Science and Resources (Senator Minchin), to a question without notice asked by Senator Stott Despoja today, relating to the cost of the replacement reactor at Lucas Heights.

I am very keen to join this burst of South Australian diatribe that we have heard in the last half an hour but I want to speak on a completely different issue; although Senator Crowley is quite right—the papers in my home state of South Australia, as well as the people, are thumbing their noses at Senator Minchin over a range of issues, in particular the issue of waste disposal and what we suspect may be the disposal of nuclear waste in our backyard in South Australia. It is cer-
tainly related to the answer that Senator Minchin gave today. The issue of the cost of a new nuclear reactor at Lucas Heights is one that has been shrouded in secrecy. But recently we have heard that the potential cost of the reactor could be approximately double that of the original and widely cited cost of around $280 million.

Today in question time I understood the minister to have quite vehemently denied that that budget blow-out would occur and that he in fact claimed that the new estimates were part of a working document—a working document that it sounds as if he has quite roundly rejected. I know that he referred to estimates in that working document for the disposal of the old reactor’s spent fuel rods. My question to the minister and to this government now is: what are your estimates for this seemingly intractable issue of waste disposal for the new reactor? I am not talking about a replacement. It is a new reactor. Let’s not kid ourselves that it is anything but. Not only that: this new discrepancy in costing—given that the figure to construct this reactor could be over $500 million—questions the findings of a number of committees, in particular the report of the Joint Standing Committee on Public Works on the proposal. The discrepancy gives greater weight to the need for an inquiry into the proposal now to assess the costing and transparency of the tendering and contract approval process, in addition to the issues to do with the environmental impact, public and worker safety in relation to the operation of the plant, and its waste storage and management plan.

The Democrats—including Senator Lyn Allison, our nuclear spokesperson, who has just entered the chamber—are strongly on record as opposing any further engagement in the nuclear fuel cycle for our country. But used nuclear fuel waste should be stored on site. We recognise that. And if we do have such a facility—and unfortunately we do have a nuclear facility in the form of a reactor in Lucas Heights—there should normally be above-ground containment where it can be suitably monitored. Of course, the question as to whether or not containment of such material is suitable for an urban region such as southern Sydney is another debate, and one that we are more than happy to have.

But with respect to Senator Minchin’s announcement recently of the preferred tenderer for Lucas Heights, it is an extraordinary process that has been followed through here. It is quite evident that the minister is trying to fast-track the contract approval process, but the announcement of the preferred tenderer is pre-emptive. It is completely dismissive of public consultation and those processes surrounding the ANSTO licence, which are not supposed to be finalised until October of this year. So I draw the Senate’s attention to Senator Minchin’s response to my question today and his statement that the approximately $280 million fixed-price lump sum contract—they were the use words he used; this is my understanding of what he said in the chamber today—cannot and will not be exceeded. I would argue that this is highly concerning, considering the lack of design in relation to the new replacement reactor, the lack of facilities for waste disposal and the lack of safety details for the proposal.

What happens if we find out that it is going to cost more in order to have a safe reactor but the government has restricted itself to a certain amount and, in doing so, has once again jeopardised the safety not only of the residents in the Sutherland Shire but of many Australians? If you are going to press ahead with the new reactor—and it looks like the government is, unfortunately, pressing ahead—then you must ensure that the issues of waste disposal, waste storage, health, and public and environmental concerns are considered. That is why the Democrats next week will be tabling terms of reference for a commission of inquiry into the new nuclear reactor to make sure that some of these issues are dealt with in a much more transparent and consultative manner, as opposed to what we have seen to date—nothing but an arrogance that has been dismissive of the public consultation process. (Time expired)

Question resolved in the affirmative.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:
Medicare
To the Honourable the President and Members of the Senate in Parliament assembled:
The Petition of the undersigned shows:
We strongly support Medicare, our universal public health system. Medicare is an efficient, effective and fair system. Under Medicare, access to care is based on health needs rather than ability to pay.
Access to quality health care for all Australians is a basic human right.
Your Petitioners request that the Senate should:
Do all within its power to ensure the continued viability and strengthening of Medicare by supporting a substantial funding increase for the public health system. Further to this, we strongly urge you to continue to support adequate funding for public health and oppose all government policy initiatives that would undermine the integrity and ongoing viability of Medicare.
by Senator Crowley (from 2,397 citizens).

Asylum Seekers: Political
To the Honourable the President and Members of the Senate in Parliament assembled:
Whereas the 1998 Synod of the Anglican Diocese of Melbourne carried without dissent the following Motion:
That this Synod regrets the Government’s adoption of procedures for certain people seeking political asylum in Australia which exclude them from all public income support while withholding permission to work, thereby creating a group of beggars dependent on the Churches and charities for food and the necessities of life;
and calls upon the Federal government to review such procedures immediately and remove all practices which are manifestly inhumane and in some cases in contravention of our national obligations as a signatory of the UN Covenant on Civil and Political Rights.
We therefore, the individual, undersigned Members of Wycliffe Bible Translators, Kangaroo Ground, Victoria 3097, petition the Senate in support of the abovementioned Motion.
And we, as in duty bound will ever pray.
by Senator O’Brien (from 38 citizens).

Kalejs, Mr Konrad
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned wish to draw the attention of the Senate to the inadequate investiga-
Senator Bartlett to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) that there are 329 refugees from Kosovo still in Australia, many of whose visas expire on 30 June 2000,
(ii) the widespread and continuing reports of the violence, persecution and political instability in Kosovo, and
(iii) the willingness of the Australian community and a number of state governments to assist and support those Kosovar people still in Australia; and
(b) strongly urges the Government to extend the visas of those Kosovars still in Australia and enable them to test their claims for refugee status in accordance with international law and the usual Australian refugee determination procedures.

Senator Allison to move, on the next day of sitting:
That there be laid on the table by the Minister representing the Minister for Defence (Senator Newman), no later than 3 pm on 29 June 2000, the following documents:
(a) Environment Management Plan for Puckapunyal;
(b) Environment Management Plan for Mangalore; and
(c) Environment Management Plan for Longlea.

Senator Stott Despoja to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) the Australian newspaper is currently undertaking an analysis of the growing divide in Australian society between rich and poor,
(ii) this divide is especially stark for women, with modelling by the National Centre for Social and Economic Modelling showing that female high-income earners increased their salaries by 22 per cent between 1982 and 1996-97 but low-income earning women suffered a 9 per cent decrease in earnings over the same period, and
(iii) the economic divide between regions is also deepening, with already affluent urban areas enjoying further prosperity while poorer suburbs and regions continue their decline; and
(b) calls on the Federal Government to commit to continuing the examination of social reform it commenced with the commissioning of the McClure Review and address social inequity as a matter of urgency.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) the address by the New South Wales Premier (Mr Carr) to the State Australian Labor Party Conference, and his vision for the Hunter speech, which gave a 'shonky' account of where funding for local projects would come from, and
(ii) that the Premier gave a misleading speech, which blurred whether Hunter projects would be, or had been, funded by the Federal or State Government or private investment, and that there was no new money to be announced;
(b) criticises the New South Wales Government for reworking old ideas into one speech to give Hunter residents the misleading view that thousands of jobs were on the way, direct from the State Government coffers, including the Honeysuckle Development Project; and
(c) urges the New South Wales Government to own up to Hunter residents that the majority of projects underway in the Hunter region have received all three levels of support: federal, state and private.

Senator Brown to move, on 28 June:
That the Corporations Amendment Regulations 2000 (No. 4), as contained in Statutory Rules 2000 No. 50 and made under the Corporations Act 1989, be disallowed.

COMMITTEES
Selection of Bills Committee
Report
Senator CALVERT (Tasmania) (3.33 p.m.)—I present the ninth report of 2000 of the Selection of Bills Committee. I move:
That the report be adopted.

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

Leave granted.

The report read as follows—

(b) That the following bills not be referred to committees:

- Customs Amendment (Anti-Radioactive Waste Storage Dump) Bill 1999
- Customs Amendment (Alcoholic Beverages) Bill 2000
- Excise Amendment (Alcoholic Beverages) Bill 2000
- International Tax Agreements Amendment Bill (No. 1) 2000
- Health Legislation Amendment Bill (No. 3) 2000
- National Health Amendment Bill (No. 1) 2000
- Transport Legislation Amendment Bill 2000
- Migration Legislation Amendment (Parents and Other Measures) Bill 2000
- Migration (Visa Application) Charge Amendment Bill 2000
- Privacy Amendment (Private Sector) Bill 2000
  (deferred from meeting of 6 June 2000)
- Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 2000
- Diesel and Alternative Fuels Grants Scheme Amendment Bill 2000
- Petroleum (Submerged Lands) Legislation Amendment Bill (No. 2) 2000
- Tobacco Advertising Prohibition Amendment Bill 2000
  (deferred from meeting of 20 June 2000)
- Defence Legislation Amendment (Flexible Career Practices) Bill 2000
  (Paul Calvert)
  Chair
  21 June 2000
  Appendix 1

Proposal to refer a bill to a committee

Name of bill(s):
- Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000

Reasons for referral/principal issues for consideration

failure of government to protect consumers
failure of government to test for fuel substitution

Possible submissions or evidence from:
- ATO, Customs, APCO, Liberty Oil, Australian Paint Manufacturers’ Federation

Committee to which bill is referred:
- Economics Legislation Committee
Possible hearing date:
Possible reporting date(s): 17 August 2000
(signed)
Kerry O’Brien
Whip/Selection of Bills Committee member

Amendment (by Senator Allison) proposed:
At the end of the motion, add “and, in respect of the New Business Tax System (Miscellaneous) Bill (No. 2) 2000, the provisions of the bill be referred to the Select Committee on Superannuation and Financial Services for inquiry into the impact of certain aspects of the bill on superannuation funds and report by 27 June 2000”.

Senator O’BRIEN (Tasmania) (3.34 p.m.)—As we have advised the government, the opposition will be supporting this amendment.

Amendment agreed to.

Original question, as amended, resolved in the affirmative.

CORRESPONDENCE FROM THE AUSTRALIAN TAXATION COMMISSIONER TO THE AUSTRALIAN ELECTORAL COMMISSIONER

Senator KEMP (Victoria—Assistant Treasurer) (3.35 p.m.)—I table documents in response to the order of the Senate of 20 June 2000 relating to correspondence between the Australian Commissioner of Taxation and the Australian Electoral Commissioner. I seek leave to make a brief statement in relation to the documents I have just tabled.

Leave granted.

Senator KEMP—In response to the Senate notice of motion yesterday moved by Senator Faulkner I table a letter from the Commissioner of Taxation to the Australian Electoral Commissioner dated 19 April 2000 and a reply from the Acting Deputy Electoral Commissioner to the Commissioner of Taxation dated 19 April 2000. In tabling this correspondence I also want to put on record the government’s concern about how the Commissioner of Taxation has been misrepresented by the Labor Party, and in particular by Senator Ray. On 5 June 2000 in this chamber Senator Ray claimed there had been a cover-up and the Commissioner of Taxation had provided ‘dissembling and dishonest answers’ to questions of a Senate estimates committee. Senator Ray also suggested the Commissioner of Taxation misled the committee. The commissioner of course has not been given the opportunity to respond.

On 29 May 2000 the Commissioner of Taxation appeared before the Senate Economics Legislation Committee during the budget estimates process. Senator Ray himself questioned the commissioner in relation to a mail-out the ATO was proposing in relation to the new tax system. Senator Ray asked the commissioner whether the mail-out has a message from any individual. The commissioner responded to this question and other questions on the same topic. In reporting on this exchange in the Senate on 5 June, Senator Ray claimed:
I am not distorting what was said. I have been very careful in selecting some of these quotes.

Senator Ray then quoted from some of the commissioner’s answers on 29 May. However, Senator Ray failed to mention that the commissioner told the committee twice that there would be a personalised message included in the mail-out. The Hansard records the commissioner’s words:
... as part of the overall campaign, it is intended that, to improve the effectiveness of the campaign, there be a personalised message. I am not sure it is appropriate that I detail the nature or the person involved in that. I would have thought that was a very important statement by the commissioner. I do not think it was referred to in Senator Ray’s remarks in this chamber. When accused by Senator Ray of covering up, the commissioner said:
What I am saying is yes, there is to be a personalised message. That is part of the effectiveness of the campaign ... I do not believe it is appropriate for me to go further on that at the moment.

The commissioner gave an accurate answer to the committee by indicating that there would be a personal message to accompany the information booklet being mailed out. Given that the Prime Minister had made no announcement at the time of the estimates hearing, it was entirely appropriate that the commissioner answered in the way he did.
Let me conclude by saying it is my view that senior public servants in the estimates process have been the subject of vicious political attacks by the Labor Party. They have a difficult enough job without attempts being made to impugn their integrity. Let me say that there is probably no harder job in the Public Service, I suspect, than that of the Commissioner of Taxation. And, of course, now he is charged with the implementation of a major tax reform—a huge task in anyone’s language. I believe the commissioner is a man of great competence and a man of great integrity, and it is a tragedy, in my view, that Senator Ray—with his experience in the Public Service and as a minister—has chosen in his remarks to this chamber and elsewhere to impugn the integrity of the commissioner. In particular, in launching an attack in this chamber in the adjournment debate, Senator Ray omitted two very important quotes which I think put the commissioner’s remarks in proper context.

Senator ROBERT RAY (Victoria) (3.40 p.m.)—by leave—When I addressed the adjournment debate, which is limited to 10 minutes, I said I would summarise some of the evidence. It is notable that I did not go to Senator Kemp’s evidence. When one goes back and reads the *Hansard* of the evidence given then, Senator Kemp gave the impression that a decision on this matter was pending. The very last question I asked the commissioner on this matter was this: ‘Was this a letter from the Prime Minister?’ Senator Kemp interrupted twice, and then the commissioner gave the answer quoted by Senator Kemp today. But it was put to the tax commissioner, ‘Was this a letter from the Prime Minister?’ and we did not get a response that accurately reflected the knowledge of the tax commissioner.

Let us go to the knowledge of the tax commissioner. In the letter just tabled by Senator Kemp, which is dated 19 April—and remember that these committee hearings were on 29 May—there is mention in paragraph 3 of the letter to the Electoral Commissioner that it is intended to have a letter from the Prime Minister. It was mentioned then. It was not a decision pending some 40 days later, which was the impression we were given at estimates. The commissioner would have been better to say, ‘Senator, I have knowledge of these matters but I am not permitted to say so.’ He is, of course, in a different position from most other officers and witnesses at the table: he is an independent statutory officer; he is not subject to the same censorship, direction or guidance from ministers as most other officers at the table. In essence, we had over 3½ pages of questioning trying to establish whether there would be a personalised letter and whether it would be from the Prime Minister. But we were not told the truth.

If you want more evidence than this letter, go to the legal advice given to the government on 19 May by Mr Burmeister and his colleague. In that advice to the tax commissioner they canvassed the legality of the question. They did not come to a conclusion, but they canvassed the legality of a direct mail letter from the Prime Minister. Rather than have this churlish catch-up effort from the minister today, Minister Kemp, you should have been on your feet today saying to Senator Faulkner and me, ‘Thank you.’ Do you know what we did? We saved this government from one of the biggest illegal and unlawful acts in Australian history. By raising these issues at an estimates committee with both the Australian Electoral Commissioner and the tax commissioner we prevented this government from committing a massively unlawful act. We saved the Electoral Commissioner from doing so and we saved the tax commissioner from doing so—and we are pleased to have done it. We also saved the Prime Minister, but we are not so proud of that effort. But, through our efforts, through the processes of the Senate, we actually prevented one of the biggest unlawful acts in Australian history. The sort of question Senator Kemp should be addressing today is: how did the government get this so wrong? Why did the legal advice from Mr Burmeister of 19 May to the tax commissioner—who was acting on this advice; I have acknowledged that all the way through—get it so dreadfully wrong? I have given the tax commissioner credit for seeking further legal advice when we raised these issues. He did so on 31 May. And what happened? On 2 June the Australian Government
Solicitor brought back legal advice saying, yet again, that the tax commissioner was right in what he was doing. So twice the tax commissioner sought legal advice; twice his position was justified.

Of course we found out, when the government sought further legal advice, that they were proved wrong. In fact, the Australian Electoral Commissioner also sought advice from Mr Frank Marris, and I have his advice here today on the legality of all this. So three separate advices were produced by the government to say that the direct mail-out by the Prime Minister was legal. Every time we raised issues, Senator Kemp—through you, Madam Deputy President—we were fobbed off. We asked the Australian Electoral Commissioner twice, ‘Is this intended to be a direct mail letter from the Prime Minister?’ Emphatically, he answered no—twice. Exactly a week later he had to write a letter to the Finance and Public Administration Legislation Committee, indicating that he had got it massively wrong and that in fact the letter produced today indicated to the Electoral Commissioner that it was in fact to be a direct mail letter.

What was Mr Becker’s excuse? He was not in the office on the day the correspondence was received. I accept that. He also said that he could not remember anything about the issue in terms of a Prime Minister’s letter. I have to accept that. That is the matter that has been put to the committee. Yet I find it passing strange that, in the correspondence tabled here today, the Deputy Electoral Commissioner has in fact responded. Yet the Deputy Electoral Commissioner was sitting at the table when we were asking these questions. When Mr Becker twice said to us that he did not know of any end use here, no-one interrupted him and no-one gave him advice by saying, ‘I’m sorry, Deputy Electoral Commissioner, you are wrong; Mr Carmody wrote to us and we in fact’—as is shown here—‘responded on 19 April.’

All this is on the record, yet Senator Kemp comes in here and says that we have been a bit nasty to the tax commissioner and the Electoral Commissioner. We have asked some very direct questions and we have got some very indirect answers. What we have tried to do is show that two of the most senior statutory officers in the country were in harm’s way when it came to unlawful acts. In the end, we were shown to be right. It was shown that our interpretation—that of people like Senator Faulkner and me, who have had no legal training at all—happened to be a little better as an interpretation of the Electoral Act than was that of the tax commissioner, the Electoral Commissioner, at least three counsel from the Australian Government Solicitor’s office and the minister, Senator Ellison—who also put out a very brave press release saying that we were terrible people and that we had got it totally wrong. Well, I am sorry about that: that seems to be a very silly press release, in retrospect.

When the government finally goes to its senior person, Mr David Bennett QC, lo and behold, his interpretation of the Commonwealth Electoral Act happens to be identical to the one that the Labor Party was putting forward—absolutely identical! I recommend to anyone to read Mr David Bennett’s opinion, a summary of which has been tabled in this parliament, I believe, and also to have a look at our cross-examination of the tax commissioner. You will find that the legal points that we were putting weeks before are identically reflected here. Senator Kemp comes in here today and says that in some way we have been nasty to the tax commissioner. Why? Because we gave him a vigorous cross-examination. Why? Because it is quite obvious that we were not told the facts of the matter. But the senator does not go on to say that we have also been fairly gracious to the tax commissioner in acknowledging that he has done the right thing in seeking further and better legal advice—which is more than you can say for Ministers Ellison, Costello and Kemp! None of them went and did that. At least the tax commissioner did that. It is disappointing that the second lot of advice he got was equally as inept as the first lot of advice. I do not know whose decision it was to call in Mr Bennett, but at least we should give them credit.

The final thing I want to say on this is that Senator Ellison has said that this is nothing to do with the Labor Party exposing this, and
that they went off and got the advice and changed course. What did they do on the Tuesday? Remember that this statement came out on the Thursday. On the Tuesday, at half past six, they rang a senior barrister in Sydney to get legal advice on this. Bad luck! We had rung him 20 minutes earlier and so he was employed by us. At least we can say that the Electoral Commission went to the smartest legal mind in Sydney—we just happened to beat him to it. It was knowledge then in the Electoral Commission, and very shortly thereafter in the tax office, that we were taking this to the Federal Court. Of course, the point was that we were putting up our own money and not the taxpayers’ money to take this to the Federal Court. We had to take all the risks on that but we were absolutely certain that the proposed direct mail-out was an unlawful act. Mr Bennett categorically says so in his opinion; it is almost identical to what we understand is in the Victorian government’s legal opinion and the New South Wales legal opinion, and that of other barristers that we subsequently checked with. One very prominent barrister in Melbourne took only 20 minutes to go through the Electoral Act and come up with the same conclusion as Mr Bennett’s; yet the Australian Government Solicitor’s office had three goes at it: three strikes and they were out.

But, to compound things, Senator Hill then interrupts and says, ‘You’ve heard the answer. He doesn’t have to repeatedly answer the question.’ Obviously, he might have to in future if we are to get the truth of the matter. So Senator Hill is complicit here. He has not come into the chamber and said, ‘I inadvertently misled the committee.’ But he certainly did—the same as Senator Kemp has not come into the chamber and said that he inadvertently misled the committee when he said that decisions were pending. Go back and read the Hansard. Time and time again Senator Kemp indicated, ‘We haven’t quite made a decision on this.’ The decision was made months beforehand. We are still to find out, of course, whose idea this was. No-one seems to know. It happened by osmosis. I can suggest where it came from. It came from the Prime Minister’s office and his senior advisers, who involved themselves in this from the very start and set all this up. If you want to get up and deny that, you will be misleading the Senate, because we know that for a fact.

Senator Kemp—Ask me a question in question time.

Senator ROBERT RAY—You are right, Senator Kemp: I will not ask you a question, because you would deny it because you would not know. You are not in the loop, so I could not possibly ask you. You would not know. You would only inadvertently mislead the Senate through ignorance, et cetera. Senator Kemp says that we have impugned the honesty of the tax commissioner. The fact is—I will put it on the record so that you can hear it—that I do believe the tax commissioner’s job is extremely difficult, especially in the current circumstances. Normally in the process of cross-examination at an estimates one would much rather be inquisitorial than adversarial. But you do get annoyed when you know that the officers at the table, and presumably the minister, know the answer and simply will not give it. That was what occurred on this occasion.

Don’t think that we are so out of the loop that, when we asked Mr Becker a few days beforehand if it was a direct letter from the Prime Minister, we did not know it. It was not just a spear thrown in the dark. Of course we had information that it was a letter from
the Prime Minister that was under consideration. So we had Mr Becker denying knowledge of it when other officers at the table knew about it, and we had Mr Carmody knowing about it but refusing to answer question after question on it. Whether Senator Kemp was ever in the loop or whether he was just blustering and waffling on like he normally does, in complete ignorance that there was going to be a direct mail letter, is up to him to inform this chamber. But if Senator Kemp did know that there was a direct mail letter, then his misleading, disseminating or whatever else before the estimates committee is far more serious than Mr Carmody’s. Mr Carmody was asked the question and did not answer it directly. In my view, for future reference, if he does not want to answer a question like that when he has knowledge of the answer, he should say, ‘Senator, I know the answer but I am not permitted to give it,’ or ‘I do not intend to give the answer.’

So this whole saga could have been avoided with direct and honest answers at estimates. You are just lucky that we were so persistent and were willing to go to the Federal Court, which so panicked two major statutory officers in this country, that they finally sought good and proper legal advice that happened to prove us absolutely right on this particular issue. I am glad that, in the process, we saved the tax commissioner from an unlawful act, I am glad we saved the Electoral Commission from an unlawful act, and I suppose—grudgingly, I should say—I have at least some feeling for the fact that we have not forced the Prime Minister to have committed eight million illegal acts through his direct mail letter.

NOTICES
Postponement

Items of business were postponed as follows:

General business notice of motion no. 591 standing in the name of Senator Allison for today, relating to the grey headed flying fox colony in the Melbourne Botanical Gardens, postponed till 22 June 2000.

General business notice of motion no. 596 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the Greenfields Foundation, postponed till 22 June 2000.

General business notice of motion no. 595 standing in the name of Senator Brown for today, relating to Mr Alwyn Johnson and the Tasmania Bank, postponed till 22 June 2000.

AMNESTY INTERNATIONAL

Motion (by Senator Stott Despoja) agreed to:

That the Senate—

(a) notes that:

(i) Amnesty International Australia has launched its ‘Human Rights are Women’s Rights’ campaign, which aims to make Australians more aware of the violence and other human rights abuses perpetrated against women around the globe, and

(ii) the capacity of Amnesty International to continue advocating on behalf of women’s rights is very much dependent on the support of individuals; and

(b) endorses the campaign and urges the Government and Australians to show similar support.

TOBACCO CONTROL

Motion (by Senator Allison)—as amended by leave—agreed to:

That the Senate—

(a) notes that:

(i) 18 224 people died in 1998 due to tobacco or tobacco-related illnesses according to the Medical Journal of Australia,

(ii) the Federal Government spends $112 on anti-smoking measures for every death from tobacco-related disease,

(iii) this figure is one thousand times less than the more than $118 000 per death spent on anti-drugs campaigns,

(iv) $19 619 is spent for every road death on ‘black spot’ and road safety campaigns,

(v) anti-tobacco controls were allocated $3.8 million in the 1998-99 Budget,

(vi) in 1997-98 the net government revenue from tobacco was $4.2 billion,

(vii) a recent report has found that whilst the Commonwealth spent around $4.2
million, and all governments spent $12 million, two pharmaceutical companies have spent around $30 million on anti-smoking education in the 1999-2000 financial year alone, and

(viii) Australia is behind other countries in its commitment to tobacco control; and

(b) urges the Federal Government to redress the serious shortfall in the budget for anti-smoking measures.

COMMITTEES
Scrutiny of Bills Committee
Report
Senator O’BRIEN (Tasmania) (3.59 p.m.)—On behalf of Senator Cooney, I present the eighth report of 2000 of the Standing Committee for the Scrutiny of Bills. I also lay on the table Scrutiny of Bills Alert Digest No. 8 of 2000, dated 21 June 2000.

Ordered that the report be printed.

BUDGET 1999-2000
Consideration by Legislation Committees
Additional Information
Senator CAL VERT (Tasmania) (3.59 p.m.)—On behalf of the chair of the Foreign Affairs, Defence and Trade Legislation Committee, Senator Sandy Macdonald, I present additional information relating to the committee’s supplementary hearings on the additional estimates for 1999-2000.

COMMITTEES
Corporations and Securities Committee
Report
Senator CAL VERT (Tasmania) (4.00 p.m.)—On behalf of Senator Chapman, I present the report of the parliamentary Joint Committee on Corporations and Securities on the mandatory bid rule, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

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

Senator CAL VERT—I seek leave to incorporate the tabling statement in Hansard.

Leave granted.

The statement read as follows—
This is the second time the Committee has visited this issue. The PJSC previously examined the proposed introduction of the Mandatory Bid Rule (MBR) in the context of its consideration of the Corporate Law Economic Reform Program Bill 1999 (CLERP Bill). At the time the PJSC recommended that the MBR be enacted without amendment. The PJSC supported the introduction of the MBR because it would lead to greater takeover activity. However, during parliamentary debate Labor and the minor parties in the Senate removed the provisions of the Bill introducing the MBR. Subsequently Minister Hockey requested the PJSC to inquire into whether it was appropriate to amend the Corporations Law to include a MBR, similar in terms to that proposed in the CLERP Bill. The PJSC advertised for submissions immediately after it received the Minister’s request and received 12 submissions from a variety of individual organisations and practitioners of the Law. The PJSC held two public hearings with the participants expressing divergent views as to the advantages and disadvantages of the MBR.

The purpose of the MBR is to facilitate a more competitive market for corporate control and, in turn, greater shareholder wealth to the benefit of all shareholders. The MBR formed part of a package of reforms to the takeover provisions in Chapter 6 of the Corporations Law, the object of which is to improve the efficiency of the market for corporate control. The CLERP Bill included provisions for a MBR under which a prospective bidder would be permitted to exceed the statutory takeover threshold of 20 per cent of the total voting rights in a company before being required to make a full, unconditional takeover bid. The Bill also included a number of prescribed conditions that would apply to the MBR. Several conditions that apply to takeover bids would also apply to mandatory bids. The provisions also provided strong protection and safeguards for minority shareholders consistent with the Eggleston principles.

The PJSC noted the diversity of rules and conditions applying to the MBR as practised in other jurisdictions, notably in France, Germany and the UK, where the rule is a completely accepted feature of corporate and commercial life. However, the basic principles that govern the protection of minority shareholders are common to all jurisdictions. The first is the equal opportunity principle and the second, that all shareholders have the right of withdrawal. The same principles underlie the package of rights or benefits of minority shareholders contained in the CLERP Bill. However, the PJSC cautioned that direct comparisons with
the MBR in the EC countries should not be taken too far. It concluded that the MBR, taken with the new compulsory acquisition powers and the recent changes to capital gains tax rollover relief, would operate in a significantly different, but no less beneficial manner. One important difference is that the MBR allows shareholders to take advantage of the rule to extract a higher offer from the bidder after the bid is made, if they decide not to accept the offer price. Unlike the majority of traditional takeover bids, the mandatory bid must be fully unconditional. As Mr Alan Cameron AM, Chairman of the Australian Securities and Investments Commission, told the PISC a mandatory bid will carry the risk that the bidder will achieve only partial control and not full control, unless it is prepared to offer a full price or to raise the offer price.

The introduction of the MBR is an important reform to takeovers, which is supported by Australian shareholders. It is supported for two reasons. First, the increased threat of takeover will lead to improved corporate performance, enhanced management discipline and, more importantly, better communication with shareholders, as management must convince shareholders and the market that it has the right strategies in place to increase shareholder value. If management is able to do this, the share price will reflect the company’s potential and it will be less susceptible to a takeover. Second, the MBR will stimulate greater price tension in the market for corporate control. The certainty of outcome will encourage more potential bidders with an interest in acquiring control to make genuine bids without risking their asset quality in an open bidding war. This will impact on the price tension that arises in the course of a private auction and, consequently, how large a premium the majority shareholder is able to negotiate for its interest before the mandatory bid is made. The PISC concluded that all shareholders, regardless of whether they hold controlling interests or not, would benefit from improved corporate efficiency, better communication and increased price tension.

The PISC, therefore, fully supports the introduction of the MBR as proposed in the CLERP Bill.

Before I conclude I would like to thank all of the individuals and professional bodies that made submissions, and witnesses who appeared before the PISC. I would also like to thank in particular Mr Alan Cameron AM, Chairman, Australian Securities and Investments Commission, who assisted with the Committee’s public hearing in Sydney, at the ASIC National Office, and Mr Peter Lee, Deputy Director-General, UK Panel on Takeovers and Mergers, who appeared twice before the Committee and shared his knowledge and expertise on the operation of the MBR in the City. I offer my particular thanks to David Creed, Secretary of the Committee, and his staff for their diligent assistance in the context of this inquiry and production of the report.

I commend the Report to all honourable Senators.

Senator O’BRIEN  (Tasmania)  (4.00 p.m.)—I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Membership

The DEPUTY PRESIDENT—Order! The President has received a letter from a party leader seeking a variation to the membership of a committee.

Motion (by Senator Ian Campbell)—by leave—agreed to:

That senators be discharged from and appointed to the Environment, Communications, Information Technology and the Arts References Committee as follows:

Appointed: Senator Tchen
Discharged: Senator Lightfoot
Substitute member: Senator Lightfoot to replace Senator Tchen for the committee’s inquiry on global warming and the Convention on Climate Change (Implementation) Bill 1999, except for the period from 6.30 pm on Thursday, 22 June 2000, till the committee concludes its business on Friday, 23 June 2000.

SYDNEY HARBOUR FEDERATION TRUST BILL 1999 [2000]  
In Committee

Consideration resumed from 20 June.

Senator BOLKUS  (South Australia)  (4.03 p.m.)—by leave—I move opposition-Democrat amendments Nos 59 to 73 on sheet 1778:

(59) Clause 50, page 21 (line 9), omit subclause (3), substitute:

(3) The Chair may call a meeting at any time if:

(a) in the opinion of the Chair, it is in the public interest for the Trust to consider matters urgently; and

(b) the reasons for calling the meeting are included in the minutes.

(60) Page 21 (after line 10), after clause 50, insert:
50AA Meetings to be public

(1) Meetings of the Trust must be open to the public unless the Trust determines that it is in the public interest to meet in private.

(2) A decision to meet in private must be recorded in the minutes together with the reason for doing so.

Clause 51, page 21 (lines 11 and 12), omit the clause, substitute:

51 Notice of meetings

(1) Each member is entitled to receive at least 7 days’ notice of an ordinary meeting of the Trust.

(2) Each member is entitled to receive reasonable notice of an urgent meeting called by the Chair under subsection 50(3).

(3) The Trust must give at least 7 days’ public notice of an ordinary meeting and reasonable notice, where practicable, of an urgent meeting called by the Chair under subsection 50(3).

Clause 52, page 21 (line 16), omit “Commonwealth”.

Clause 52, page 21 (lines 17 to 20), omit subclause (3).

Clause 54, page 22 (after line 2), at the end of the clause, add:

(3) An entry must be made in the minutes of every motion or amendment proposed at the meeting and the mover and seconder, and the names and votes of the members voting on any question.

Clause 55, page 22 (lines 3 to 5), omit the clause, substitute:

55 Conduct of meetings

The Trust may, subject to this Part, reasonably regulate proceedings at its meetings in accordance with an adopted code of meeting practice.

Clause 56, page 22 (lines 6 to 13), omit the clause, substitute:

56 Minutes of meetings and other documents

(1) The Trust must keep minutes of its meetings.

(2) Minutes must be available for inspection by members of the public at offices of the Trust and on the Trust’s web site on the Internet.

(3) All consultant’s reports, public submissions, draft plans, endorsed plans, approved plans and other relevant documentation must be available for inspection by members of the public at offices of the Trust and on the Trust’s web site on the Internet, with copies to be made available on request for a reasonable fee.

(61) Clause 51, page 21 (lines 11 and 12), omit the clause, substitute:

51 Notice of meetings

(1) Each member is entitled to receive at least 7 days’ notice of an ordinary meeting of the Trust.

(2) Each member is entitled to receive reasonable notice of an urgent meeting called by the Chair under subsection 50(3).

(3) The Trust must give at least 7 days’ public notice of an ordinary meeting and reasonable notice, where practicable, of an urgent meeting called by the Chair under subsection 50(3).

Page 22 (after line 13), at the end of Part 7, add:

56A Disclosure of pecuniary interest

(1) A member who has a pecuniary interest in any matter with which the Trust is concerned and who is present at a meeting at which the matter is being considered must disclose the interest to the Executive Director in writing and must not take part in any consideration of or vote on the matter.

(2) In this section:

associated person, in relation to a person, means:

(a) the person’s spouse or de facto partner; or
(b) a relative of the person; or
(c) a business partner, nominee, or employer of the person.

pecuniary interest means an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person or an associated person.

Clause 57, page 23 (lines 4 to 18), omit “management” (wherever occurring).

Clause 57, page 23 (line 9), at the end of subclause (2), add “and the planning process in the context of Sydney Harbour”.

Clause 57, page 23 (after line 9), after subclause (2), insert:

(2A) The Trust must consult fully with the community advisory committees during the planning process and must provide all relevant information to the committees, including consultants’ reports, public submissions and plans.

Clause 57, page 23 (lines 13 and 14), omit subclause (4), substitute:

(4) Each committee consists of persons, appointed by the Trust from time to time, who have knowledge or experience in relation to the environmental and heritage significance of the plan area in the context of Sydney Harbour,
including a person nominated by the Defenders of Sydney Harbour Foreshores and a person nominated by the relevant local government body.

(4A) Before appointing a community advisory committee in respect of the plan area, the Trust must consult the local community.

(72) Clause 57, page 23 (lines 15 to 18), omit subclause (5), substitute:

(5) The Trust and a community advisory committee must, in consultation, establish:

(a) procedures to be followed in relation to meetings; and

(b) the way in which the committee is to carry out its functions.

(6) In carrying out its functions, a community advisory committee must have regard to the objects of the Trust and the provisions of this Act.

(73) Clause 58, page 23 (line 19) to page 24 (line 9), omit the clause, substitute:

58 Technical advisory committees

(1) The Trust must, by writing establish a technical advisory committee and may, by writing, establish more than one such committee.

(2) The function of a committee is to provide advice and recommendations on plan areas, Trust land or Sydney Harbour land in respect of:

(a) environmental and heritage matters; and

(b) remediation and rehabilitation; and

(c) planning and finance.

(3) In making decisions or taking action in respect of Trust land, the Trust must consider any relevant advice or recommendation of a committee.

(4) Each committee consists of persons, appointed by the Trust from time to time, who have considerable qualifications or experience in relation to the matters mentioned in paragraphs (2)(a), (b) and (c).

(5) The Trust may give a committee reasonable written directions as to:

(a) the way in which the committee is to carry out its functions; and

(b) procedures to be followed in relation to meetings.

These clauses basically provide for a better accountability system for the trust. We are talking about clauses that provide for trust meetings to be in public unless the trust determines that it is in the public interest to meet in private. That sounds contradictory, but there may be some circumstances in which the trust should be meeting in private. We do provide for those circumstances. The decision to meet in private must be reported in the minutes, together with the reason for doing so. There needs to be notice given of meetings, and we provide that in amendment No. 61. In amendments Nos 62 and 63, we provide for a structure of who presides at meetings, and in amendment No. 65 we also ensure that meetings are conducted in accordance with normal meeting practice. Amendment No. 66 provides for the minutes of meetings and other documents to be maintained for public access at the offices of the trust, together with consultants’ reports and so on. We also provide that the trust website must carry the minutes of meetings and so on. Amendment No. 67 ensures the disclosure of pecuniary interests, and amendment No. 68 ensures that those provisions prevail in respect of the community advisory committee, as does amendment No. 69. We do provide some sort of structure for the community advisory committee in amendments Nos 69, 70, 71 and 72. We also provide a modus operandi for that committee. Amendment No. 73 provides for a technical advisory committee and gives permission for the trust to set up at least one. Once again, there is some orderly process provided for that committee in the amendments.

As I said yesterday when the minister was not here, it is very hard for reasonable minded people, both in this place and in the broader community, to understand why the government does not even have the flexibility to pick up these amendments. These are not difficult amendments, Senator Hill. They do not run contrary to any ideological fixation that the government might have. More importantly, they do not bind you to the pre-election commitment that the Prime Minister made in 1998. Other amendments do that, but these basically ensure orderly processes and structures for the operation of the trust. I would like to know, and I am sure that Sena-
Senator Bartlett, Senator Brown and the many people of Sydney who are interested in this matter—represented here again today by former minister Tom Uren, who is sitting in the gallery—would all like to know what you find difficult in amendments such as these.

**Senator Brown (Tasmania)** (4.07 p.m.)—I will give the minister time to answer that question; otherwise, I take it that the government is supporting those amendments and, if that is the case, we can move on. They are important amendments. They are to do with the public interest in relation to the trust’s determination of how the transfer of land to establish the greater Sydney Harbour National Park over the next 10 years is going to occur. Because it is dealing with the public interest in such a fashion, I expect Minister Hill will respond to Senator Bolkus’s question.

**Senator Hill (South Australia—Minister for the Environment and Heritage)** (4.08 p.m.)—I gather the opposition has changed the numbering of its amendments, so it is a little difficult to follow.

**Senator Bolkus**—Come on!

**Senator Hill**—My notes are written to the numbers that were published earlier. If you change the numbers overnight, it not surprisingly, makes life difficult. But the government’s position is that we have drafted a bill in terms of what we believe is necessary to set up the trust and to implement our promise to the Australian people for the conservation of these very valuable lands. We believed our bill was satisfactory to achieve that objective. It was nevertheless subjected to a parliamentary inquiry. We took on board the recommendations from the parliamentary inquiry and also the submissions that were made by a range of different interest groups. As a result of that, we have brought some further amendments to the chamber, accepting that our bill can be improved by those amendments.

Senator Bolkus has brought along 101 amendments which are designed to reconstruct the bill into the Labor Party-Australian Democrats bill, and we do not support that. We do not believe the alternative bill that Senator Bolkus is promoting through this mass of amendments is the appropriate way to go to implement the Prime Minister’s pledge. We believe our bill will adequately do that, together with the amendments that we hope to get the opportunity to move. We recognise that the numbers were settled before we came in here. The Australian Labor Party and the Australian Democrats have collaborated in these amendments. Senator Brown is opposed to everything the government do. He would not even support the second reading on this debate, so we know he will support the opposition. There is no question that the opposition’s amendments will all pass, and we will have to deal with it somewhere else.

**Senator Bolkus (South Australia)** (4.10 p.m.)—That is not an adequate reply from the minister. There is a lot of waffle going to some of the atmospherics about debates in this place, but I am sure the people of Sydney who have been involved in this process—the hundreds if not thousands of people who have an interest in this process—deserve better than the sort of waffle that has just come from the minister. We understand the minister is under pressure, and he cannot move on some of the bigger issues of the day. But, Minister Hill, we are talking about amendments that set up structures for meetings and for notices of meetings. If you look at them, they do correlate very closely with the amendments previously circulated.

They look at who presides over and votes at meetings. We are talking about conduct; we are talking about pecuniary interest. What are your specific problems with these specific amendments? You can waffle on all you like about how you do not agree with the sort of structure that we are talking about with this legislation, but these particular amendments actually go to some of the protections that are needed to ensure the proper workings of the trust—proper access to the public, proper public participation, proper notices of meetings, proper conduct and so on. What is the problem with them? Don’t give us the waffle that you do not believe philosophically that what we are trying to do is what should be done in this place. You can have that debate about other issues, but in respect of all these amendments, the public that has an interest in
this and that has put hours and hours of time into developing its position needs to be respected with a better response than the one you have just given us.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.12 p.m.)—I do not have the expectation that my responses will please Senator Bolkus. He mentions the interest groups who have committed a great deal of time and effort to this process. I said the other day that I commend those interest groups. They have played a very important role to date and no doubt will continue to do so. As I said a moment ago, the submissions that they made to the Senate committee were taken on board. We have had the privilege of meeting many of the groups as well, separate from this process, and listening to their representations and respecting their representations. Senator Bolkus is not telling the chamber that, in relation to their representations on the issue of the structure and conduct of meetings, we have taken up a number of the advices. If he turned his mind to the 41 amendments that we have before the chamber, he will find that a number of them deal with issues concerning the conduct of meetings, the notices for meetings, the minutes of meetings and the like. He comes in here today and he has an alternative set of words—you can argue an alternative set of words for as long as you like—but what we are putting down as a government is the way we think it would function best. No doubt, what we want is going to be voted down today, but that is how the numbers work in this place, and the matter might be more seriously progressed elsewhere.

Amendments agreed to.

Senator BOLKUS (South Australia) (4.14 p.m.)—by leave—I move opposition-Democrat amendments Nos 74 to 85 and 87 to 98 on sheet 1778 together:

74 Clause 59, page 25 (line 6), at the end of subclause (1), add “for the purpose, objects and functions of the Trust”.

75 Clause 59, page 25 (line 7), omit “for Finance and Administration”.

76 Clause 60, page 25 (lines 16 and 17), omit paragraph (b).

77 Clause 60, page 25 (line 17), omit “and”.

78 Clause 61, page 25 (lines 23 to 29), omit the clause, substitute:

61 Interim Trust costs etc

Any cost or liabilities incurred by the Commonwealth in respect of the interim Trust, whether before or after the commencement of this Act, are not recoverable by the Commonwealth from the Trust.

79 Clause 62, page 26 (lines 2 and 3), omit “for Finance and Administration”.

80 Clause 63, page 26 (lines 7 and 8), omit “the whole or any part of Trust land or other assets”, substitute “assets other than Trust land”.

81 Clause 63, page 26 (line 14), omit “paragraph 8(2)(i)”, substitute “paragraph 8(2)(h)”.

82 Clause 64, page 26 (lines 15 to 23), omit the clause, substitute:

64 Contracts

(1) The Trust must not, except with the Minister’s written approval, enter into a contract involving the payment or receipt by the Trust of an amount exceeding $1,000,000.

(2) Subsection (1) does not apply to the investment of money by the Trust in accordance with section 18 of the Commonwealth Authorities and Companies Act 1997.

83 Clause 66, page 27 (lines 4 to 8), omit the clause, substitute:

66 Repeal of this Act

This Act is repealed at the beginning of the earlier of the following 2 days:

(a) the day specified by the Minister, by notice published in the Gazette, as the day by which the transfer of all Trust land to New South Wales has been completed;

(b) the tenth anniversary of the day on which this Act commences.

84 Clause 67, page 27 (lines 9 to 28), omit the clause, substitute:

67 Transfer of assets

(1) The Minister must ensure that all Trust assets, including Trust land, are transferred to New South Wales before the repeal time.

(2) The Minister has power to make any declaration necessary to achieve the object specified in subsection (1).
(3) A declaration under subsection (2) has effect accordingly.

(4) A copy of a declaration under subsection (2) is to be published in the Gazette within 14 days after the making of the declaration.

(5) Subsections (1) and (2) do not prevent the Trust from transferring an asset, including land, to New South Wales other than under those subsections.

(85) Clause 68, page 27 (line 29) to page 28 (line 18), omit the clause, substitute:

68 Transfer of liabilities

(1) If, immediately before the repeal time, the Trust has any liabilities, the Minister must, by writing, make a declaration that such liabilities cease to be liabilities of the Trust and become liabilities of the Commonwealth immediately before the repeal time.

(2) A declaration under subsection (1) has effect accordingly.

(3) A copy of a declaration under subsection (1) is to be published in the Gazette within 14 days after the making of the declaration.

(4) Subsection (1) does not prevent the Trust from transferring a liability to a person otherwise than under that subsection.

(5) Immediately before the repeal time, any liability of the Trust that has not been covered by a declaration under subsection (1) vests in the Commonwealth.

(6) Any instrument relating to such a liability continues to have effect after the liability vests in the Commonwealth as if a reference in the instrument to the Trust were a reference to the Commonwealth.

(87) Clause 70, page 29 (line 8), omit “management”.

(88) Clause 70, page 29 (line 11), at the end of the clause, add:

; and (c) details of all contracts with consultants, valued at $5,000 or more, entered into during the period to which the report relates.

(89) Clause 71, page 29 (line 12) to page 30 (line 10), omit the clause, substitute:

71 New South Wales laws to apply

(1) Nothing in this Act is intended to exclude or limit the concurrent operation of any New South Wales law.

(2) In this section:

law means a written law, and includes:

(a) subordinate legislation; and

(b) a provision of a law.

(90) Clause 72, page 30 (lines 11 to 17), omit the clause, substitute:

72 Delegation

The Trust may, by writing, delegate to the Executive Director any of the functions and powers conferred on the Trust by this Act.

(91) At the end of clause 72, add “that are necessary for the proper and efficient operation of the Trust”.

(92) At the end of clause 72, add:

(2) The Executive Director must report regularly to the Trust, and in any case not less than once in each period of 3 months, on the exercise of powers and functions delegated under subsection (1).

(3) In exercising a power or carrying out a function delegated under subsection (1), the Executive Director must comply with the objects, functions and powers of the Trust and with the terms of the delegation.

(93) Clause 73, page 30 (lines 25 and 26), omit paragraph (2)(a).

(94) Clause 73, page 30 (after line 26), after paragraph (a), insert:

(aa) the specification of additional land as Trust land;

(95) Clause 73, page 30 (lines 27 to 31), omit “management” (wherever occurring).

(96) Clause 73, page 31 (line 9), after “or”, insert “of”.

(97) Clause 73, page 31 (line 10), at the end of paragraph (j), add “in accordance with an approved plan”.

(98) Clause 73, page 31 (after line 24), after paragraph (r), insert:

(ra) the terms and conditions under which a member of the Trust holds office;
Mr Temporary Chairman, as you would know, I am moving these amendments on behalf of both the Australian Democrats and the Labor Party. Although we do have quite a number of amendments here, what this batch of amendments really does is ensure that the Prime Minister’s commitment of 1998 is kept—that is, that the land is transferred to New South Wales within the 10-year period.

The major amendments that do that are amendment No. 84, which amends clause 67 of the legislation, and amendment No. 85, which amends clause 68 of the legislation. Those two clauses ensure that transfer, and we had a debate about that two days ago. We could go through it again today, but I think all that needs to be said is that the Prime Minister made a commitment which the opposition supported at the time. It is one that we do wish to see in place through legislation.

Amendments Nos 87 to 98 are critical amendments. They reflect one of the majority recommendations of the Senate legislation committee—that is, to ensure that New South Wales laws apply in respect of the subject land. I think the government says that those laws should apply wherever possible, but we are keen to ensure that the process that has been announced by the Prime Minister—the one that ensures the transfer to New South Wales and the remediation and maintenance of the land in accordance with the relevant planning laws and other laws in the meantime—is brought into effect through legislation. Amendment No. 90 is a machinery amendment in respect of the operation of the trust—the delegation of powers and so on—and I think the remaining amendments also are substantially technical in nature.

As I said, we could debate these at length again, but it seems that the minister is quite resolved to, in essence, allow this chamber to carry these amendments. What I would like to ask the minister is: what sort of process does he anticipate embarking upon after the legislation is passed in this place? Will he give us an assurance that there will be a process of public consultation with the interested stakeholders? Will he give us an assurance that he will take these amendments seriously and try to come back to this place with either an acknowledgment of their worth or some other course that he might find would achieve the same purpose? I ask the minister those questions at this stage, rather then embarking upon a repeat of the debate we had two nights ago.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.17 p.m.)—Whilst I hear the invitation, I think I should say something in response to the first part of Senator Bolkus’s presentation because, whilst we may not have a large audience, it is a new audience today and there might be some misunderstanding. The government are determined to transfer these properties into a form of perpetual ownership. We are determined that they be properly conserved and presented for the benefit of future generations. If that was not our objective, we would not be here at all. That is why we are setting up a statutory trust that is going to have a 10-year time frame in which to rehabilitate these properties and ensure that they can be transferred to their ultimate recipient in good condition.

In relation to three of those properties, we have already indicated that we intend that they be transferred as part of the New South Wales national park system. There is no secret about that. With regard to the others, we have said that we think there needs to be more debate with government and within the community. Woolwich was one that we mentioned the other day. It is interesting that, from the way I heard the Australian Democrats, I thought they were conceding that, ultimately, there may be an argument for Woolwich to be in the hands of local government, yet their amendment, jointly with Senator Bolkus, would mean there was no option other than to transfer it to the state of New South Wales. We simply do not believe that decision needs to be made at that time, and therefore to lock us in in a way that no other options can be considered would be unwise. That is what the first part of this batch of amendments is all about.

The second part of the amendments is about the compliance with New South Wales planning laws in particular. I have said to
Senator Bolkus that we would like a cooperative arrangement with the New South Wales government in relation to this very important national project. That is why we have left open two seats on the interim trust. That is why our statutory formula includes seats for New South Wales, but we cannot get the New South Wales government to cooperate. It will not even nominate personnel to work with us. In those circumstances, we are not prepared to agree to provisions that would, in effect, give the New South Wales government a veto over planning issues. When it is prepared to join us in a genuine, cooperative way, in many ways that becomes irrelevant because we would want to be working within and pursuant to New South Wales planning laws. But the New South Wales government has to be prepared to put the politics aside. We all know that some aspects of this matter have not pleased it—in particular, that Federation Fund money was applied by the government towards the costs of transferring the military out of these sites. It was objected to by the New South Wales government, but that is really a matter of the past, I would respectfully suggest. It is time to move on. When the New South Wales government is prepared to put the issues of the past behind us and work constructively with us towards meeting what I think is a great objective here, we can address more sensibly some of these planning issues.

After completion of this debate— which is very much a form debate, because as I said the numbers are here for the opposition and the Democrats to transform this into their piece of legislation—we will seriously analyse the bill that has come out of this place. We will then obviously seek to modify it into a form that is acceptable to us and, if the House of Representatives agrees with what we present to it, the bill would then come back to us in that form sometime in the future.

Amendments agreed to.

Senator BOLKUS (South Australia) (4.23 p.m.)—by leave—I move opposition-Democrat amendments Nos 2, 3, 13, 14 and 99:

(2) Clause 3, page 2 (line 11), omit the definition of Harbour Land.

(3) Clause 3, page 2 (line 17), after “certain” insert “Sydney”.

(13) Clause 3, page 2 (after line 28), after the definition of suitable person, insert:

Sydney Harbour means the harbour and land in the Sydney Harbour region, and includes the Harbour’s river systems, catchment area and North and South Head.

(14) Clause 3, page 2 (after line 28), after the definition of suitable person, insert:

Sydney Harbour National Park means the area of land known as Sydney Harbour National Park at the time this Act commences, and any land added to that park after the commencement of this Act, or any other park of that name created under New South Wales law.

(99) Page 31 (after line 25), at the end of the bill, add:

Schedule 1—Trust lands
Sydney Harbour Trust lands
Cockatoo Island
Georges Heights
Middle Head
North Head
Woolwich

In a sense, these are important amendments but, given the debate we have had, they are form ones. These are the amendments that ensure that the land is identified. Amendment No. 99 provides for a schedule to list the trust lands. They are listed as Cockatoo Island, Georges Heights, Middle Head, North Head and Woolwich.

The other important amendment is amendment No. 13. It picks up what we think is a deficiency in the government’s position—that is, they do not include, for instance, recognition of the fact that North Head is land that is not on the harbour but rather on the coast. We have defined, through
a form of words, Sydney Harbour to include recognition of that fact. Basically, we are providing a schedule to list the subject lands—the lands that were mentioned by the Prime Minister in 1998, the lands that were promised to be subject to the trust, the lands that were promised to be transferred to New South Wales in the 10-year period, the lands that this legislation as amended will so provide.

Amendments agreed to.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.25 p.m.)—I move government amendment No. 6:

(6) Clause 7, after paragraph (b), insert:

(ba) to do the things referred to in section 38A before management plans take effect for an area of Trust land;

What we are seeking to do is not move those amendments that have been overtaken by the Democrat and ALP amendments that have already been passed in the last couple of days. Obviously, if they have amended a particular clause of our original bill to meet their objectives, there is not much point in our seeking to amend it back, even if it is back to a slightly different form. I presume the running sheet that I have was produced as a result of consultations. I commend amendment No. 6 to the chamber.

Senator BOLKUS (South Australia) (4.26 p.m.)—This may take some time because, as the minister has said, we now have a new set of amendments from the government. What the minister is doing is moving amendment No. 6 to clause 7. Clause 7 provides the functions of the trust. Those functions have already been amended by a previous amendment which was carried by the chamber. I am trying to ensure that we do not mess up the outcome by not acknowledging that this bill has already been amended. In the original legislation at clause 7, page 5, you are proposing to add, after paragraph (b), paragraph (ba) which states:

(ba) to do the things referred to in section 38A before management plans take effect for an area of Trust land.

Section 38A was adopted by the parliament. Once again, we are doing this on the run. Section 38 refers to the implementation of plans. My first question to the minister is: what does 38A actually provide?

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.28 p.m.)—Even though this provision has been amended by the Democrats and the ALP, what we want to do through this amendment is allow the trust to do certain things before the management plans are completed. We have allowed a period of, from memory, 18 months for development of the management plan. There are some functions that we want the trust to be able to carry out prior to that time. Therefore, we believe that we need this extra clause within the functions provisions as set out in the bill.

Senator BOLKUS (South Australia) (4.29 p.m.)—That might sound good, Minister. The only problem I have is that I cannot, at this stage, locate a clause 38A.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.29 p.m.)—The easiest way is probably for Senator Bolkus to go to the bottom of page 3 of our amendments. There he will see 38A, which is ‘Transitional activities before the management plan takes effect’. It goes on for most of page 4. These are minor works. If he looks, he will see that it is things like allowing short-term leases or licences to carry out maintenance and repair works, to carry out work in an area to protect the health and safety of persons present—matters of that nature. What we are seeking to do is bring in a new function which serves to do the things referred to in section 38A before management plans take effect for an area of trust land. Then, if we go to 38A, as I have said, it sets out the limited functions. We are deliberately limiting the functions of the trust for that purpose, because we believe that the big decisions should not be made until the management plans are completed. In that way we can be confident that ultimately the more major works will be done on the basis of best professional design.

Senator BOLKUS (South Australia) (4.31 p.m.)—If I can just respond to that, I think one of the procedural problems we have is that we are being asked to vote on an amendment before the substantive amend-
ment has been put to the chamber. That I think has raised the problem that we have just faced.

In order to expedite the process, perhaps I can indicate at this stage that we do have problems with substantive proposed sections 38A and 38B in that they do, as currently framed, allow for the provision to grant leases and licences in an uncontrolled way over the area. Accordingly, we will be opposing them at this particular stage. But we would indicate to the minister that that is the problem that we do have. Basically the law will then provide for a lease of any duration over any part of the area, or a licence—although, if one looks at proposed section 38B, the leases must not be for a term of more than 12 months.

I think the problem we have is that we are doing this the wrong way around and we are also doing it on the run, looking at these particular provisions. I would suggest to the minister that maybe he defer consideration of this particular amendment together with the ones embracing proposed sections 38A and 38B and leave them lying on the table for consideration at this particular stage.

Senator BROWN (Tasmania) (4.32 p.m.)—The alternative is to go to the government amendment at the bottom of page 2 on revised running sheet 3 and deal with that first. I also have some concerns with government amendments Nos 26 and 27 and then the consequent matters that we are dealing with here under government amendment No. 6, dealing with the functions of the trust. I think it is back to front and I think we should deal with government amendments Nos 26 and 27 first.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.33 p.m.)—It makes no difference to me. If the opposition will not accept our proposed section 38A, then the easiest thing is probably for it to vote against the provision that is before the chamber at the moment. But I would say—not that I am expecting to persuade anybody or anything—that what we are trying to do with proposed section 38A is limit the actions that the trust can carry out to what we think are appropriate for this intervening period of 18 months. It is more open-ended in the bill that we put before the chamber.

We listened to the Senate committee and the representations of groups that said that they believed that these provisions should be more contained. They were somewhat concerned—I think mistakenly, because the trust is there to do a good job—that the trust might take long-term decisions before the management plans had been completed, and they wanted the trust constrained. It is on that basis that we have drafted clause 38. So, as Senator Bolkus picked up before he sat down, we have limited leases to a maximum of 12 months. He can read the other provisions for himself, but he will find not only that it is designed to deal with minor works but also, when it comes to licences and leases or interests in the property, that they are for only a short term. If those leases turn out to be inconsistent or incompatible with the management plan as it is designed, by the time the management plan is put into effect, they would have expired and the trust’s subsequent decisions will be made pursuant to the management plan. That is a sensible practice, and I have to say that I am disappointed and astonished—all of those things—at the attitude of the opposition in relation to this very sensible amendment.

Senator BOLKUS (South Australia) (4.35 p.m.)—I do not know why it is that he should be disappointed or astonished. I think we would all be in a better position to address the legislation if the minister were able to propose the amendments in the proper order, for a start.

There are other problems with this amendment, Minister. I think 38(1)(a) allows the trust to determine the way in which the area may be used before the relevant management plan takes effect. We are concerned here that there do not seem to be, on the face of it, any limitations on the types of use that are provided for here.

So, as I say, coming to these amendments as they were dropped on us at a late stage, without the capacity of the public to be consulted in respect of them, means that we have to try to pick up their implications on the run in parliamentary debate. That is never a good way of formulating legislation. But, in doing
so, we can identify some problems. Even though in respect to the leases the point I raised earlier may very well be covered, we are concerned that 38(1)(a) does, on the face of it, allow for an extension of allowable use and, as a consequence of that, we will be opposing it.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.37 p.m.)—I do not want to unduly delay the chamber, but that is what it is all about: trying to prescribe what the trust can do during the interim period. It obviously needs to do things. It needs to properly protect the properties, it needs to repair and it needs to manage. It can earn some income through reasonable opportunities such as short-term leases and licences for that purpose—in other words, it has to be able to operate as a body that is responsible for administering the properties. That is why we are adding proposed section 38. The point is that the interim trust, acting on behalf of the government, is not now so constrained. Here we are responding to what we have been asked to do by the community groups. Senator Bolkus claims to be acting for the community groups and he is voting against the constraints we have offered to introduce. That is what I find astonishing. If that is going to be the attitude of the opposition to the government’s amendments—if he is simply going to vote down all our amendments because they are government amendments—so be it, but he may as well say that up front and get it out of the way.

Senator BROWN (Tasmania) (4.38 p.m.)—I can see the point that the minister is making, but I would like to hear a little more about it. Under proposed subsection 38A(1), there are fairly wide-ranging opportunities for the trust to carry out works in the areas, particularly paragraph (c), which is to ‘grant leases and licences over the areas in accordance with section 38B’, and we find further that the term of those leases and licences must not be more than 12 or 18 months. I would like to ask the minister what is meant by proposed subsection 38A(3), which states that ‘the trust must not cause significant damage, or allow significant damage to be caused,’ by doing any of the things that it is entitled to do under subclause (1). What is meant by ‘significant damage’?

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.39 p.m.)—Responding to Senator Brown’s first point, the lease must not be for longer than a period of 12 months and it must expire within 18 months after vesting of the land in the trust which, as I recall, is in accordance with the representations that were put to us by the community groups. In relation to an obligation that in managing the property the trust must ensure that there is no significant damage done, I would have thought that you would apply the normal English meaning to those words. ‘Significant damage’ means significant damage. What we are about here is that we do not want to make a significant change to the character of the properties before the proper planning process has been completed. We can then have greater confidence that any significant change that might be made, let’s say to the buildings—it might be a roof that has been significantly damaged and the question is how to deal with the roof of that building—will not be done before the planning process has been completed. If Senator Brown wants to put hypothetical cases to me, I will try to provide my interpretation of how you might apply the expression ‘significant damage’ to his hypothetical cases, but I do not think I can redefine the words other than to apply their ordinary meaning.

Senator BROWN (Tasmania) (4.41 p.m.)—I understand that Senator Hill is anxious to get this amendment up because, on the face of it, it gives the trust the ability to manage the lands on the Sydney Harbour foreshore before a management plan comes into place, which will be about 18 months down the line. I understand his difficulty with the opposition’s potential to say no to that, because then there would be somewhat of a limbo state as far as the trust’s ability to manage the lands is concerned. What we need to know here is whether within that 18 months the trust itself is constrained so that it cannot do anything which would be invidious to the ultimate establishment of the Sydney Harbour National Park. I would be interested to hear what the opposition says to this re-
requirement which the government is putting forward here, that the trust have the ability to manage the lands in that early phase before the management plans are in place after public consultation and everybody can see what is happening. Obviously there has to be a management regime, a custodial management regime at least.

On the face of it, the minister’s reference to the government amendment to add proposed section 38B means that leases and licences granted cannot be more than 12 months and must expire within 18 months after the vesting of the land in the trust. Those leases and licences themselves would have to contain a requirement that no significant damage be done to the properties, and that would include the natural environment. I am always worried by terms such as ‘significant damage’. I will not put hypotheticals to the minister because we would be here till kingdom come if we were to cover all exigencies. I guess the minister is requiring that the trust has the commonsense to read up, if you like, the term ‘significant damage’ to make sure it really does mean that no real damage occurs to these properties by licencees and leaseholders.

Senator Hill—That is another set of words—‘real damage’ instead of ‘significant damage’.

Senator Brown—Yes. But you are charging the trust in the meantime to understand what this chamber means if it passes this amendment, that it be very careful indeed with this property and it will be in a whole heap of trouble if there is the sort of damage that is going to create public alarm and outcry before the management plan comes into place.

Senator Bolkus (South Australia) (4.44 p.m.)—I wonder whether we can find a way through this. As I said earlier, clause 38B is a limitation on clause 38A, and that is a welcome one. My concern was as to limitations and the type of use that could be approved by the trust. Would you be amenable to the addition of some words to paragraph 38A(1)(a) so that that could then read:

... the Trust may:

(a) determine the way in which the area may be used before the relevant management plan takes effect in accordance with the objects of the trust...

So, basically, that would provide a mechanism whereby the trust, in developing its interim plans, would be bound by the objects clause which the chamber opted for earlier on, or whichever one the government may finish up pursuing. The objects clause was the subject of amendment No. 15 of the opposition. If you were to prepared to do that—in a sense it provides the form for what should ordinarily be the modus operandi of the trust anyway and it provides the legislative requirement that that happen—then we could probably agree to amendments (26) and (27). I think that picks up the sorts of concerns that Senator Brown has.

Senator Hill (South Australia—Minister for the Environment and Heritage) (4.46 p.m.)—The words are superfluous because the act, as it will be, contains within the objects clause the objects, and the responsibility of the trust is to operate within those objects. It seems to me that you are unnecessarily duplicating those words if you put them within every substantive clause and repeat the obligation for the trust to operate within the objects.

I do not think you are making any change to the structure of the scheme. With great respect, I suggest that it is not very good drafting. If you do it with this one, then presumably you would want to do it with the other ones, otherwise they would look strange, but with these words it will look even more strange.

I will accept these words because you have the numbers to change the bill that way, but it is a complicated process to get there. But in what I ultimately bring back they may be removed, and in the meantime you might give some thought as to whether the addition of these words is really necessary or, as I have suggested to you, with great respect, simply superfluous. Mr Temporary Chairman, I would be needing to, by leave, add these additional words that Senator Bolkus has invited me to include. Madam Clerk, does that sound like a good process to you? I know we are not there yet. If Senator Bolkus gives me my amendment to clause 7, then I
will give him an undertaking that I would seek leave to add his superfluous words to clause 38A.

Senator BOLKUS (South Australia) (4.48 p.m.)—Before we set in place all these arrangements, can I indicate to the minister that the words that he rails against appear in the legislation on other occasions. They appear earlier on, for instance, in respect of the functions and powers of the trust. I think on the grounds of consistency it might be useful for the minister to reconsider his sentimental opposition to the inclusion of those words.

Also, maybe for legal interpretation purposes, it might be important to leave them in to ensure that consistency does not allow for different interpretation of the transitional provisions as opposed to the ongoing provisions. Having said that, I think we are in a position to support the minister's amendment, which is amendment No. 6.

Senator BROWN (Tasmania) (4.49 p.m.)—I would like to ask the minister about paragraph (e). We are now back on amendment No. 6. That, as I understand it, is about the functions of the trust. Am I correct?

Senator Hill—Yes.

Senator BROWN—Paragraph (e) would read that the function of the trust, amongst others, is to manage trust land in a way that establishes a sustainable financial base in furthering the objects and performing other functions of the trust. I wonder if the minister could explain what he means by ‘sustainable financial base’. The minister quite often uses the term ‘sustainable ecological process’, and he and I have very different interpretations of what that means. Does a sustainable financial base mean one that is going to sustain the management and protection of the whole of these properties? Or does it mean it is going to raise some money towards it and, if so, why have the clause there at all? I am just concerned that there is inherent in that paragraph a requirement on the trust for these parks to pay their way, and that does not apply to national parks anywhere of course.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.51 p.m.)—This is not the amendment that is before the chair; it takes us back to the functions clause in the bill.

The TEMPORARY CHAIRMAN (Senator McKiernan)—It is the amendment that is before the committee at the moment. We have to dispose of this before we move on, as I understand it, to the dialogue that occurred between you and Senator Bolkus about adding some additional words.

Senator HILL—We are not seeking to amend the provision that Senator Brown is referring to within the functions as stated in the bill. Nevertheless, I am happy to respond to his question, if it would facilitate progress.

The TEMPORARY CHAIRMAN—I think it would help everybody, thank you.

Senator HILL—We have made no secret of the fact that we would like these properties to earn revenue which will help pay for their conservation and presentation. We recognise that there are significant costs involved not only in the rehabilitation works but also in simply and properly looking after the assets. Even securing the assets is an expensive business, so when there are opportunities to earn revenue from the asset, where those opportunities are not incompatible with the heritage values that we are seeking to protect, we would welcome the trustees taking the opportunity to help us with the people’s financial burden in this regard.

The use of the word ‘sustainable’ there is, I think, intended to imply that the usage is not to be such that it will change the nature or character of the asset that we are conserving. We talk about the use of sustainability in terms of activities and we talk about ecological sustainability, and of course we talk about taking into account the ecological consequences and ensuring that any action that might be taken is not incompatible with those ecological consequences. I think the same sort of principle applies in interpretation of ‘sustainability’ in this instance.

On the issue as to whether the trust will ever be able to earn revenue sufficient to
meets what I describe as the ‘people’s responsibilities’ without further support from government, I think that that is a very debatable point. There have been some trusts for heritage assets in Sydney which have, I understand, produced considerable income whilst still being activities compatible with heritage values. As Senator Brown implies, most of this asset is more in the nature of a national park. Much of it is natural values, and it is not easy to earn substantial income from such an asset whilst at the same time conserving the values that are really the purpose of the whole trust. I recognise that, but I think it is premature to make a judgment at this time as to how much income the trust will be able to produce. I suspect Senator Brown is philosophically opposed to the earning of income from the asset because he sees it in terms of a national park and he opposes any commercial activity on a national park. We do not share that philosophical objection with Senator Brown.

Senator BROWN (Tasmania) (4.55 p.m.)—I do not oppose any commercial activity in a national park, I should have you know. For example, I am not opposed to fees on visitors, and so on, where it is appropriate. What I am opposed to is private enterprise moving in on national park systems such as the world heritage area in Tasmania, where, right at this moment, this minister is paving the way for a major commercial resort to be built in the national park, against his own management plan, by a private entrepreneur.

That I am totally opposed to because that is giving private enterprise a monopoly on a public asset—a licence to make money by a monopoly opportunity on a public asset. That is philosophically very wrong and flies against the whole idea that national parks should be there for all the people for all time.

However, that being said, we are dealing here with a situation where there are assets within this proposed national park system around Sydney Harbour, particularly the ‘built’ environment, if you like, the heritage environment, which may contribute towards the upkeep of the park. What I wanted to make sure, and I think I have established that from the minister, was that there is not an intent in the bill—where it lists functions—to require that the parks are managed in a way which makes them totally self-funding. The minister has, I think, been quite clear in saying that is not the case, and I think that should be on the record.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.57 p.m.)—If they could be managed in a way in which they could be totally self-funding while still conserving the heritage values—whether they be natural, built or cultural—then I would applaud that outcome. That would be a great outcome for the taxpayer.

What I have been prepared to concede to Senator Brown is that that is going to be difficult to achieve. We are not setting up this trust for the purpose of wealth creation; we are setting up this trust for the purpose of conserving the asset. But where income producing activities can be consistent with both conserving and presenting that asset then we would welcome the trust taking those opportunities.

Senator BOLKUS (South Australia) (4.58 p.m.)—I have something which might clarify the situation. I think Senator Brown was concerned about the original paragraph 7(e), which was part of the government’s legislation and which provided for the trust establishing a sustainable financial base. In a previous amendment, Senator Brown, we actually rejected the government’s functions clause and replaced it with another one of ours. That clause does not appear in the legislation as it now stands. Senator Hill’s amendment adds something to the new functions clause, not the old one.

Senator BROWN (Tasmania) (4.59 p.m.)—I did look for such an amendment and could not see it, but Senator Bolkus is much more diligent in finding these things than I am, and I thank him for that. I feel much more relaxed about the matter.

The TEMPORARY CHAIRMAN (Senator McKiernan)—Senator Hill, I have been asked if you would remove ‘management’ from that amendment to amendment 6.

Senator BOLKUS (South Australia) (5.00 p.m.)—The Clerk thinks we should be deleting a word, but I ask the minister, before he says yes, to explain to us why he thinks he
should delete that word, if in fact that is what he does think we should do.

The TEMPORARY CHAIRMAN—As I understand it, Senator Bolkus, the earlier amendment to clause 7 for the Australian Democrats removed the term ‘management’, and if it is reinserted here again it might potentially confuse things. It was for that reason the request was made to Senator Hill.

Senator BOLKUS—It does refer in paragraph 7(e) to conservation and management of trust land. Maybe the advisers could have a look at this while we go through the rest of the bill, and we can come back to it later on.

The TEMPORARY CHAIRMAN—The term ‘management plan’ I think is the problem. I understand that the advisers agreed that the removal of the word would be useful.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.01 p.m.)—I would always take the advice of the Clerk. I am a little puzzled, I have to say, because clause 38A still includes reference to ‘management plan’, but I am sure there is a technical but logical reason for the suggested alteration. I seek leave to remove the word ‘management’ as it appears in my amendment to clause 7.

Leave granted.

Senator BOLKUS (South Australia) (5.02 p.m.)—Just to satisfy Senator Hill and me in particular, amendments Nos 4 and 5 from the Labor Party and Democrats omit the definition of ‘management plan’, so the Clerk is right, again.

The TEMPORARY CHAIRMAN—The question is that the amendment by Senator Hill to clause 7, as amended, be agreed to.

Question resolved in the affirmative.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.02 p.m.)—by leave—I move:

(24) Clause 36, page 17 (line 12), omit “Sections 29”, substitute “Sections 28”.

(25) Clause 36, page 17 (after line 14), at the end of the clause, add:

(3) The Minister must approve any amendment to a plan area before the Trust prepares the amendment to the relevant management plan.

Senator BOLKUS (South Australia) (5.03 p.m.)—The opposition supports these two amendments.

Amendments agreed to.

Amendments (by Senator Hill)—by leave—agreed to:

(26) Page 17 (after line 27), at the end of Part 5, add:

38A Transitional—activities before plans take effect

(1) Before a plan takes effect for an area of Trust land, the Trust may:

(a) determine the way in which the area may be used before the relevant plan takes effect in accordance with the objects of the trust; and

(b) use the area in that way; and

(c) grant leases and licences over the area in accordance with section 38B; and

(d) carry out maintenance and repair work in the area; and

(e) carry out other work in the area to protect the health and safety of persons present there.

(2) The Trust must not carry out, or allow to be carried out, any work other than the work mentioned in paragraphs (1)(d) and (e).

(3) The Trust must not cause significant damage, or allow significant damage to be caused, by doing things under subsection (1).

(4) The Trust must not take into account things done under subsection (1) when determining the content of draft plans.

(27) Page 17 (after line 27), at the end of Part 5, add:

38B Transitional—leases and licences granted before plans take effect

(1) This section applies to leases and licences granted under section 38A before a plan takes effect for an area.

(a) must not be for a term of more than 12 months; and

(b) must expire within 18 months after the vesting of the land in the Trust.

(3) A period under a lease for a periodic tenancy:
(a) must not extend for more than one month; and
(b) must not begin after a plan takes effect for any of the area over which the lease is granted.

(4) A licence that is not for a fixed term must be revoked before a plan takes effect for any of the area over which the licence is granted.

(5) If a lease or fixed-term licence is in force for an area when a plan takes effect, then the plan takes effect except to the extent that it interferes with the operation of the lease or licence in that area.

(6) A lease or licence that contravenes this section or subsection 38A(2) or (3) is void.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.06 p.m.)—I move:

(28) Page 21 (after line 10), after clause 50, insert:

50A Minutes of meetings
The Trust must keep minutes of its meetings.

We are getting into our detail of the meetings, and in particular the obligation to keep minutes. I assume that when Senator Bolkus added a whole range of obligations to the meeting procedures he missed this one out, so we are moving it to meet the requests of the interest groups that made representations to this effect.

Senator BOLKUS (South Australia) (5.07 p.m.)—It is good to see the minister acknowledge that we have done 95 per cent of the work and he has come in to put a bit of icing on the cake.

Amendment agreed to.

Amendments (by Senator Hill)—by leave—agreed to:

(39) Clause 70, page 29 (line 10), after “directions”, insert “and reasons for directions”.

(41) Clause 73, page 31 (line 22), omit “and New South Wales”, substitute “, New South Wales and relevant councils”.

Senator BARTLETT (Queensland) (5.07 p.m.)—by leave—I move Democrat amendments (1) and (2) on sheet 1817:

(1) Clause 10, page 7 (line 7), omit “5”, substitute “9”.

(2) Clause 12, page 7 (lines 20 to 29), omit the clause, substitute:

12 Appointment of members

(1) The Minister, by written instrument, is to appoint suitable persons as members of the Trust as follows:

(a) the Chair and 4 other persons;
(b) 2 persons nominated by New South Wales;
(c) a person nominated jointly by the relevant local government bodies;
(d) a person nominated by the NSW Aboriginal Land Council;
(e) a person nominated jointly by the Defenders of Sydney Harbour Foreshores, the National Parks Association of New South Wales and the National Trust of Australia (NSW).

(2) If a State or body mentioned in paragraphs (1)(b), (c), (d) or (e) fails to nominate a suitable person or persons within 3 months after the commencement of this Act or the occurrence of a vacancy, as the case may be, as notified in writing by the Minister, then the Minister may appoint such additional suitable persons as members that are necessary to make up the required number of members of the Trust.

(3) Appointments made by the Minister to any vacancy arising in the membership of the Trust must be made in accordance with subsections (1) and (2).

(4) The Minister must not appoint a person as a member if, immediately after the appointment of the person, more than 3 of the members of the Trust would be public employees.

(5) The appointment of a member is not invalid because of a defect or irregularity in connection with the member’s appointment.

After 99 amendments and hours of debate, with thundering agreement between the Labor Party and the Democrats, we thought we would disagree on something just to prevent the old accusation of the Democrats being the fourth faction of the Labor Party getting another airing. Amendments (1) and (2) relate to the membership of the body overseeing the membership of the trust. I guess the fact that
the Labor Party have not agreed with these and that they have chosen to move separate amendments gives an indication of the likely chances of success. Nonetheless, it is appropriate to move these amendments and to outline the rationale for them. The original bill as it stands proposes a membership of the trust of five. We seek to increase that to nine to ensure broader representation to still enable the chair and four other persons to be appointed by the minister, with the chair thus making up the numbers to be appointed by the minister.

This would leave two people to be nominated by the New South Wales government, a person to be jointly nominated by the relevant local government bodies, a person to be nominated by the Aboriginal Land Council and a person to be nominated jointly by the National Parks Association, the National Trust of New South Wales and the Defenders of Sydney Harbour Foreshores. This is basically to ensure maximum community input to the trust. As I say, it still means that half of the trust is appointed by the minister, including the chair. We believe that the role of local government bodies is very important. As has been indicated many times in this debate, they have been fundamental to trying to engage constructively with this bill and with the establishment of the trust. I think formally giving them an ongoing role would be appropriate.

Similarly, having a person nominated by the New South Wales Aboriginal Land Council in recognition of this being the land surrounding the very area where European dispossession of indigenous people started obviously has a lot of significance for indigenous people. An Aboriginal Land Council nomination would be appropriate. Similarly, community organisations outside the bounds of local, state or federal government would give a broader and proper flavour to the operation of the trust. For that reason, the Democrats believed this was the way to go. These amendments are also, as with all the other amendments put forward by us and the opposition, based on views put forward by those groups that have been working constructively on improving this legislation.

Senator BOLKUS (South Australia) (5.11 p.m.)—We do not support the Democrat proposals here. We think a body of 10 is too unwieldy. Our proposal, which will be moved in a later part of this debate, is to have a trust of eight—once again to ensure that fine balance between Commonwealth and state—to ensure that the Commonwealth can provide the chair and three other persons, along with three persons to be nominated by New South Wales and one person to be nominated by the New South Wales Aboriginal Land Council for essentially the same reasons as Senator Bartlett has placed on the record. We also provide for situations where there is a failure to nominate or there is a vacancy. But, as I said, we think a body of six, as put forward by the government, is too small and a body of 10, as I say, is too unwieldy. Our recommendation of a body of eight, constituted in the way that I have described, is reflected in amendments (1) and (2), which we will move straight after this.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.12 p.m.)—Our preference is five plus a chair, the Labor Party preference is seven plus a chair and the Australian Democrat preference is nine plus a chair. If Senator Brown were still here he would probably say 11 plus a chair, but he has gone off to other business. There is a lot of debate about what is the best structure of the trust. I have received representations that each and every local government within the area should be represented and that a range of the different community groups should be represented. We believe the formula that we have put together is suitable for the purpose—that is, three Commonwealth representatives, two state representatives and an independent chair.

This is not to be interpreted as some kind of objection to any of the specified parties referred to in the amendments before the chamber. I can understand and appreciate the argument put forward by Senator Bartlett in relation to indigenous representation. We might find some way of accommodating that within the numbers that we believe are the ideal for this particular purpose. Certainly it is my experience with bodies such as this that management is made easier by a smaller
group than by a larger group, but there is no set of rules which specifies the ideal size. So we are prepared to stand by what we have put in the bill. We have not heard any convincing argument for the numbers to be increased, although I see merit in some of the suggestions concerning the representational background of individuals, as has been put before the chamber today. We will vote against the Democrat proposal and we will then vote against the Labor Party proposal. I presume that the Democrats will then vote for the Labor Party proposal. I can then say that the Democrats have become a 100 per cent faction of the Labor Party whereas, at the moment, until we get to those amendments, they are only a 99 per cent faction of the Labor Party.

Senator BROWN (Tasmania) (5.15 p.m.)—I support the Democrats amendments; they are good amendments. One only has to hear what the minister just said—that ‘we might find some way of accommodating’ indigenous representation on the trust—to know why the Democrats’ wording is required. Why should we, once again, have indigenous representation left to the whim of this government? ‘We might find some way of accommodating them’? Well, it is up to this chamber to make sure that this government does not have such a capability but is told to have indigenous representation on this very important trust. I also agree with the Democrats that the environmental interests of the groups who have worked so hard for the greater Sydney National Park ought to have direct and named representation on the trust. That is a very important addition.

I am always worried that ministers are left totally capable of appointing people to trusts. Under this minister, Temporary Chairman Crowley, you will know that, for example, the World Heritage Management Advisory Committee in Tasmania has changed its nature to an extraordinary extent—away from the spread of representation, certainly, of environmental interests that it used to have in the past. I could see that process occurring with this trust, which has such an important job to represent the citizens of Sydney and, indeed, the country. That means a broad spectrum representation on the trust. I agree with the minister that you can have numbers making things unwieldy—but nine people on a trust charged with a task as important as this? Not on your life! When you hone it down to three or four and they are appointed by the government, you are taking a great risk. As I said last night, there is a requirement that such people have an environmental interest, but I have yet to find the business person—including the woodchipper, dam builder or person engaged in other activities that can be injurious to the environment—who did not claim to be an environmentalist through and through. So it is important that these definitions be locked in by the chamber and that the parliament says what it intends. That is what good legislation is about. So I support the Democrats amendments because they are much clearer and much better clauses. They are good clauses—as against the very vague wording that is open to political interpretation all the way down the line and that the government has brought in to this bill.

Amendments not agreed to.

Amendments (by Senator Bolkus)—by leave—proposed:

(1) Clause 10, page 7 (line 7), omit “5”, substitute “7”.

(2) Clause 12, page 7 (lines 20 to 29), omit the clause, substitute:

12 Appointment of members

(1) The Minister, by written instrument, is to appoint suitable persons as members of the Trust as follows:

(a) the Chair and 3 other persons;

(b) 3 persons nominated by New South Wales (including one representative of relevant local government bodies);

(c) a person nominated by the NSW Aboriginal Land Council.

(2) If a State or body mentioned in paragraphs (1)(b) or (c) fails to nominate a suitable person or persons within 3 months after the commencement of this Act, or the occurrence of a vacancy, as the case may be, as notified in writing by the Minister, then the Minister may appoint such additional suitable persons as members that are necessary to make
up the required number of members of the Trust.

(3) Appointments made by the Minister to any vacancy arising in the membership of the Trust must be made in accordance with subsections (1) and (2).

(4) The Minister must not appoint a person as a member if, immediately after the appointment of the person, more than 3 of the members of the Trust would be public employees.

(5) The appointment of a member is not invalid because of a defect or irregularity in connection with the member’s appointment.

Senator BARTLETT (Queensland) (5.18 p.m.)—For the record, obviously the Democrats’ amendments were preferred by the Democrats, not surprisingly, for the reasons outlined by me and Senator Brown. So this is a fall-back option and, in that context, is still better than the original, for some of the reasons that have again been outlined. It does specify a person nominated by the New South Wales Aboriginal Land Council, and that is a positive measure. These are basically the same as the Democrats’ amendments, except that they leave off the person nominated by the community organisations and also put the local government representative nomination within the power of the New South Wales state government—which is not necessarily an improvement. Nonetheless, the amendments on the whole are an improvement on the original bill and so, as Senator Hill suspected, as a fall-back option, the Democrats will support Senator Bolkus’s amendments and hopefully that will mean that the amendments pass.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.20 p.m.)—I thought I would say something, because this is the last of the amendments. This will pass, and the bill will then be totally transformed into that of the Labor Party and the Australian Democrats. I do not want them to be in any doubt that it will be unacceptable to the government in those terms. A lot of what has been included—many of the 101 amendments—relate to matters of not great significance. They are issues of style and terminology and, in some instances, detail that we think is unnecessary in a piece of legislation such as this, going to the operational procedures of the trust and the committees that are set up under the trust, and so forth. But there are significant differences that have now been included that are going to be very difficult to overcome in terms of ending up with a piece of legislation that the government can support. Those areas of significant difference are well known, and we mentioned them the other day. The government will not, for example, accept a bill that totally prohibits the capacity of the trust to dispose of what we think is land that does not have significant heritage value.

We will not accept a bill that enables the New South Wales government, which is not prepared to cooperate with the Commonwealth government in this exercise, to exercise a power of veto over planning and thus the implementation by the trust of its obligations and objectives as we see them under the legislation. We will make a genuine effort to respond to many of the changes that have been made through this process but, unless the Labor Party and the Democrats are prepared to compromise on the few issues of significant difference, we simply will not end up with a trust that is established through a statutory form. Everything we want to do we can actually do without a legislative base. We have sought to utilise the legislative form because we have believed that that would give greater confidence to the communities. They would be able to see clearly that the trust is acting independently. Its functions and the limitations upon its functions would be prescribed. Its objects would be set out. All the requirements that the community would like to see to give the community greater confidence in the way in which the lands are being dealt with would be lost if we do not get to a statutory form that it is acceptable to the government.

In this place the opposition, when it is working with the Democrats and Senator Brown, have the numbers and they can do anything they wish with a government bill. But the government is not going to allow a bill to come into law that is not consistent with what the Prime Minister said were the structure, functions and methods of operation of a body that we have designed to enable the
fulfilment of the Prime Minister’s promise to the Australian people in relation to these particular properties. I just wanted to use the opportunity, Madam Chair—a little irregular though it is—to make those matters quite clear.

Senator BOLKUS (South Australia) (5.24 p.m.)—Also speaking on these last amendments, I would like to make one or two points. I do not think anyone in this debate thinks that this will be the final product that will go through parliament. We hope the government takes these amendments seriously and embarks upon a process of meaningful consultation with us—the parties in this place—and the community groups to try and work out some of the issues. I think the minister identified two categories of issue. A lot of the technical ones are ones that we should be able to work out without all that much heat and passion.

In respect of the other issues, however, I think the government needs to be aware that it has made commitments. The minister says that he wants to see this legislation consistent with what the Prime Minister said. We also want to see this legislation consistent with a commitment made by the Prime Minister before the 1998 election with respect to the securing of the land and the transfer of the land. Minister, we say to you that there was an explicit commitment by the Prime Minister. If you want to come back in here with amendments that allow for ongoing capacity for sale, as this legislation does, those amendments will never be acceptable to this parliament. If you actually want to drive some sale of some land, what you ought to do is tell everyone at this stage of the process what land you are talking about. Identify the land. Let us have a debate about those particular items of land.

Senator Hill—We won’t know that until the management plans are completed.

Senator BOLKUS—But in the interim, Minister, you cannot expect this parliament to provide for a trust a power that would allow the sale of land in the manner for which you have provided a mechanism here. Some commitment has to be kept concerning the remediation and preservation of this historic and important land. That has to be the primary objective of this legislation and not a clause that allows for ongoing capacity for sale.

As for not allowing New South Wales laws to apply, the Prime Minister’s commitment was very clear. We are talking about land here that will be transferred to New South Wales in that 10-year period. Those New South Wales laws will apply in accordance with the Prime Minister’s commitment. I notice that the minister is nodding his head.

Senator Hill—Three pieces of land.

Senator BOLKUS—Only three pieces of land. I thought he mentioned five. We need to find some way of ensuring that the government now accepts that Kerry Chikarovski will not become Premier of New South Wales while they are in government, and they will have to transfer this land to a New South Wales government of a different nature to themselves. But we should not allow that to intervene. Basically, we do have environmental and planning laws that govern this stretch of land that are the proper laws to apply here, and the government should be made to meet its pre-1998 commitment to this as well. So let us get some of those minor issues through, but let us also acknowledge that there are some commitments that have been made here which we will try to hold the government to.

Senator BROWN (Tasmania) (5.28 p.m.)—With the anticipated passage of this amendment, this legislation is so much better. I hear the pique of the minister in not having total authority in this place, and I can commiserate with him because I very rarely find myself in the position where I agree with an excellent upgrading of legislation to protect the environment. Time after time, with forests, with greenhouse and global warming, with pollution and with the need for a whole range of good environmental laws in this country, I endure having this minister fall short or indeed go in the opposite direction. I do not have the numbers, so I know what that is like. But here is an occasion where the tables are turned. I understand the minister’s pique, and I also hear what he is saying. He is representing the Prime Minister’s view on the outcome for Sydney Harbour.
Let me say at the outset that the government is to be congratulated for moving in the direction of creating this great Sydney national park—and what great timing it is in the Olympic year. But why not make the vision that little bit better? This is going to be a central point of Sydney, one of the great cities of the world, forever and a day for all future generations. Why leave in the bills the potential for selling off bits of it for short-term gain? Why not tie down the representation to make sure that all the people of Sydney are represented as best we can represent them through this trust and that we do not represent potentially the people who might have only a glancing view of the environmental amenity that this is for the four million people of Sydney. I congratulate the opposition and the Democrats for the amendments that they have brought forward. They have turned it into an excellent piece of legislation. I hope they will stand firm on the amendments that have been made, because this national park is going to be a phenomenal asset without parallel in the world. There is nothing better in the world as far as a central metropolitan national park is concerned.

Finally, I want to congratulate the community groups who have been involved in the long battle to get this outcome. They deserve to see the whole thing translated into the Sydney Harbour National Park, which they have dreamed of for a long time. It is very appropriate that Tom Uren is here today watching the process in this chamber that has led to this good outcome. There are many others who cannot be here, but they are all to be congratulated. This is a vision splendid for Sydney. I hope the opposition and the Democrats stick to these amendments because the amendments fulfil that vision to the utmost, 100 per cent. Why should Sydney have anything less?

Amendments agreed to.

Bill, as amended, agreed to.

Bill reported with amendments; report adopted.

Third Reading

Bill (on motion by Senator Hill) read a third time.
tion from the current government; the need for consumer preferences to be catered for in the face of significant producer or industry opposition; the useful role of regulatory agencies like the ABA in acting as arbiter of industry disputes going to content or the programming of content; the critical need for parliament to review new technologies and emerging delivery mechanisms in an age of ready and easy convergence; and the value of public assets and their disposal, temporary or permanent, to various industry players and whether sufficient value has been realised in that disposal process.

Labor senators were required to consider, analyse, conclude and make recommendations on all of those policy matters in the seven-day period between 1 June and 8 June, when the Senate report was tabled. In considering these issues, Labor senators needed to consider a number of interests within the framework of the 1998 digital legislation: undertakings given to free-to-air broadcasters in the period of conversion from analog to digital; the obvious need to maintain a viable broadcasting industry whilst preventing improper or inappropriate developments that might permit backdoor broadcasting in the form of datacasting; and the need for datacasting industries to develop, having regard to consumer preferences and market signals without inappropriate restrictions which might stifle those emerging industries.

Labor senators had regard to: the stated desire of the national broadcasters to multichannel without opposition, except that of the government and of the pay TV industry protecting their own patch of turf; the future of enhanced programming and the proper regard of parliament to adhere to government policy pronouncements in areas of critical interest to the future of the digital TV industry; the need, in the view of the opposition, for reviews of this legislation to be timely, relevant, statutory and—most importantly—open to public scrutiny; and the need for relevant definitions, particularly in respect of datacasting, to be relevant to all sectors of the industry. In this respect, it is no secret that the opposition believes the definition of datacasting to be overly restrictive and complicated, and that goes beyond restricting data-casting services that do not constitute broadcasting.

Accordingly, the opposition is, and has been, of the view that digital broadcasting represents an opportunity to encourage the development of new and innovative uses of broadcast technology. That is why the Australian Labor Party has consistently called for a more general definition of datacasting, preferring a broad, general approach which, while not allowing broadcasting, does not stifle new, creative opportunities for prospective datacasters. The potential for datacasting to deliver new services, particularly to rural and regional Australia, is an opportunity that should be grasped with both hands.

Having made those introductory remarks and having attempted to explain to the chamber some of the issues that have been raised in deliberation upon the bills—and our views having been put at length in the Senate in the minority dissenting report that Labor senators attached to the bills inquiry report—I point out that there has been, since that time, extensive discussion in the press. The issues are well known to those who choose to participate in this debate, and there is little sense at this stage in repeating ad nauseam the content and conclusions that are contained in the Labor senators’ report. Our position is public, has been put out on the airwaves and is well known to those who are interested in this debate.

Accordingly, having put out our position and identified what we believe to be shortcomings and deficiencies in the approach of the government, as contained in the bills, we have prepared a number of amendments that we will move when we go into the committee stage. Those amendments go to datacasting, multichannelling by the ABC and the SBS, enhanced services, the regulatory arrangements and technical standards that need to apply—particularly the role of the ABA and the like—and, finally, but of considerable importance, the review provisions that need to be built into the bills and eventually into the act that are going to take account of new technologies, new players, new entries and new and different interests in the next five or six years. So our amendments in the committee stage will go to those five specific
areas, and I am advised that the amendments are still being drafted and checked at this stage.

Labor will propose an alternative framework for datacasting, consisting of a general definition of datacasting services and based on the attributes of datacasting and broadcasting, not on program or content based distinctions. It is now out there in the public domain that we are not of the view that the genre based approach of the government is correct or appropriate, and we will move a significant amendment to have a different approach to datacasting—one based on the physical attributes of datacasting and broadcasting, not on program or content based distinctions. As well, the opposition will propose amendments to the government’s proposed framework to seek to ameliorate its worst effects should the parliament not adopt Labor’s alternative framework. So we move down two paths. We will move an alternative datacasting definition based on the physical attributes of datacasting, and if that finds favour in this chamber, so be it, and that will be the end of it. If that approach is rejected by the combination of the government and the Australian Democrats, we will have a fall back position, which has also been put out in the public domain, where we seek to ameliorate what we believe to be the worst effects of the government’s proposal.

The second issue we will address by moving amendments goes to multichannelling by the ABC and the SBS. Labor have consistently supported, and will move to allow, multichannelling by the national broadcasters—the ABC and the SBS—because of the public benefits arising from extending the role of the national broadcasters, particularly for rural and regional Australia. We will develop that more when we go to the committee stage, but we do note in passing, and put on the record at this stage, that the only objections that have come forward to allowing the national broadcasters to multichannel are from: (1) the government—continuing its position of trenchant opposition to any growth, development or change within the ABC; and (2) the pay TV industry. I suppose they are protecting their financial interests, and one cannot be critical of them for that. But they are the only two players in this debate who object to the national broadcasters being able to adapt to changing circumstances and to multichannel: our government and the pay TV industry.

The opposition is of the belief that the capacity for broadcasters to offer viewers enhanced services needs to reflect the framework enacted in the 1998 digital broadcasting framework legislation and in the government’s policy announcement of December 1999. We believe the bills as they currently stand in this place do not accurately reflect the minister’s announcement of 20 December 1999. Indeed, they go significantly further than that: they move perilously close to allowing the commercial networks to be able to multichannel. So our position in the debate on enhanced services in the committee stage will be to seek to amend the bills so that they accurately and exactly reflect the minister’s announcement of late December last year.

Fourthly, in terms of regulatory arrangements and technical standards, Labor will propose a range of amendments to develop a more appropriate regulatory framework, including enhancing the Australian Broadcasting Authority’s power to rationalise and clear spectrum for datacasting; subjecting datacasting determinations by the Australian Broadcasting Authority to existing appeal and review arrangements; incorporating a ‘use it or lose it’ provision for datacasting transmission licences; ensuring the interoperability of technical standards for audio and video formats; and making electronic program guides operate similarly to the United Kingdom model where broadcasters have three options: show no electronic program guide, show only their own programs or show other broadcasters’ programs using common standards. They are the amendments we will move in the committee stage in terms of regulatory arrangements. I suppose the pertinent point to note is the strengthened and ongoing role that the opposition proposes for the ABA as an arbiter of disputes in the area where there might possibly be a difference or distinction between broadcasting and datacasting. We will lay down a set of principles for the ABA to have regard to in carrying out that function.
In terms of the review provisions, the opposition is of the view that the reviews should be statutory and conducted earlier than proposed by the government. As well, the Labor Party will seek to incorporate a new general review of the operation of schedule 4, digital television, and the proposed schedule 6, datacasting, of the Broadcasting Services Act to occur not before 1 January 2003, the report no later than 1 January 2004 and a review of the conditions to apply to commercial broadcasting licences at the expiration of the moratorium period. In brief, there is, as I said at the outset, significant technological convergence. There are proposals for a series of reviews scattered through the bill. The opposition believe that those reviews should go ahead. We believe they should be done sooner rather than later. We believe they should be open, and we believe they should report to the parliament. This is a most critical aspect as far as we are concerned. Amendments and more detailed provisions giving effect to those five broad headings have been circulated in the confines of the parliament for the last two or three days and have been readily accessible.

Finally, at this stage, two further points need to be put on record by the opposition: firstly, the issue of walled gardens through the Internet and, secondly, the right of parties in administrative appeals. The opposition are alive to the potential problem of a broadcaster seeking to offer a suite of programs via the Internet via datacast spectrum. For example, a series of news programs or other programs could be aggregated into one site—that is, you might be able to get telstra.com, nbc.com and cnn.com aggregated into one site. It is not a dissimilar process to bookmarking on the computer in the home or office. The opposition are of the view that such an activity, if it did occur, clearly falls foul of the general proposition that the act does not permit backdoor broadcasting. In reality, it is a backdoor mischief by walled garden Internet services. However, we are of the belief that you cannot solve that problem by content based distinctions. We know from last year’s broadcasting bill of the millions of sites that are out there and are not appropriate to be regulated by a content approach. So on that issue, I repeat: the opposition are aware and are taking on board concerns that have been expressed to us by industry about the threat of this development. We would welcome and look seriously at any suggestions on that point.

In terms of the rights of appeal in the regulatory regime, the ALP intend to conform with longstanding and well-established principles as to rights of private property and the right to appeal mechanisms. Parties to determinations by the ABA should have rights of appeal, and those rights should not be taken away or negatived prior to the conclusion of appeal proceedings. ABA determinations should be subject to appeal. The opposition understand that a party could flagrantly, in breach of an ABA determination, put up broadcasting material on a datacasting site. We would not welcome such a proposition; in fact, we would be strongly opposed to any development that goes down that path. We are prepared on this issue to look at alternative mechanisms but, in saying that, we do not think it is appropriate to reverse longstanding principles and practices in the area of administrative law and administrative regulation and to overturn appeal rights that parties may have and would be able to exercise in any other forum or jurisdiction to protect their rights or their legitimate interests.

In conclusion, the opposition’s position is clear: we are of the view that the 1998 framework legislation has to be respected and that digital industry datacasting in particular needs to be developed; however, datacasting cannot be backdoor broadcasting. We are of the view that the government’s content based approach is inappropriate and will restrict, harm and retard the development of this issue. Hence, we have circulated for consideration amendments to the effect of a different approach not based on content but based on the inherent features of the datacasting industry. The other matters that I have referred to are on the public record. I presume we will proceed with the committee debate in due course. My remarks set out the opposition’s position. We will be moving amendments under each of those five headings when we move to the committee stage.
Senator BOURNE (New South Wales) (5.52 p.m.)—At the end of Joseph Heller’s *Catch-22*, we find that one of the crew members is wounded by anti-aircraft fire. The central figure finds a hole in this man’s chest, carefully patches it and reassures the man all the while that everything is going to be all right. Then he discovers that the man’s life is spilling out through another larger hole in his back. We cannot help feeling that that may be what we are looking at with this legislation.

As the minister has pointed out, the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000 builds on the framework put in place by the digital television legislation of 1998. That legislation was rushed through the Senate and the Democrats commented at the time that it raised more questions than it answered. We were marginally reassured when the ALP negotiated a compromise arrangement with the government to ensure that the proposed regime would be subject to further scrutiny and to analysis. The understanding at the time was that the 1998 legislation could therefore be treated more or less as an exposure draft.

Since then, however, it has become abundantly clear that the government had little intention of letting anything like scrutiny get in the way of their preferred model. The government was required to conduct reviews, which it did. But by the time the reviews were tabled, the government had already laid down the framework for the legislation that we now have in front of us and the reviews, contrary findings and all, simply vanished off everybody’s radar.

Then the government delayed tabling the legislation until budget week, while insisting that it has to be passed before the winter recess. That means that the Senate inquiry into the bill, a large and complicated document, was forced into a ridiculously short timetable. Respondents had 10 days to make submissions and the whole inquiry was shoehorned into two days with tight time constraints. Unsurprisingly, the inquiry’s findings were few.

Finally, as a third mechanism of scrutiny, the 1998 bill contained a provision that the portion of the bill permitting the minister to determine standards that will govern digital television would only come into effect after both houses of parliament had passed a motion to make this possible. The intention of this provision was to provide one final point of scrutiny before digital television went to air in Australia. Now we find that the government wants that excised from this bill. The Australian Democrats have consistently maintained that getting the legislation right is more important than getting it through the Senate by a fixed date. In 1998, we had an exposure draft and the expectation that the whole digital regime would receive serious reconsideration. We have now arrived at a rushed bill that we are told must be dealt with by the end of next week, at the latest. Small wonder that we think we might be patching the wrong hole.

The bill is complex, as is to be expected when it introduces such potentially significant changes to Australian television. It provides for the simulcasting of standard definition and high definition television and imposes quotas on HDTV requiring television stations to broadcast 20 hours of HDTV per week within the first two years. It provides a new set of rules for datacasting and for program enhancements. There are mechanisms to increase the diversity of digital programming in solus and dual-licence licence areas and the clarifications of the captioning standards relating to digital television. The bill sets out the timetables for further reviews of the progress of the conversion from analog to digital.

At the same time, however, we should pay attention to the things which are clearly missing from this bill. In spite of expectations, there is no mention of enabling the national broadcasters to provide multichanneling services within their charters, as we have just heard. The bill provides no evidence that the government intends to follow through on its March 1998 promise to give community television broadcasters free access to a SDTV channel. It leaves alone questions of device interoperability and provides no rules for the equitable provision of program information via electronic program guides. In spite of the fact that the bill is attempting to create a new datacasting industry, its spectrum planning
provisions make no attempt to guarantee the rationalisation of spectrum and to ensure that there will be sufficient spectrum available to ensure a diversity of datacasting services in the more congested licence areas such as Sydney.

Let me begin with high definition television which is, in many ways, the cornerstone of the digital television regime that we are considering here. The Australian system is predicated on the idea that consumers will be attracted to the sounds and lights of cinema quality HDTV and that to provide this the broadcasters require seven megahertz of spectrum. This has been widely questioned since the digital regime was first proposed, particularly by those most directly attuned to the interests of consumers, who expect HDTV equipment to be largely unaffordable in the short to medium term. It is interesting to note that the minister appears to have had some kind of conversion of his own since then as the bill requires broadcasters operating in digital mode to transmit their programming in standard definition television. HDTV thus becomes an optional extra for those who can afford the television sets.

The Australian Democrats acknowledge that it is the will of this parliament that HDTV will go ahead and maintain that, as this is so, we must do it properly. There has been much speculation—indeed, I have speculated much myself—that HDTV will give way to multichannelling before the transition to digital television is complete. While the Australian Democrats would not necessarily be adverse to that transition, it would be to undermine the basis of the spectrum allocations to free-to-air broadcasters. We take it as a principle that, if free-to-air broadcasters move from high definition services requiring seven megahertz of spectrum, there should be a reassessment of their spectrum allocation. Likewise, we acknowledge that, if HDTV is going to succeed in Australia, it will not succeed overnight. Even the most positive assessments of its prospects show the technology not achieving any significant market penetration for four or five years. In this light, we regard proposals to review its uptake in a shorter period as ill considered.

One of the great uncertainties of the 1998 legislation was the scope of datacasting. To clarify this, the government is introducing a new set of rules based on traditional television genres—we all know about genres. In the news genre, datacasters will be permitted to provide a 10-minute headline bulletin of continuous video. There will be no time limit on unlinked video items in this genre that are accessed from an onscreen menu. For all other genres associated with traditional television programs, datacasters are permitted to transmit only short extracts as part of previews or reviews. Excluded genres include drama, current affairs, sport, documentaries, reality TV, lifestyle shows, children’s television and games shows. Datacasters may freely transmit video content outside of these categories, specifically including educational and information only content. They are free to offer interactive information services, such as email or home banking.

The legislation also allows datacasters to create a point to point network using a combination of the airwaves and modems in viewers’ digital television sets. If they do so, the service created will be treated as an Internet service and subject to Internet regulations rather than to datacasting regulations. However, that is not really the point. The problem, as datacasters finally began admitting last week, is that it is not possible to provide a viable point to point service of this kind in any area with a significant population as the spectrum has to be subdivided far too finely. Datacasting is not and will not be the Internet on TV under the current regime. What it holds is the possibility of a Net-like service extending into the homes of the 70 per cent of Australians without home Internet access.

The issue of the carriage of Internet content cuts to the heart of the problems surrounding this whole area. The distribution of Internet type material via the broadcasting service bands marks one of the first meaningful examples of the problems of convergence that this parliament has had to confront. On the one hand, we have broadcasting regulation which proceeds by conditions attached to licences. On the other hand, we have the point to point regulation that governs the Internet. Datacasting sits somewhere in be-
The challenge confronting us is to find a system that provides these benefits without creating the backdoor broadcasting.

As we indicated in our minority report to the Senate inquiry, we see the government’s genre approach to be flawed as it is based on the content of the medium rather than the nature of the medium. However, any alternative definition must be subject to the overriding condition that it does not breach the agreement that no new commercial broadcasting licence be issued until 2007, when digital conversion is substantially under way. It must not provide a means for datacasting to become broadcasting by other means.

If we do end up operating within the framework of the government’s genre system, there are other issues that will have to be considered, such as the definitions of information only and of education programming. The other particularly contentious issue, at least within the television industry, has been enhanced programming. The bill provides for three types of digital enhancements to broadcasts. The first, category A enhancements, includes multiple camera angles and additional onscreen information relating to a program, provided that they are contemporaneous with the main program and they are linked to its subject matter. Category B enhancements allow broadcasters to multichannel sports to show two sporting events at the same time and venue where the sport played is the same sport. Finally, overlap multichannelling permits broadcasters to multichannel when live programs, such as sporting events, run over time and overlap with the next item in their programming schedule.

The pay TV industry has expressed strong concerns that all three forms have been broadened in a way that violates the limitations on commercial broadcaster multichanneling that were agreed upon in 1998 and that potentially threaten their business. The Democrats acknowledge these concerns and we will seek amendments to reduce the impact of enhanced services on the pay TV industry.

Perhaps the issue of greatest concern for the Australian Democrats is the treatment of the national broadcasters under this legislation. The Democrats have consistently maintained that the ABC and SBS should be permitted to provide multiple channels of programming, as this will better enable them to fulfil their charter obligations. The ABC has talked about providing region specific programming and educational material on their second channel amongst other things, while the SBS has indicated an intent to show more foreign news.

We have also maintained that the ABC and SBS, not being commercial broadcasters, should not be subject to the datacasting charge and that they should be able to transmit their radio programming as part of their datacasting services to ensure that it reaches the greatest possible number of Australians. Further, their programming decisions should not be subject to the jurisdiction of the ABA and oversight of their capacities to datacast should be removed within their respective acts. We are heartened by indications from the ALP that they will be moving or supporting amendments along these sorts of lines.

The Australian Democrats are firmly of the opinion that digital television and datacasting should be based on an open platform. Just as digital television broadcasting will be conducted in accordance with the DVB standard and MPEG-2 compression, there should be a single agreed middleware standard that allows content providers to deliver content to any set-top box. We do not want to see set-top boxes that can interpret the signals from only one single datacaster. More importantly, we would like the platform to be open. We would not want to see a proprietary standard dominating set-top boxes the way that Microsoft dominates personal computer operating systems.

The solution is a uniform middleware standard. Ideally, it should be a standard agreed upon by the industry. However, bearing in mind overseas experience with interoperability and knowing this industry, I think we can safely say that there should be a mechanism for the minister to intervene if the industry cannot make up its mind on this. In a similar vein, the Democrats would like to see an open and equitable system for electronic program guides. The bill mentions EPGs but provides no direction to ensure that all serv-
ice providers are treated fairly and equally. We believe that the legislation should include the rules governing EPGs, such that program information is passed freely between service providers in a standardised format and that, in cases where service providers include EPG information for a service other than their own, they are obliged to provide the same information about all corresponding services. A strong priority in formulating the EPG rules should be to ensure that they guarantee fair and equal representation of the content of all services represented within a given EPG.

As the Community Broadcasting Association of Australia indicated to the recent Senate inquiry, the community television broadcasting sector have been treated very poorly in the development of this legislation. In March 1998, the government promised to provide them with access to sufficient spectrum for one channel of SDTV. Whether by design or by oversight, the government has failed to follow through on this promise. The concern is that if a decision is not taken now, no spectrum will be available until the switch-off of analog in eight or more years time.

Further, community television broadcasters continue to labour under one-year licences that undermine their ability to secure a financial footing. While we are told that the minister has issued instructions to extend the community broadcasters’ licences, those instructions have apparently not been received as yet by the ABA. No attempt is being made to extend the duration of these licences so nothing is being done to ameliorate that uncertainty.

The Democrats also note the Productivity Commission’s comments, both in evidence before the committee and in their broadcasting report, on the possibility of creating a new category of broadcasting licence for indigenous broadcasters. The Democrats believe that this is an excellent suggestion that should be pursued vigorously. While the evidence we received suggested that the immediate priority of the indigenous media sector lies with radio, digital spectrum should be set aside in anticipation of the creation of indigenous television broadcasting licences. One of the things that has always concerned the Democrats about the Australian media sector is its remarkable concentration. A great number of media resources are held in very few hands, and we have long been of the opinion that it is highly desirable to seek greater diversity of both ownership and content. In this light, we would want to see the emergence of the greatest possible number of new datacasting services. We are concerned to see that very little spectrum is available in the Sydney area for datacasters. Sydney is the largest market in the country, and it is accepted wisdom that datacasting services that are unable to air in Sydney will be less viable elsewhere.

We are heartened by the news that the ABA are considering the adoption of some species of single frequency networks, which will allow a greater number of channels to become available. However, we were somewhat stunned by evidence from the ABA at the recent Senate inquiry that they were both unable and unprepared to rationalise spectrum and find channels in Sydney if the datacasting licences have not been issued, except of course that datacasting licences cannot be issued if the spectrum is not there for datacasting services to be transmitted on. I began with Catch-22 and it appears that, through the good works of the ABA, I can finish with it. Needless to say, the Democrats would like to see the ABA both empowered and directed to rationalise spectrum to allow for a greater number of datacasting services.

Let me finish by saying that this issue has been and still is very complex and difficult, as is the legislation. I would like to thank a few people: primarily David Sutton on my staff for his very good work in this area and his great understanding. I would also like to thank—and this may sound a bit strange—the minister and his staff, Mr Smith in the other House and his staff, Senator Bishop and his staff, and, finally, all the stakeholders and those experts in the community who have given us the benefit of their expertise in this area. The lobbying on this bill has been reasonably intense, I think you could say, and Senator Bishop would probably agree with me, and I am sure the minister would. But everybody has been, at least to me and my
staff, very reasonable, very pleasant and at all times very polite. That could be because everyone wants their own way and they are not sure what is happening, but I do not think so; I think it is because this has been one of the better bills to negotiate that I have been involved with.

 Senator HUTCHINS (New South Wales) (6.09 p.m.)—I would agree with Senator Bourne that the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000 is very complex. I think people with a background in engineering or communications might be a bit more au fait with it. But tonight I want to speak about the fact that with this bill we have a chance to deliver an accessible, affordable and highly appealing new entertainment and information service that would be accessible to every home in Australia. In my speech I want to explore the government’s position and how it arrived at this legislation. I also want to explain why, if the Democrats decide to jump in bed with Senator Alston, they will be suffocating emerging industries and robbing all Australians of the latest wave of the technological revolution that is being appreciated around the globe. I also want to canvass the opposition’s proposed amendments and elaborate on how amending the legislation will provide a regulatory framework that is fair and equitable to all current and future broadcasters, producers and consumers.

 Anybody who reads the government’s legislation could only come to the conclusion that the government is severely compromised when it comes to its dealings with the existing free-to-air commercial broadcasters. This government, led by the Prime Minister, and the Minister for Communications, Information Technology and the Arts, Senator Alston, has effectively given the free-to-air commercial broadcasters everything they wanted when it has come to digital television and datacasting. The legislation that we have before us today is evidence that the government’s motivation on this issue does not coincide with the broader public interest. Instead, the government has chosen to pursue a narrow, big business agenda that delivers everything to the existing owners of free-to-air broadcast licences and provides little for consumers or potential new broadcasters. There is no other way you can interpret this legislation, particularly when you consider the consequences of its allocation of digital spectrum, the protection of free-to-air commercial broadcasters from competition and its attempt at stifling datacasting industries.

 Looking at digital television first, the government announced in December last year that after digital broadcasting commenced on 1 January 2001 it would be mandatory for free-to-air stations to broadcast analog transmissions as well as standard and high definition signals for seven years, at which time analog transmissions would cease. The government claimed that such triplecast arrangements would provide a launching pad for the take-up of digital television in Australia. Further, it would enable consumers to gain an appreciation for digital television and the technologies and services they may wish to use before analog broadcasts were phased out. Since this announcement was made, there has been a range of criticisms levelled at the government from numerous industry sources. Their complaints have, on the whole, been founded on the government’s inconsistent approach to competition for the industry and preparedness to mandate HDTV without question beyond the foreseeable future.

 In terms of competition, it has been said that the government effectively granted the free-to-airs the entire available spectrum until 2007. By making it a legislative requirement to broadcast in the three bands, there is now no space available on the broadcast spectrum for any new players to enter the market. What is even more puzzling is that the government decided to provide the digital spectrum for free. It seems quite bizarre that in this year’s budget the government announced that it would reap several billion dollars from the auction of the latest mobile phone spectrum but when it comes to the television spectrum it decides to give it away for free. In other words, no other media company, no matter how well financed or stocked with quality programs, will be able to get access to the broadcasting spectrum until 2007. When that date does arrive, they will be forced to enter an auction and bid for space on the
digital spectrum against other broadcasters who have already created their niche markets.

These allowances for the existing free-to-air stations go well beyond the parliament’s approach to the issue that was laid out in previous years and gave sufficient encouragement and support to all existing and potential industry participants. These decisions have laid the platform for the excessive protection of free-to-airs from any competition for the best part of a decade. It has secured their oligarchy over the broadcasting of programs to the Australian public and secured their advertising revenue for seven years. It is no secret that many media companies have expressed an interest in obtaining a licence so that they would be able to commence free-to-air broadcasting in Australia.

Many public commentators would argue that, in the interest of diversity and competition, any company which can demonstrate it has the requisite capital and programming expertise should be allowed to broadcast in Australia in accordance with reasonable legislative requirements. The decision to protect the free-to-air stations from any form of competition stands in complete contrast to the government’s mantra on competition. This government has consumed itself on pro-competition jargon, but there is no consistency in its policies when it comes to digital television, datacasting and the free-to-air commercial television stations. It is simply inexplicable that the government seeks to impose competition on battling dairy farmers but then wants to protect billion dollar media moguls from competition.

The Labor Party believes that this approach to the provision of spectrum is untenable. It believes that criticism of the government that has come from the television industry is well founded and that the proposed arrangements for mandating HDTV are questionable. As such, the Labor Party will be supporting moves to require an early review of this situation to determine whether it is viable for the continued mandating of HDTV broadcasting. It will also be moving amendments to increase the power of the Australian Broadcasting Authority to rationalise and clear spectrum for use by other service providers.

The minister’s sop to the commercial free-to-air television stations on these matters does not end with digital television. In his announcement last year, the minister also stated that the government would allow free-to-air broadcasters to datacast on the portion of their allocated digital spectrum that was not required for their standard or high definition digital broadcasts. At face value this may appear a legitimate use of the digital spectrum, but when it is considered that free-to-air broadcasters are to receive free spectrum allocations and that no additional broadcast licences will be allocated for several years, analysts will realise that the decision was again taken for the sole benefit of the commercial free-to-air broadcasters. The point to be made here is that, by being allowed to datacast, companies who have free-to-air broadcast licences will also be able to datacast electronic forms of newspapers. But by virtue of the restrictive definitions of datacasting, which I will elaborate on in a moment, and the moratorium on broadcast licences, newspaper companies will not be allowed to enter the broadcasting market. This ruling by the government will obviously support those media companies that now have free-to-air broadcasting licences and will soon be able to move into the domain of electronic newspapers. It will certainly be interesting to see over coming years what the effect of this government decision will be on their share prices and profitability.

In his statement of late last year, the minister also announced that the government would be taking a genre approach to defining datacasting. This would mean that the staple items of free-to-air broadcasting, such as news and current affairs, drama, comedy and other forms of entertainment, would remain within the almost exclusive domain of free-to-air stations. The only type of programming that could be provided on datacasting would be small extracts of the abovementioned programs and information and educational services that would be available by selecting from the datacaster’s link.

At the Senate committee’s public hearing on this bill, members of the committee read in the submissions, and heard from numerous witnesses, that this approach to datacasting
was overtly restrictive. It was advised that much of the potential of the Australian film and television industry would not be realised if this definition was not relaxed. You could well say in a dramatic sense that, if the government’s approach was implemented, datacasting in Australia could well be killed off before it was born. The Labor Party is not of the opinion that datacasting should be a means of delivering backdoor broadcasting services, but it does believe that, for the benefit of the local film and television industry, and for other reasons, the government’s genre definition of datacasting is too restrictive. As such, the Labor Party will be moving amendments that, if agreed to by the Senate, will provide substantially more opportunities for local producers and significantly enhance services to consumers.

The opposition will be proposing a framework for datacasting that consists of a general definition of datacasting services that are based on the attributes of datacasting and broadcasting, not on a program or content based distinction. In other words, the opposition’s approach to defining datacasting will differ from the government’s genre approach in that it will be based on criteria that will require datacasting to be noncontemporaneous, nonlinear and interactive and will require frequent user defined choices and frequent use of static graphic interfaces. The opposition believes that this definition of datacasting will provide greater opportunities to potential datacasters but will not facilitate the delivery of backdoor broadcasting. It will also allow for the provision of a much wider range of services to consumers that will not be possible under the government’s current definition.

The government’s preparedness to bend over backwards to free-to-air commercial broadcasters has also led to a curtailing of the contribution the national broadcasters—the ABC and SBS—can make to the digital television industry and, as such, the broader Australian community. The ABC has been leading the way in the development of digital television in Australia. It has been feverishly researching and experimenting away in its studios around the country, spending its minimal research dollars on endeavouring to find the best possible delivery of digital television services to Australians. Perhaps its most important discovery to date has been its development of technology that would enable the ABC to multichannel, that is, simultaneously broadcast more than one program at any given time. Given that the charters of the ABC and SBS require them to provide programming that is diverse and of high value and quality to the Australian community, the opposition believes it is in the best public interest that the national broadcasters be able to multichannel. As such, the Labor Party will be moving amendments to allow the national broadcasters to multichannel.

The government’s approach to enhanced programming as outlined in this bill is also overtly restrictive and departs considerably from the more appropriate intentions of the government that were outlined in Senator Alston’s statement of December last year. The bill in its current form appears to indicate that enhanced services would include multibroadcasts of distinct substance and, as such, would be a means of providing de facto multichannelling. This goes beyond the minister’s indication of last year that the enhanced services would be permissible only if there was a direct link between the enhancement and the main program material. In this instance the Labor Party is of the opinion that the legislation should more closely reflect the minister’s original position on enhanced programming. The only extension to this principle should be the allowance of overlap broadcasting in the event that one program coincides with the scheduled start time of a news bulletin.

The captioning requirement for digital television that is contained in this legislation is certainly welcome, even though the full implementation date is some way off. I note with thanks the representations I have received as recently as this week from Mr Nicholas Tayeh, a captioning campaign organiser from Wentworthville in New South Wales, and His Grace Bishop Kevin Manning from the Diocese of Parramatta in Sydney. They have certainly brought home to me the importance of captioning to the hearing impaired amongst our community and the need for them to have access to the services that
we take for granted every day. It would certainly be preferable for this date to be brought forward. However, it does need to be brought to mind that captioning does impart a disproportionate burden on rural and regional television stations. Perhaps it may be possible for one of the reviews of the digital television industry in the near future to look at the issue with a view to bringing the compulsory captioning requirements forward.

The end result of the government’s acquiescence to the free-to-air networks is that, if the legislation is passed unamended, all consumers will be financially punished and deprived of the entertainment and information services that are now readily available in Europe, North America and many other parts of the world. The mandating of high definition television will mean that, if consumers want to watch digital television in the highest quality provided by broadcasters, they will have to pay $15,000 to $20,000 for a digital television set. It is ridiculous that a consumer should even consider having to pay this much for a television set, but that is the option that is being supported by the government. However, by mandating the compulsory broadcast of HDTV by all digital television broadcasters, the government is generating a market at an exceedingly high premium price. If this option was not available, medium price buyers would be spending their money on the cheaper SDTV and set-top box and thus helping to drive the price of accessing digital television down for all consumers.

In conclusion, I would like to say that the secrecy that has surrounded the government’s arrival at this legislation is obviously not a process that is welcomed by the opposition. On matters of extreme national importance any deliberations on policy directions should be as open and publicly accessible as possible. That is why the opposition will be moving that all reviews of the digital and datacasting industries should be statutory and, as such, accountable to the parliament. Only that way will the public be assured that this acquiescence to a particular element of the television industry will not occur again and that any policy decisions arrived at by the government of the day will be in the best interests of the public.

That concludes the comments that I have to make on this bill. As I said at the start of my remarks, this bill provides an opportunity for the parliament to deliver an exciting and dynamic form of information and entertainment to Australia. I regret to advise the chamber that, in its current bastardised form, this intent will not be achieved. However, I am sure if the Democrats decide to support our amendments or if the government has a change of heart that leads to it holding the interests of the public above all other priorities, the framework for an accessible and efficient digital television and datacasting service will be put in place by the parliament this day.

Senator LUNDY (Australian Capital Territory) (6.27 p.m.)—Datacasting—its definition was always going to be the next watershed for the coalition’s digital television legislation. It is a word that will, from now on, epitomise the sycophantic relationship between the coalition and the incumbent broadcasters in Australia. After all, this bill, the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000, was constructed with the aim of protecting the interests of incumbent broadcasters. Once all the rhetoric has been stripped away this bill is little more than an elaborate barrier to entry for potential new digital content producers. I would like to look at the evidence of this.

This bill is the second tranche of legislation designed to put the datacasting flesh on the spectrum bones of a flawed piece of legislation passed back in 1998 for which the espoused vision—and that vision is supported by Labor—is very distant from the model we have before us in this chamber. The digital television act was passed with some amendments forced upon the government by Labor when we very quickly came to understand the deep implications of the collaboration between the free-to-air broadcasters and the government. The original sin lay in the presentation of this massive spectrum deal which saw free-to-airs handed a gift of seven megahertz of digital spectrum. This was presented as a means to encourage the ubiquitous take-up of HDTV by Australians by enabling the broadcasters to upgrade their technology. This, we were told, was a
good thing. A good thing according to whom? The proponents of the deal, of course—the Federation of Australian Commercial Broadcasters. Labor’s early interest in this proposal soon became jaded as it became clear that the assumptions that the coalition had relied upon to justify the deal were false and, in some cases, completely indefensible. For example, the merits of high definition television were quickly challenged.

Other jurisdictions which had attempted to legislate the mandatory introduction of new technology like HDTV had failed. The consumer interest was not only not there but demonstrably absent. High definition TV sets cost a lot of money. Who would be able to buy one, even if anyone wanted to?

By the time the issue of standard definition digital TV was circulating it was patently clear to those with even just a casual interest in media policy that the fix was on. This legislation had been constructed with one primary purpose in mind, and one only: to create a barrier for potential competitors to prevent them entering into competition with the incumbent media interests in existing and future digital content markets. The free-to-airs got what they wanted: they secured their subsidy for digital conversion in the free spectrum and got enough of it so there would not be much left for anybody else.

But this spectrum lock-up was only the first element in creating a barrier to entry for potential competitors. Destroying the viability of independent datacasting offerings was the second element. This barrier has been built by the coalition by pursuing a datacasting definition so tight that creating a viable business model became really difficult for new entrants.

I almost forgot: another potential competitor is the ABC. It is as though the free-to-airs had to think long and hard about dealing with them. The ABC and SBS were already in the market, so a barrier was no good. The alternative was to pretend the ABC’s potential ability to compete was an unfair advantage—a spurious argument with which Minister Alston concurred; hence the ability for public broadcasters to multichannel has now been removed from the government bill. This was a bit of a moot point anyway, as the ABC have been consistently attacked by the coalition, and their ability to serve the content demands of a meaningful multichannel service required resources in the form of funding, which was not likely to be forthcoming from a coalition budget.

Even so, it would be no good for the free-to-airs for the ABC or SBS to excel and push the quality bar up another notch. So a bit of a management reshuffle was called for, leading to significant restructuring and loss of expertise from within the organisation—all executed efficiently by Senator Alston and his mates on the ABC board. All of these points demonstrate that this bill is little more than an elaborate barrier to entry for potential new digital content producers.

What are the citizens of Australia, as consumers of the media, going to miss out on if the coalition get their way and the Labor amendments fail? Who is being locked out? Who is being barred from entering this market space? Why is it so important? These are all critical questions that need to be answered. They are questions the coalition have deliberately ignored. To even attempt to answer them would expose their disregard for the public interest with respect to media policy, cultural policy and industry policy, just to name a few.

The public policy motivation behind cross-media laws is to promote quality diverse content. Because the digital TV legislation and datacasting bill creates barriers to entry for potential new entrants, by definition this bill is in conflict with the public policy aspiration that underpins existing media laws. Concern expressed by the various incumbent interests that a further concentration of media ownership would result from an open definition of datacasting rings hollow, especially when no party, including the government, has gone so far as to suggest that datacasting itself take a place in the matrix of cross-media restrictions. Regardless of the merit of this proposition, this is further evidence that public policy motivations behind the coalition bill have little to do with what is best for Australia. The coalition is seen to be merely dancing to the tune whistled by the free-to-airs.
The cultural implications are significant too. The ability for Australia to produce home-grown digital content is critical to how we reflect upon ourselves as a society. For the same reasons there is merit in maintaining certain percentages of Australian produced content in the traditional media, it is critical that we enhance our ability as a nation to produce quality content. In fact, the policy imperative to create an industry environment conducive to producing the best digital content we can is even stronger than for the traditional media. Why? Because we cannot legislate minimum Australian quotas on the Internet. We cannot do that any more than we can legislate to restrict content or censor content on the Internet.

With datacasting services deliverable across the Internet and Internet content producers holding strong aspirations to be datacasters across spectrum, the innovators and entrepreneurs who will drive the production of Australian digital content are watching their future unravel as this debate proceeds. Will there be a future in Australia for them? Will there be opportunities worthy of investment? Only if we develop the alternative framework that Labor is suggesting through our amendments. Only if we reject the government’s model for datacasting.

This bill restricts the opportunity for the growth of quality diverse content in Australia. The Internet Industry Association has stated that it has grave concerns that the coalition policy of artificially constraining datacasting by narrowing the range of content datacasters can deliver will undermine the business case for investment in both content development and delivery by potential competitors to free-to-air broadcasters. The IIA is correct in its assessment that this bill will suffocate the nascent industry in digital content production and delivery over spectrum.

With Australia already demonstrating a high level of expertise in digital content production, the opportunity exists to continue to develop this critical industry sector. Recently, however, it was estimated by Morgan and Banks that Australia was losing about 1,000 people per month in the IT&T sector alone. I cannot help but wonder how many more of our innovators, enthusiasts and experts aspiring for a career in digital content industries will turn their backs on Australia in disgust at this latest attempt by the coalition to cut their dreams to shreds.

In the midst of this damning reality we continue to hear empty rhetoric emanating from Minister Alston, who espouses the virtues of investment in information and communication technologies. We see a coalition happy to launch, amidst often great fanfare, their Building IT Strengths program, much of which has been geared towards encouraging the very entrepreneurs that are positioned to grow their businesses around digital or Internet content. It is these innovators who will see their futures limited by the passage of this bill. There is no consistency from this government. There is no understanding of the digital economy, the information society. The coalition—with their minister for IT at the helm of this sinking ship, this backward looking vehicle that they have—are taking Australia backwards.

It is interesting to have watched the conduct of Fairfax throughout this debate, too. Early dissidents, over time they have come to see themselves as having their own incumbent interests and have changed their conduct from time to time. Their recent withdrawal from the datacasting trials tells me that they have been too clever by half. Fairfax appeared to have the strongest business case and they were intending to invest in a comprehensive datacast offering. Why did they go silent in the midst of the debate? If there was some sort of deal or promise, it must are been reneged upon. Whatever the motivation, the chief executive, Fred Hilmer, has chosen to cite the reason now as follows:

The bill as it stands today will not permit us to proceed with a viable datacasting service on a commercial basis.

With OzEmail having pulled out a while ago, Telstra announcing their withdrawal at the eleventh hour and News Ltd not even looking interested, a very clear message is being sent to the coalition. As if this was not enough of a debacle, there was another major shock to the industry to come. In his second reading speech the minister implied that there was a possibility that Internet services, such as streamed video, would be defined as a broad-
casting service under the law. The mechanism to determine this, so the minister said, is a review over the next 12 months by the ABA. What concerns me is that the minister has form on this, as does the ABA.

The industry is absolutely correct in slamming the concept of this proposal. It reeks of yet another barrier to entry being built—only this time why just bury the local opposition, why not take on the world? Internet content—if it is a streamed content—regardless of whether it is delivered across a PC or through a set-top box to a TV, will be assessed as to whether it is subject to the provisions of the Broadcasting Services Act. It is as though someone showed someone else higher up in a media organisation a video downloaded from the web over some fat piece of pipe. I can see it now: they said, ‘We cannot have that. It could be more interesting than Who Wants to be a Millionaire. Let’s kill it. What options are available?’ This is of course utterly ludicrous, but so was censoring the Internet. As I said, the ABA has form on this, under the instruction of the coalition.

If this were to proceed—and I am not surprised that the industry is concerned, given the way that the minister has conducted himself on matters relating to Internet content in the past—Australia will once again be seen as the Luddite in a changing world. Already this country is perceived as the global village idiot as a result of ignorant attempts by the coalition to censor a global medium: the Internet. Surely there is one person in the coalition prepared to stand up and acknowledge how damaging it is to even imply that the Australian government would consider defining streamed Internet content as a broadcast service for the purposes of applying regulatory restrictions—surely there is at least one person. The network’s aim is set firmly on making sure that the only digital content to reach Australian homes is their content. Is Australia to be the only nation whose Internet experience is the corralled content prepared by Channel 9? Are we to be a nation where the Internet is subject to content restriction by virtue of the dumb terminal approach? Is the Internet experience of the future to be governed by the few to the detriment of the many? As we already suffer an appalling reputation, as I said, for many this bill would be seen as the last straw.

One other point: the blatancy of the government’s collaboration with the incumbent interests was demonstrated, I believe, unequivocally in a change that appeared only in the latest draft of the bill before us today. The expansion of the enhancements that the free-to-air broadcasters are allowed to offer was the final twist that showed greed was truly behind those incumbent interests, interests that were not just satisfied with creating barriers to entry but, having succeeded in closing them through this bill, sought to open a few more of their own doors. It is almost as though the incumbent broadcasters realised just in time that they had been so successful—if this bill is successful—in their collaboration with the coalition to restrict the definition of ‘datacasting’ that they were left with little opportunity to make something of the new digital service offerings themselves. Indeed they are suggesting now that they could actually boost their program appeal through the enhanced services and hopefully up their ratings, improve their profits and gain all the other benefits that go with having market domination.

I cannot help reflecting, however, how different this debate would be if the media incumbents had just a little vision. What if they had determined years ago, as converging technologies leapt ahead in their development, that it was in their best interest to build a business case for their entry into the converging digital world? The presence of traditional media corporations leading with their technological aspirations would have meant that market pressures could indeed have been the factors to push up the standard and quality of diverse content in Australia. I know there are some who hold such a vision and I also know that most of those people have been marginalised in this debate.

In other markets, media companies are fighting to be involved in digital delivery, not just across the Internet but across the range of devices available now and available soon in the marketplace. Whereas other jurisdictions are experiencing intense competition as traditional media grasp the significance of digit-
tal convergence and reengineer their businesses accordingly, the local incumbents put their binoculars down, lean back in their chairs, whistle the minister over and say, ‘Can you fix it for me, mate?’ The responsibility for the damage inflicted upon Australia lies with the coalition government. The winners are those who already have wealth, power and influence and the losers are just about everybody else. The citizens of Australia expect more than they are getting from a coalition government that is prepared to trade on culture, dignity and fairness—and for what? Who knows? Unfortunately I think we will all know soon enough.

I would like to close with some comments about standards. Among many other amendments that you have heard articulated by my colleagues tonight where Labor will be moving to try and rectify some of the damage that this bill in its current form will wreak upon Australia’s future opportunities, Labor will also be moving an amendment to make the regulation of the set-top box standards a disallowable instrument to allow a level of parliamentary scrutiny. This will be necessary because there lies in the determination of this standard another potential barrier to entry that could prevent new entrants to the digital content market. The legislative determination of technologies is always treacherous ground, and the stakes will be high. Just as my colleagues have foreshadowed, the next part of the debate will no doubt be the next level or the next watershed in the sorry saga of this legislation.

And what about the demand for HDTV that I referred to earlier? The recent Senate committee heard acknowledged, in an astounding admission from the free-to-air representative, Mr Brannigan, how flimsy the case for high definition television was. He acknowledged that it may take a long time for high definition television to catch on in Australia. With the US situation showing less than 10,000 high definition television sets having been purchased since their introduction a year ago, the signs are all bad. For consumers, it is not just a question of finding an estimated $12,000 or, as we have heard tonight, perhaps up to $15,000 or $20,000 to purchase the set, but also what incentive there will be to purchase such a set. Mr Brannigan stated that five years was a likely time frame for HDTV to catch on. This means that, even if you did buy one of these expensive sets, you would not have much content produced in high definition format in order to reap the full benefit anyway.

The inclusion of standard definition TV gives an out to the free-to-airs from having to invest in the early production of high definition product. Whilst giving some flexibility to consumers, in the wake of Mr Brannigan’s comments, SDTV is as good as it is likely to get. The only reasonable interpretation is that even Mr Brannigan is finding it difficult to conceal the agenda behind this bill. It is, as I have contended throughout my contribution this evening, about creating barriers to entry. The UK have discovered the hard way that consumers want multichannelling and have little interest in high definition TV. This is consistent with the pattern emerging in the US. For example, recently a Chicago based network announced it was abandoning HDTV in favour of multichannelling. With the lessons of others in mind, it is my call that Australia will not see HDTV as a meaningful or affordable service available to consumers. Instead, we will see the free-to-airs attempt to blame consumers for failing to demand the service and collapsing their business case for HDTV. Wouldn’t that be a big surprise—not! This will give rise to a call from the free-to-airs to the government of the day to allow multichannelling so that their massive investment, both public and private, in digital conversion was not all in vain.

I often wonder if the coalition ministers were just dense. I wonder whether they were so out of touch and so ignorant of the implications of the future of digital content production in Australia that it did not cross their minds that they might be killing off one of our greatest global export offerings. Worse still, and sadly, this is probably the level of analysis: that is, the cabinet saw not an opportunity for global expansion and hope and decent aspiration but the opportunity for a friendly beer with Kerry—not to mention many a good news story—and they just went for it.
Senator COONEY (Victoria) (6.47 p.m.)—I want to add to what has been so brilliantly said by Senator Lundy. I heard previously Senator Bishop introducing this address and setting out the great issues that are involved in the Broadcasting Services Amendment (Digital Television and Data-casting) Bill 2000, and they are great issues—including the issue of freedom of speech and of there being an ability, for everybody who wants to, to express himself or herself. The bill is seen as the result of a struggle between the great media people of this land; and, to a large extent, that may be so. But, just as every small person should be entitled, if he or she wants to, to express himself or herself, so should the media corporations be; and one media corporation should not be given an advantage over another. It is just as much a denial of free speech for the great to be denied a say as it is for somebody not so grand to be denied a say. The idea of freedom of expression, which is tied up with freedom of the press, which is tied up with freedom of the media, has been a great theme that has resounded through the decades. In that context, I want to talk about a great friend of mine who is not so well these days: Vic Little, who used to be a member of the Printing and Kindred Industries Union and is now part of the AMWU.

Debate interrupted.

DOCUMENTS

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! It being 6.50 p.m., we now move to consideration of government documents.

Australian National University

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (6.50 p.m.)—I move:

That the Senate take note of the report.

This report is the 1999 annual report of the Australian National University. Of course, ANU is the only Australian university that is directly funded by the Australian government. It is an interesting report, and one that is obviously, as a consequence of that funding arrangement, transmitted directly to the minister, Dr David Kemp. The report details information about the achievements of the ANU over the past year—notably in education, teaching and research, specifically looking at the outcomes of research and teaching. It also looks at the outcomes of the various university teaching schools, faculties, centres and administrative divisions.

What is most interesting, when you turn to the review of 1999 by the ANU, is the three themes that they refer to. The report refers to the first theme, one of negotiation, where they talk about negotiation on a number of fronts, including negotiations with the government on funding, policy and employment. The second theme is to do with recognition, where others, including bodies like the ARC, the government and private corporations, acknowledge the university’s work. The third theme is obviously the most relevant and poignant in a way, and that is the theme of survival. The ANU have quite starkly put in this report that survival has been one of their achievements, if you like, in 1999—especially in light of government cutbacks to higher education over the past few years. In fact, the report says:

The third theme ... reflected the government’s funding decisions of four years ago that generated the harsh administrative and financial conditions confronting the sector. The impact of those decisions reached its peak in 1999 but will continue for several years.

The ability of Australia to claim a world-class higher education system has been compromised by policies set at a federal level by the government, and that is a theme that the ANU refer to. It is certainly an assertion that they make. I quote:

Never before have Australian universities been forced to meet staff pay increases without financial supplementation from government.

That is what the annual report of last year says. It is worth noting that about 700 staff have been lost to that institution over the past four years, according to the National Tertiary Education Union of the Australian Capital Territory—that is off a base of 4,000. So one in six staff has lost their job for whatever reason, but usually as a consequence of funding cuts over the past four years. You must question how it is possible to run a world-class education system—especially the one that is supposed to be funded directly by
government and be a torchbearer for many other institutions—and how you can actually maintain that standard of research and teaching, for example, with those kinds of staff cuts and losses.

The recent moves to appoint deans rather than have an election process are also indicative of the sector’s corporatisation, wherein business plans are considered more important than academic pursuits—maybe not more important but considered necessary as a result of the neglect of government in relation to funding. The report goes on to mention:

At the end of a tough year—

no doubt it has been a tough year—

survival for the ANU has meant that its strategy of protecting academic areas from the full extent of the cuts to higher education, has enabled it to produce outstanding research results and very high quality education for its students.

Of course, there is some debate as to what extent the institution has been able to protect or quarantine various aspects of its curriculum. By the same token, a number of worthy achievements are listed in the annual report in a range of faculties and areas. I commend the institution on some of those gains and successes. The report details everything from the university’s reputation, the issue of enrolments, academic and student initiatives, research performance, resource issues to the physical environment of the university, its outreach to the community and the information environment. I commend the report to the chamber if only for getting a detailed understanding of how this government’s cutbacks to education generally, and higher education specifically, have impacted on one institution in particular, the very institution that is here in Canberra and funded directly by the federal government.

Question resolved in the affirmative.

**Australasian Police Ministers Council**

**Senator COONEY (Victoria)** (6.55 p.m.)—I move:

That the Senate take note of the report.

The National Common Police Services report deals with the policing services throughout Australia. The contents that are set out here, particularly those contained in the introduction, will tell people what this report is generally about. It deals with the Australasian Centre for Policing Research, the Australasian Bureau of Criminal Intelligence, the Australasian Institute of Police Management, the National Crime Statistics Unit, the National Exchange of Police Information and the National Institute of Forensic Science. The board that has overall charge of these matters is made up of the various commissioners of police from around Australia—a very eminent group of people. The various police forces in Australia are essential for a proper civil society. In other words, if we want to live in a civilised fashion, if we want to go about in the way that we in Australia happily do, by and large, we have to have a police force to suppress the use of arbitrary power. The great threat to our way of life is the exercise of arbitrary power. If a criminal comes into your home at night and steals, that is a gross example of the use of arbitrary power. If somebody comes up to you in the street and hits and assaults you, that is clearly a use of arbitrary power. Again, if somebody commits fraud, takes away your money or the means you have of making a living, that is another example of it. The only way we can prevent that happening is to have laws and have those laws enforced.

Having said that is the only way, can I now change my mind and say that a proper culture is essential. In other words, we have to have a society that believes in the rule of law; we have to have a society that accepts it and wants to live by it. Insofar as that is enforced in a physical way, then having a police force is the only way we can do it. By and large, our law enforcement officers act as they should, helping citizens go about their business and going about their lives. At times, some law enforcement officers themselves use arbitrary power and, in those circumstances, control has to be exercised upon them, normally by the force itself. We have good commissioners in Australia, and they see that their forces are such that they are worthy to carry out the sacred duty—one might almost say—of looking after the welfare of the people of Australia and of the various states.

At times, things have to go further. We have had royal commissions, we have had
inquiries and things like that that have purged the policing authorities of the elements which betray the trust that society puts in them. In any event, the point I want to make tonight in the light of this report is the one I started with about civil liberties and the rule of law. The way we live depends very much on the quality of the police we have and on the quality of the leaders of the forces we have. This report is an occasion to talk about that. I will finish my little address by saying something that I think everybody will agree with—that we are blessed at this moment, as we have been generally in the past, with good police forces and with good leadership of those forces.

Question resolved in the affirmative.

ADJOURNMENT

The DEPUTY PRESIDENT—Order! It being 7.00 p.m., I propose the question:

That the Senate do now adjourn.

Dairy Industry: Deregulation

Senator PAYNE (New South Wales) (7.00 p.m.)—The management of change in all contexts in Australian life has been a bit of a focus for me, and in this regard the current reforms of the Australian dairy industry are of particular interest. In my work throughout most of New South Wales, I have often come into contact with various representatives of the dairy industry—from the northern reaches of the state to the farmers south near the Victorian border—and it is obvious that the industry is an important part of many rural communities.

Many senators would be aware of the significant contribution that the Australian dairy industry has made and of course continues to make to the Australian economy. Milk production in Australia is a major agricultural undertaking which ranks third behind the wheat and beef industries in terms of value added. The estimate of the gross value of dairy production at farm gate prices in 1997-98 was in fact $2,815 million—10 per cent of the gross value of agricultural production in this country. Around half of the milk produced here is now exported in manufactured forms, with just under 80 per cent of those sales destined for markets in Asia and the Middle East. Given the enormous significance to our world profile in this area, the deregulation of the industry is clearly important for anyone who is even slightly interested in the strength of rural and regional areas and of course the broader Australian economy. In fact, removing dairy farm gate regulatory arrangements in Australia represents the single biggest adjustment process of any rural sector.

Given that the dairy industry is facing increasing competition in export and domestic markets, deregulation has been recognised by many as an inevitable step to enhance the industry’s growth prospects. In that context, I have been observing with interest the ongoing debate surrounding deregulation, not just in the parliament but across the country. Only on Monday night in the adjournment debate in the chamber, Senator O’Brien commented:

The Australian dairy industry is a model industry. Given a comment like that, I find it interesting that many people would apparently have us believe that the entire process of deregulation is occurring at the behest of the federal coalition. This is quite simply not the case. It is quite clear from a number of sources but particularly from the Senate Rural and Regional Affairs and Transport References Committee’s report on the deregulation of the dairy industry that the prime mover to change the status quo was Victoria. As the Minister for Agriculture, Fisheries and Forestry, Mr Truss, has also noted, the Victorian dairy industry has long sought a way into the lucrative markets of New South Wales and other states, with Victoria making the argument that they have the constitutional right to free trade across state borders. I think it is also worth pointing out that the initial impetus for reform in the industry was the agreement by states and territories, as part of their commitments under the national competition policy, to review legislation governing dairy marketing arrangements back in 1995. Of course, that had to include the agreement of the Keating, Goss and Carr Labor governments.

This federal government has delivered substantial and vital assistance to the industry in the form of the almost $1.8 billion dairy industry adjustment package. Under the package, payments will be available to dairy
farmers to help sustain farms, processing factories, the workers they employ and milk service industries. The package, funded by a levy of 11c per litre on the sale of all liquid milk products, will assist not only those dairy farmers who wish to stay in the industry but also those who believe they would be unlikely to be viable in the new market situation and who decide to leave. The package was made available by the Commonwealth to assist if industry reform went ahead, but ultimately it was a decision for each state whether or not to pursue deregulation. For the Commonwealth, this was about demonstrating commitment and assistance to ensure that dairy farmers had the choices and the support to either continue in the industry profitably or make harder decisions with some dignity. It is important assistance, and, in my view, assistance by the Commonwealth is also important to discover whether there are perhaps other aspects of dairying that might have adverse effects on dairy farmers and their families.

As many would be aware, the industry is made up of three specific sectors: the dairy farmers, the processors and the supermarkets. Of course, supermarkets these days sell the most milk to consumers. My family is directly involved with the rural sector in New South Wales. My mother is a farmer in the Southern Highlands, although I hasten to add that she is not a dairy farmer. I have a real interest in seeing the industry continue to succeed as part of the broad rural sector. In fact, my grandfather and, with him, my father were dairy farmers in the Robertson and Burrang district of the Southern Highlands, so I have some first-hand knowledge—if you relate it back to the stories that you hear from your parents—of the exigencies, as they might have termed it, of dairy farming. It is my understanding that the industry is now one of the most efficient producers throughout the country. I have referred to the millions of dollars of product we export annually. The quality is second to none. It is Australia’s third largest rural industry, but over the past few months there have been cries for assistance. So where is the real problem?

There have also been recent references to the part played in the dairy industry by the supermarket chains. It is that area that I think warrants further investigation. Senators may well expect supermarkets to be closely monitored by the ACCC with respect to the implementation of the new tax system and particularly the GST. But, in addition, on April 10 this year the Minister for Financial Services and Regulation, the Hon. Joe Hockey, declared that the prices of leviable milk products were to be monitored by the ACCC under the Prices Surveillance Act. I think it would be instructive for the ACCC to further investigate possible and/or alleged rorts by the supermarkets in the pricing of milk. I think the supermarkets should be concerned about the operation of the ACCC and the Prices Surveillance Act because, under both of those activities, retailer profiteering is regarded as a very serious matter.

Prior to deregulation, dairy farmers and processors could supply milk only to consumers, stores and supermarkets within specifically designated zones allocated by the individual state dairy authorities. Now, in the deregulated market, milk prices have increased in the shops, and yet the number of dairy farmers who can survive is, it would seem, under threat. How is it that prices can increase at the retail outlet, at the supermarket, and at the same time those at the coalface are being asked to accept less? We are being told that milk prices will shortly drop in most areas of Australia. How will that impact on the already stressed dairy farming community? Many may not be aware that the three major supermarket chains support what is described as an 80:20 policy for milk sales—that is, 80 per cent home brand milk as compared with 20 per cent branded variety of milk. The milk processors supply supermarkets with two brands of the same product. One is branded as the supermarket brand, the other as the processor brand. There is no difference between the products except the price. The processor brands are more expensive and less plentiful. Therefore, the supermarket sells more of the home brand variety. The policy has lead to a discrepancy in the pricing of milk, and any brief investigation will conclude that there can be a price differential of up to 30c between the two varieties within an individual supermarket.
I have looked at comparative prices of milk within New South Wales and Queensland and found that there are significant discrepancies. It is of concern if the supermarkets are squeezing the processors to provide lower prices for home brands. In order for the processors to retain their profits, the dairy farmer gets squeezed at the end of the food chain. Subsequently, prices vary from state to state and even district to district. Some might say it has more volatility than the very contentious area of petrol pricing. The situation leaves open the claim that supermarkets have an extraordinary capacity to influence the price at which processors supply them with milk for home brand packaging. There is no doubt in my mind that the supermarkets then retain the benefits of the lower priced home brands and do not pass on the lower prices to consumers.

It means that the supermarket chains are able to manipulate the dairy farmers and the processors as well. The processors are hamstrung when it comes to speaking out, because of the threat of loss of contracts. The dairy farmers seem to be a diminishing number, and the question that requires an answer is: what happens to the supply of milk when the numbers of dairy farmers are so significantly reduced? What happens to them, their families, their stock and their properties? What happens when, at the very extreme end of the spectrum, we do not have sufficient milk for supplying the most vital requirements in Australia? That is a critical situation that could arise. We should challenge the supermarkets on the question of profiteering. The dairy industry, which is already taking the challenging step of deregulation, does not need platitudes or cheap political slogans. Regardless of what has been achieved in this debate to date, we need answers quickly if the participants in the industry are to survive. It is fair to say that milk, a very basic food product, is a very sensitive issue with all Australians. If the supermarkets are in fact profiteering in this industry, it is important to know why and to know what can be done about it.

Lucas Heights: Nuclear Reactor

Senator FORSHAW (New South Wales) (7.10 p.m.)—Tonight I rise to further remark on the government’s decision to construct a new nuclear reactor at Lucas Heights. As senators are aware, the date is fast approaching when it is likely that contracts will be signed for the construction of such a reactor. Indeed, the preferred tenderer has been named by the government only in recent weeks. There have been some reports that the government is rushing this decision in an endeavour to get contracts signed, and thereby have the construction of a new reactor locked in place, prior to the next federal election.

That is a matter of concern. Quite clearly, an expenditure of the magnitude involved in this project requires the utmost scrutiny and careful consideration. I am on the record as having indicated my own opposition to the construction of a new reactor at Lucas Heights and also as enunciating the current policy of the Labor Party in that regard. I have also indicated that I do not oppose any new reactor being built anywhere in Australia; rather, I believe—and I think this has been demonstrated—the process that the government undertook in coming to its decision announced in September 1997 left a lot to be desired, particularly with regard to the consideration of alternative sites and resolving the issue of waste.

In today’s question time, Senator Minchin answered a question from Senator Stott Despoja on costings for the new reactor. During his answer, he made certain accusations against the Sutherland Shire Council. I cannot recall his exact words, but the tenor of his comments was that the council was being misleading in its campaign of opposition to the reactor. I will defend the right of the Sutherland Shire Council to put forward its views on behalf of its residents. Those views were certainly endorsed at the local government election in September last year, when the councillors from the Labor Party and also the Independent group Shire Watch Independents received an overwhelming vote from the residents. They were clearly on the record with a policy of opposing a further reactor at Lucas Heights.

According to Senator Minchin and the coalition government, it is okay for the South Australian Premier to stand up and state
clearly and unequivocally that his state government will not accept a nuclear waste storage facility in South Australia. They are entitled to do that, and that is what has been done. Further, the Premier has indicated that his government will pass legislation in an endeavour to prevent that. Whether that ultimately has the legal effect of preventing the Commonwealth from imposing such a facility on South Australia is another question. At least the minister here recognises the right of his Liberal Party colleagues to take that stance with regard to his own home state. But, somehow, it is not appropriate or allowable, in his view, for the Sutherland Shire Council or anyone else to oppose another nuclear reactor at Lucas Heights.

Rather, the attitude of the government—and I apprehend this from many members of parliament on the government benches—is, ‘Lucas Heights have already got one reactor. They should just shut up and cop another one.’ In fact they have two reactors now, and the attitude is that they should just accept a further one. It is said that people moved into the area after the reactor was built so they should accept another one. As I have pointed out, those arguments are fairly facile in my view. They never get applied to other issues. I note, for instance, that only today this chamber debated legislation which is directed at rehabilitating land around Sydney Harbour that was used for Defence purposes to get it into a state so it can be handed back to the community as part of the Sydney Harbour National Park. That is the direction we are heading in with regard to that wonderful area of Sydney. Nobody is arguing that those Defence sites should be used for more industrial purposes. Nobody in their right mind would argue that today. No-one would say, ‘Because we’ve had an establishment at Cockatoo Island for shipbuilding, we should stick some more heavy industry there,’ but somehow that is the argument that gets applied to Lucas Heights, notwithstanding that there are 100,000 or so more people living in the vicinity.

I want to also draw to the attention of the Senate some of the misleading information that is coming out of this government. Firstly, the documentation made available under the freedom of information request by Sutherland council contained some figures which related to the estimated capital cost for establishing a nuclear reactor at another site in Australia. The basis of this government’s decision and of the Public Works Committee’s consideration of this issue was that, at the end of the day, it was significantly cheaper to build a new reactor at Lucas Heights than to locate it anywhere else. That is what led to the decision.

But there are some interesting calculations in this document. For instance, it is estimated that $37.5 million is required to relocate 750 staff to some remote location for a new reactor. There are about 750 staff at Lucas Heights, and the implication of these figures is that the entire staff of Lucas Heights would be moved to some remote location for a new reactor. That is just nonsense. The fact of the matter is that a significant proportion of the employees at Lucas Heights are not even indirectly employed on work associated with the reactor. For instance, the CSIRO has an entire division of work there. It is quite clear that, even if the existing reactor were closed and no new reactor were built, substantial numbers of staff would still be required on the Lucas Heights site. This error—which of course boosts the cost of relocation to another site—is further magnified when the cost of providing housing for 750 staff is included in the document, and it is estimated that that would cost some $112.5 million. So over $150 million has been padded into the figures to lift the supposed cost of having a reactor at a remote site, and it was done clearly to support the argument that says, ‘It’s too expensive. We can’t do it anywhere else. We’ll have to do it at Lucas Heights.’ I will have more to say on this issue on other occasions and I will point out further misleading material from the government, but I think the government should at least tell the truth as it is and not try to support their arguments with these shonky figures.

Dairy Industry and Sugar Industry

Senator WOODLEY (Queensland) (7.20 p.m.)—Let me compliment Senator Forshaw on his speech on the Lucas Heights nuclear reactor, because he raised a very important issue that the Senate should be taking serious
note of. I also compliment Senator Payne on her speech which she made previous to Senator Forshaw’s. She raised some very genuine concerns about the dairy industry and what is happening to it and who in fact is getting the transfer of, by some calculations, $400 million—in some other calculations it is more than that—from the pockets of farmers into not only the pockets of supermarkets but also the pockets of processors.

I thought the Senate would be interested to know that, in light of the question I asked Senator Alston yesterday, for which I did not get an answer, a ballot has just been initiated by the Australian Milk Producers Association and conducted by the Electoral Commission of Western Australia. In light of the comment by Senator Alston yesterday that the dairy industry voted for deregulation, these figures are very interesting. Let me just underline, again, that these figures come from the returning officer for the Electoral Commission of Western Australia and they were announced late this afternoon. In Western Australia, on the vote by farmers as to whether or not they wanted to deregulate, these figures are very interesting. Let me just underline, again, that these figures come from the returning officer for the Electoral Commission of Western Australia and they were announced late this afternoon. In Western Australia, on the vote by farmers as to whether or not they wanted to deregulate, the figures were no, 245; yes, 130; informal, none—so 65 per cent of those voting voted against deregulation. In Queensland, the figures were no, 486; yes, 86; informal two—so a little over 84 per cent of those voting voted against deregulation. In New South Wales, the figures were no, 484; yes, 99; informal, two—so just over 82 per cent of those voting voted against deregulation. It is interesting to place those figures against the comment by Senator Alston.

I want to turn now, in the few minutes that I have, to another matter, and that is the debate we had on the sugar industry in the sitting week prior to this one. I have before me the Hansard of that debate, and I want to make some reference to it. During that debate there was a speech by Senator Boswell. Much of it was a silly attack on me, which I usually would ignore, but there was an attack on a number of other people, and I do believe that the attack on those people should be answered. I will read some of the comments of Senator Boswell and then put the record straight in terms of answering the attacks on other people. However, there is one comment that he made right at the beginning of his speech, where he said:

Some of the propositions that Senator Woodley raises about weather and low CCS prices are totally accurate, but then to come in and say that the government has not done anything to support the sugar industry is totally wrong.

It is very hard to debate with Senator Boswell because, at the very beginning of my speech, I pointed out—and I will read my speech—that I was ‘not saying that the federal government has done nothing’. Right at the beginning of my speech I said:

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.

So this is the problem you have when you are debating with Senator Boswell: he does not even quote you accurately.

Now I want to turn to a couple of other issues that he raised in his speech, because I really do believe it is important that, when attacks are made on the Senate itself, its committees or other people, they should not go unanswered. In his speech, Senator Boswell accuses me of going around the country and said I was:

... traipsing around rural Australia demanding that we have inquiries on everything, from dairy to sugar.

He said that this ‘cost this government millions of dollars’ and gave me ‘an opportunity and a platform to grandstand’. The problem, Senator Boswell, was that those two inquiries that you quoted—particularly the first one, the dairy inquiry—had nothing to do with me. The terms of reference were negotiated between the Labor Party and the government—and I think they were very good terms of reference. But it was not me that put the reference up, so for Senator Boswell to say that somehow or other I am causing all these inquiries to be held is simply false.

With the other reference to sugar, I think he must have been referring to the short inquiry that we had into the removal of the sugar tariff. That was a general reference by the whole committee. The problem is that Senator Boswell did not make a submission...
to either of those inquiries. I think he appeared for about half an hour at one of the dairy hearings. What I really want to point out is that Senator Boswell should not attack his own colleagues who, in fact, proposed the terms of reference for these particular inquiries. He certainly should not attack his own colleagues’ actions or attack Senate committees when he hardly ever takes part in them himself.

Let me turn to another issue that he raised. He spoke of the Australian Cane Farmers Association. This was an old chestnut that was trotted out a number of times during the debate and answered a number of times by the Australian Cane Farmers Association, which is in fact a voluntary organisation—as distinct from the Canegrowers Association, which is funded by statutory levy. He said that the general manager of the Australian Cane Farmers Association said that he believed the general industry would accept the report—that is, the report which recommended the removal of the sugar tariff—as a united, solid approach to the future direction of the industry. Senator Boswell ought to know that the membership and the president of the Australian Cane Farmers Association, on a number of occasions, repudiated what the general manager had said. In the Senate inquiry he pointed out that he may have said that at the beginning, but the Cane Farmers Association was absolutely opposed to the removal of the sugar tariff. So Senator Boswell has misrepresented again. It is not as though it is a misrepresentation which is simply a mistake, because that whole debate was conducted on a number of occasions and the correction made.

There is a number of issues I would like to raise but I see that I am running out of time. One of the other things that Senator Boswell said—and I conclude with this—when he again accused me, was:

You are going to some of the industry, but not the leaders of the industry, the people that are elected to represent their industry ... You want to find some people that are hurt and downtrodden and you want to take them back into the fifties.

I do not know whether I am taking them ‘back into the fifties’ or not, but I wonder what words Senator Boswell has for the hurt and downtrodden. Maybe he would just say to them, ‘Too bad.’ I want to say to him that up and down the Queensland coast there are not just a few hurt, wounded and broken sugar growers; there are many, many hundreds of them, and there are many communities which are hurt and downtrodden. The only words Senator Boswell has for them are that their being hurt and downtrodden is going back to the fifties. If he has any sympathy with them, then I have to say to him: Senator Boswell, I do not know what you are on about.

Royal Australian Artillery Barracks

Senator LIGHTFOOT (Western Australia) (7.30 p.m.)—I want to speak tonight about the Royal Australian Artillery Barracks at Cantonment Hill, Fremantle, Western Australia. The barracks are familiarly known as the Victoria Barracks or the Artillery Barracks. They were constructed in two phases between 1910 and 1913. This was the first significant construction by the then young Commonwealth of Australia. Prior to that, Western Australia defended itself.

The barracks were designed for the Commonwealth by a Western Australian, Mr Hillson Beasley, who worked for the public works department of Western Australia. They are built out of red brick and feature the cement arches that one can see in most parts of the world where the British Empire has had an influence. That is particularly the case in the areas that I have visited not just in the UK but in Canada, the United States, South Africa, Singapore, New Zealand, Hong Kong and parts of Africa.

The barracks were designed under what was then called the federation free-classical style. They housed 120 men and officers of the Artillery Corps. They were not the first buildings constructed by the new Commonwealth of Australia, but they were the first ones of any significant style. The others were more gun emplacements and buildings that serviced those emplacements and were used to defend Australia against what were perceived then to be its enemies.

They did have a new, modern building facility encompassed within them—that is, continuous hot showers and flushing toilets.
They were built in 1910. And were not matched by accommodation anywhere in Western Australia until the 1950s. The barracks and the associated buildings have been on the Register of the National Estate since 1982. They were classified by the National Trust in 1982. The Artillery Barracks can be visited between 1.00 p.m. and 4.30 p.m. on Saturdays and between 11.00 a.m. and 3.00 p.m. on Sundays and Wednesdays.

The history of the Fremantle Artillery Barracks is really a significant part of the history of Fremantle. The entire precinct has an enormous historic value in association with the early years of Fremantle’s growth. The barracks reflect colonial history, the history of the Boer War and exhibit artefacts of the soldiers that left for the First World War, the Second World War, the Malaysian emergency, the Korean War, Vietnam and even right up to INTERFET in East Timor.

Of most significance is that the Artillery Barracks houses the largest publicly donated collection of Army heritage items outside of the Australian War Memorial in this fair city of Canberra. It is, as I have said, a repository of Western Australian and indeed Australian history. Its museum, which was shifted in 1995 from a Commonwealth facility in North Perth that was sold—a beautiful federation double storey home—houses a collection, amongst other things, of three Victoria Crosses awarded to Western Australians. I do not know what their ranks were so I will call them Mr. They were awarded to Mr O'Meara from the 16th Battalion in World War I, Mr Gratwick from the 2nd/48th Battalion in World War II—that medal was awarded to him posthumously for his participation in the North African campaign where he was killed in action—and Mr Starcevich from the 2nd/16th Battalion of Gona. When I did my national service for this country, I was in the 43rd/48th Infantry Battalion

It has two Military Medals awarded to a nursing sister in the Australian Army Nursing Service during World War I, one of only seven awarded to Australian nurses. It has a Distinguished Service Order to a 2nd Lieutenant of the 44th Battalion. It is rare for that to be awarded to such a junior officer and it indicates how narrowly he missed out on being awarded a VC himself. It has DCMs and Military Medals. It has two Military Medals that were awarded to brothers, which is rare. It has a DCM awarded to the 10th Lighthorse. It has a DCM awarded to the 2nd/16th Battalion of Shaggy Ridge. It has a DSO awarded to Major Jack Gerke of the 3rd Royal Australian Regiment in Korea for the Battle of Maryang San. He was also at the Battle of Kapyong. Only six DSOs were awarded to the Australian Army for Korea and they were Imperial Medals. Maryang San of course was a most significant battle in the Korean War.

It has numerous DCOs and MCs, including one awarded to a commanding officer of the 11th Battalion of the AIF. It has Western Australian Mounted Infantry Queen’s South African Medals and Colonial Long Service Medals and Decorations. It has a Campaign Medal group awarded to a Western Australian nurse who was murdered by the Japanese on Banika Island—Vivian Bullwinkel being the sole survivor. It has the famous 1st AIF Western Australian Foss brothers medals—three brothers who were all killed in action.

I think a country that neglects its heritage has no heart. But a country that neglects its military heritage has no soul. It forgets its young men and women who gave their lives in the hope that people like us would make decisions that keep forever the tangible manifestations of their sacrifices. The Royal Artillery Barracks in Fremantle is one such monument. It should be kept.

Question resolved in the affirmative.

Senate adjourned at 7.39 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:


Tabling

The following documents were tabled by the Clerk:

Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—
  Approval of Amendment 25.
  Amendment 25.


Tabling

The Manager of Government Business in the Senate (Senator Ian Campbell) tabled the following documents:

Council for Aboriginal Reconciliation—
  Corroboree 2000: Towards reconciliation.
  Roadmap for reconciliation.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Centrelink: Rural Outreach Program**

(Question No. 1866)

Senator Mackay asked the Minister for Family and Community Services, upon notice, on 19 January 2000:

With reference to the Centrelink – National Rural and Regional Servicing Strategy/Centrelink Rural Outreach Program:

1. What was the total amount of funding provided for the program, the period over which it was paid and disbursement to date.

2. What was the purpose of the program.

3. Can details be provided of all projects implemented and funding assistance provided to community organisations/groups/the private sector under the above program from 1996 to date.

4. What are the names of the community organisations/groups/private sector groups that have received funding under this program, their addresses, and the electorates they are located in.

5. Can details be provided of the person/organisation/group that announced each project/funding assistance given under this program, and the date of the announcement.

6. Can details be provided of the approval process for each project/funding assistance given under this program, the number of applications, the names of the applicants, the names of the successful applicants, and the name of the person/committee/group who selected the successful applicants.

Senator Newman—The answer to the honourable senator’s question is as follows:

1. The total amount expended under the National Rural and Regional Servicing Strategy (NRRSS) in 1998/1999 was $1.1 million. To the end of January 2000, expenditure for the 1999/2000 financial year has been $0.7 million.

2. As Centrelink considers the provision of services to rural and regional Australia a key strategic priority, the NRRSS was developed to focus on addressing the service delivery needs of customers who are not located in or near a town or community that has a Centrelink office. To support the implementation of the Strategy dedicated funding was made available from within existing internal resources to expand local rural and regional servicing arrangements through the development of strategic partnerships, the use of agents/intermediaries or visiting services, and technology based service delivery mechanisms.

   One significant opportunity identified was the value in developing a strategic partnership with Service Tasmania to enhance customer access to Centrelink services utilising the extensive network of Service Tasmania outlets. NRRSS funds were directly used to colocate staff at St Helens, and shared service delivery arrangements have also been established in locations such as Queenstown and Huonville. Consideration is also being given to developing further arrangements in other locations.

3. Following completion of a submission-based approval process, the new NRRSS initiatives have been progressively implemented from December 1998. Information on each of the initiatives implemented to date are provided in the following table.

4. This information is also included in the following table.

5. Minister Truss (the then Minister for Community Services) launched the initial 120 new initiatives under the title of the Centrelink Rural Outreach program on 28 January 1999. As each new initiative becomes operational, local launches are undertaken by local Federal or State Members of Parliament, Senators or another relevant local identity.

6. The NRRSS and initiatives launched under the Centrelink Rural Outreach program are components of an internal Centrelink process for identifying any service delivery needs of a community and seeking to address them through a suitable service delivery solution.

Centrelink Area Offices were asked to identify proposals from within their area for locations in which there was an identified need for additional Centrelink services. A Steering Committee consisting of selected Centrelink Area Managers and National Managers considered all submissions received from the Centrelink offices and approved funding taking account of the following parameters:
the customer population and other demographic information for the location;
• the current services available in or nearby the community;
• that the proposal addresses an identified need;
• assurance that there was sufficient and appropriate community consultation; and
• the relative cost effectiveness of the proposed option.

Once confirmation of an approved initiative was received, the Centrelink Area Support Offices initiated the service delivery arrangements through a range of methods including identification of a known and suitable provider, or a limited expression of interest, or a full tender process. The outcomes of these negotiations resulted in establishment of the new initiatives which are outlined in the following table.

<table>
<thead>
<tr>
<th>Service Site</th>
<th>Service Initiative</th>
<th>Commencement Date</th>
<th>Location of Service Initiative</th>
<th>Electorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aramac</td>
<td>Deliver an agent service from the RTC</td>
<td>December 1999</td>
<td>Rural Transaction Centre</td>
<td>Capricornia</td>
</tr>
<tr>
<td>Badu Island</td>
<td>Establish a Centrelink agent to replace existing minimal services provided on an honorary basis</td>
<td>February 1999</td>
<td>Badu Island Council</td>
<td>Leichhardt</td>
</tr>
<tr>
<td>Baradine</td>
<td>Visiting service to be provided by an established Centrelink agent from Coonabarabran</td>
<td>January 1999</td>
<td>ACIS – Coonabarabran</td>
<td>Gwydir</td>
</tr>
<tr>
<td>Barcaldine</td>
<td>Establish a new Centrelink agent supported by video conferencing and self help facilities</td>
<td>March 2000</td>
<td>Magistrate’s Court, Queensland Department of Justice</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Bellingen</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>(Mr Victor Pociusko - private contractor) 1/25 Hyde St, Bellingen</td>
<td>Cowper</td>
</tr>
<tr>
<td>Binnaway</td>
<td>Visiting service to be provided by an established Centrelink agent from Coonabarabran</td>
<td>January 1999</td>
<td>ACIS – Coonabarabran</td>
<td>Gwydir</td>
</tr>
<tr>
<td>Blackall</td>
<td>Establish a new Centrelink agent supported by video conferencing and self help facilities</td>
<td>September 1999</td>
<td>Barcoo Family Day Care</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Blackbutt</td>
<td>Establish a new Centrelink agent supported by introduction of a visiting service</td>
<td>December 1999</td>
<td></td>
<td>Fisher</td>
</tr>
<tr>
<td>Braidwood</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Tallaganda Council Chambers 144 Wallace St Braidwood</td>
<td>Eden-Monaro</td>
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<tr>
<td>Bridgetown</td>
<td>Formalisation of trial agency arrangements initiated through strategic partnership with WA Telecentre (WA State Government)</td>
<td>December 1998</td>
<td>WA Telecentre, 150 Hampton St Bridgetown. 6255.</td>
<td>Forrest</td>
</tr>
<tr>
<td>Busselton</td>
<td>Enhance existing arrangements through Strategic Partnership with WA Telecentre (WA State Government)</td>
<td>January 1999</td>
<td>WA Telecentre</td>
<td>Forrest</td>
</tr>
<tr>
<td>Casterton</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td></td>
<td>Wannon</td>
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<tr>
<td>Castlemaine</td>
<td>Establish a new Centrelink agent with access to the Job Network</td>
<td>March 1999</td>
<td>Castlemaine District Community Health Centre, 13 Mostyn St, Castlemaine.</td>
<td>Bendigo</td>
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<tr>
<td>Chinchilla</td>
<td>Enhance the pre-existing minimal services provided on an honorary basis through establishment of a new Centrelink agent</td>
<td>December 1998</td>
<td>Chinchilla Family Support Centre Inc, 7 Mayne St, Chinchilla</td>
<td>Maranoa</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
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<td>Christmas Island</td>
<td>Enhance current agency operations with IT facilities including video conferencing and Internet access</td>
<td>February 1999</td>
<td>Existing CAP agent</td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Clare</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Clare Business Centre. 31 Old North Rd, Clare. 5453.</td>
<td>Grey</td>
</tr>
<tr>
<td>Cleve</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Grey</td>
</tr>
<tr>
<td>Cloncurry</td>
<td>Provision of video conferencing and mini self help facilities to support existing agent</td>
<td>January 1999</td>
<td>Cloncurry Shire Hall, Scarr St, Cloncurry 4824</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Cloncurry</td>
<td>Enhance Centrelink agency arrangements</td>
<td>February 1999</td>
<td>Cloncurry Shire Hall, Scarr St, Cloncurry 4824</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Cobar</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Cobar Shire Council</td>
<td>Parkes</td>
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<tr>
<td>Cobram</td>
<td>Establish a Centrelink information access point</td>
<td>March 1999</td>
<td>Cobram Community House</td>
<td>Murray</td>
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<tr>
<td>Cocos Island</td>
<td>Enhance current agency operations with IT facilities including video conferencing and Internet access</td>
<td>February 1999</td>
<td>Existing CAP agent</td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Collinsville</td>
<td>Establish a Centrelink information access point</td>
<td>January 1999</td>
<td>Collinsville Community Association, 20 Sonoma St, Collinsville</td>
<td>Dawson</td>
</tr>
<tr>
<td>Cooktown</td>
<td>Establish a Centrelink information access point</td>
<td>January 1999</td>
<td>Gungarde Aboriginal Community Council, Charlott St, Cooktown</td>
<td>Leichardt</td>
</tr>
<tr>
<td>Cowes</td>
<td>Initiate a visiting service for two years to be supplemented and subsequently replaced by a Centrelink agent</td>
<td>February 1999</td>
<td>Visiting Service from Cranborne. Shop 174 Chappel Cowes. Fridays 9:30-3:30</td>
<td>Flinders</td>
</tr>
<tr>
<td>Cue</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Thoo Thoo Wandi Aboriginal Corporation</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>DCALB Project Officer</td>
<td>Fund a project officer from the Shepparton CSC to consider issues associated with the provision of services to customers from a diverse cultural and linguistic background</td>
<td>March 2000</td>
<td>Shepparton Centrelink Office</td>
<td>Murray</td>
</tr>
<tr>
<td>Doonadgee</td>
<td>Provision of video conferencing and mini self help facilities to support existing agent</td>
<td>February 1999</td>
<td>Doonadgee Aboriginal Community Council, Sharpe St Doonadgee.</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Doonadgee</td>
<td>Enhance Centrelink agency arrangements</td>
<td>January 1999</td>
<td>Doonadgee Aboriginal Community Council, Sharpe St Doonadgee.</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Dorrigo</td>
<td>Establish a new Centrelink agent possibly through Strategic Partnership with Dorrigo Access Centre (NSW State Government)</td>
<td>January 1999</td>
<td>Mid North Coast Area Health Services, Locked Mail Bag 812 Coffs Harbour</td>
<td>Cowper</td>
</tr>
<tr>
<td>Duan Island</td>
<td>Establish a new Centrelink agent</td>
<td>1999</td>
<td>Duan Island Council, Duan Island</td>
<td>Leichardt</td>
</tr>
<tr>
<td>Esk</td>
<td>Enhance Centrelink agent and increase visiting services</td>
<td>April 99</td>
<td>Esk Shire Council</td>
<td>Blair</td>
</tr>
<tr>
<td>Eudunda</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Wakefield</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
</tr>
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</tr>
<tr>
<td>Eugowra</td>
<td>Deliver an agent service from the RTC</td>
<td>October 1999</td>
<td>Rural Transaction Centre</td>
<td>Parkes</td>
</tr>
<tr>
<td>Evans Head</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Mid Richmond Neighbourhood Centre, 1 Cashmore St, Evans Head</td>
<td>Page</td>
</tr>
<tr>
<td>Exmouth</td>
<td>Strategic Partnership with WA Telecentre (WA State Government) to establish a new agent</td>
<td>February 1999</td>
<td>WA Telecentre</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Gilgandra</td>
<td>Establish a new Centrelink agent (possibly through NSW Access Centre)</td>
<td>February 1999</td>
<td></td>
<td>Gwydir</td>
</tr>
<tr>
<td>Gloucester</td>
<td>Provide Centrelink customers of existing agent with Internet access to assist the job search process</td>
<td>February 1999</td>
<td>Bucketts Way Neighbourhood Centre, King St, Gloucester</td>
<td>Paterson</td>
</tr>
<tr>
<td>Gnowangerup</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Family Support Association</td>
<td>O'Connor</td>
</tr>
<tr>
<td>Grantville</td>
<td>Initiate a visiting service for two years to be supplemented and subsequently replaced by a Centrelink agent</td>
<td>February 1999</td>
<td>Visiting Service from Cranbourne. Bass Coast Shire Council, Shop 3 Bass Highway Grantville. Tuesdays 9:00-4:00</td>
<td>Gippsland</td>
</tr>
<tr>
<td>Grenfell</td>
<td>Establish a new Centrelink agent (possibly through NSW Access Centre)</td>
<td>February 1999</td>
<td></td>
<td>Hume</td>
</tr>
<tr>
<td>Gulgong</td>
<td>Establish a new visiting service</td>
<td>January 1999</td>
<td>Mudgee Shire Council Chambers, Herbert St Gulgong</td>
<td>Gwydir</td>
</tr>
<tr>
<td>Harden</td>
<td>Establish a forms collection facility</td>
<td>January 1999</td>
<td>Harden Post Office</td>
<td>Hume</td>
</tr>
<tr>
<td>Heathcote</td>
<td>Establish a new Centrelink agent with access to the Job Network</td>
<td>March 1999</td>
<td>McIvor Health and Community Services Inc, 39 Hospital St, Heathcote</td>
<td>Bendigo</td>
</tr>
<tr>
<td>Inglewood</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Ms Mavis Stower 54 Albert St, Inglewood</td>
<td>Maranoa</td>
</tr>
<tr>
<td>Internet</td>
<td>Develop an Internet resources page for customers within the Area (South West NSW)</td>
<td>June 2000</td>
<td></td>
<td>Parkes</td>
</tr>
<tr>
<td>Junee</td>
<td>Establish a new Centrelink agent</td>
<td>March 1999</td>
<td>Junee Shire Council</td>
<td>Riverina</td>
</tr>
<tr>
<td>Kandos</td>
<td>Establish a new visiting service</td>
<td>January 1999</td>
<td>Reliance Credit Union, 30 Angus St</td>
<td>Calare</td>
</tr>
<tr>
<td>Katanning</td>
<td>Enhance existing agency arrangements</td>
<td>December 1998</td>
<td>Kanwork</td>
<td>O'Connor</td>
</tr>
<tr>
<td>Keith</td>
<td>Alliance with South Australian Rural Communities Office (SA State Government)</td>
<td>February 1999</td>
<td>Tatiara District Council, 43 Woolshed Road, Bordertown</td>
<td>Barker</td>
</tr>
<tr>
<td>Kilkivan</td>
<td>Establish a new Centrelink agent</td>
<td>December 1998</td>
<td>Kilkivan Shire Council, 26 Bligh St, Kilkivan</td>
<td>Wide Bay</td>
</tr>
<tr>
<td>Kimba</td>
<td>Alliance with South Australian Rural Communities Office (SA State Government)</td>
<td>February 1999</td>
<td>Kimba Learning and Business Centre, 49 High St, Kimba</td>
<td>Grey</td>
</tr>
<tr>
<td>Kingston</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Barker</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
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</tr>
<tr>
<td>Kyabram</td>
<td>Establish a Centrelink information access point</td>
<td>January 1999</td>
<td>Kyabram Community and Learning Centre</td>
<td>Murray</td>
</tr>
<tr>
<td>Kyneton</td>
<td>Establish a new Centrelink agent with access to the Job Network</td>
<td>March 1999</td>
<td>COBAW Community Health Service Inc, 47 High St, Kyneton</td>
<td>Burke</td>
</tr>
<tr>
<td>Laidley</td>
<td>Enhance Centrelink agent and increase visiting facilities</td>
<td>January 1999</td>
<td>Mary Street Community Centre, 13 Mary St, Laidley</td>
<td>Blair</td>
</tr>
<tr>
<td>Lameroo</td>
<td>Alliance with South Australian Rural Communities Office (SA State Government)</td>
<td>February 1999</td>
<td>Southern Mallee District Council, Railway Terrace, North Lameroo</td>
<td>Barker</td>
</tr>
<tr>
<td>Leongatha</td>
<td>Establish a new Centrelink agent</td>
<td>December 1998</td>
<td>South Gippsland Shire Council, 50 Blair St Leongatha</td>
<td>Gippsland</td>
</tr>
<tr>
<td>Lockhart</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Furrer</td>
</tr>
<tr>
<td>Longreach</td>
<td>Establish a new Centrelink agent supported by video conferencing and self help facilities</td>
<td>March 1999</td>
<td>Anglicare</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Maclean</td>
<td>Establish a new Centrelink agent</td>
<td>December 1999</td>
<td>Maclean Shire Council (likely agent), River St, Maclean</td>
<td>Page</td>
</tr>
<tr>
<td>Maitland</td>
<td>Alliance with South Australian Rural Communities Office (SA State Government)</td>
<td>February 1999</td>
<td>CRS Australia (Maitland Govt Service Centre), 30 Elizabeth St, Maitland</td>
<td>Wakefield</td>
</tr>
<tr>
<td>Mallacoota</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Mallacoota District Health and Support Service, PO Box 175, Mallacoota, 3892</td>
<td>Gippsland</td>
</tr>
<tr>
<td>Maningrida</td>
<td>Establish a new service delivery solution in conjunction with the local communities</td>
<td>April 2000</td>
<td></td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Manjimup</td>
<td>Establish a new Centrelink agent</td>
<td>September 1999</td>
<td></td>
<td>Forrest</td>
</tr>
<tr>
<td>Margaret River</td>
<td>Establish a new Centrelink agent</td>
<td>July 1999</td>
<td>Margaret River Community Resource Centre</td>
<td>Forrest</td>
</tr>
<tr>
<td>Merredin</td>
<td>Formalisation of trial agency arrangements initiated through strategic partnership with WA Telecentre (WA State Government)</td>
<td>April 1998</td>
<td>WA Telecentre, 42 Throssell Rd Merredin. 6415</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Miles</td>
<td>Enhance the pre-existing minimal services provided on an honorary basis through establishment of a new Centrelink agent</td>
<td>December 1998</td>
<td>Murrilla Community Centre 64 Murrilla St Miles</td>
<td>Maranoa</td>
</tr>
<tr>
<td>Minlaton</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Wakefield</td>
</tr>
<tr>
<td>Mobile Service (Goulburn Valley VIC)</td>
<td>Partnership with Cutting Edge Youth Service to deliver Centrelink services through a mobile bus service</td>
<td>Trial commenced September 1998</td>
<td>Cutting Edge Youth Service</td>
<td>Murray</td>
</tr>
<tr>
<td>Mobile Service (Goulburn Valley VIC)</td>
<td>Contract the Goulburn Valley Agcare visiting service to deliver Centrelink services to farmers</td>
<td>January 1999</td>
<td>Goulburn Valley Agcare</td>
<td>Murray</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
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</tr>
<tr>
<td>Mornington Is.</td>
<td>Enhance existing Centrelink agency arrangements</td>
<td>February 1999</td>
<td>Werne Ngal Karan Aboriginal Corporation, Lardil St, Gununa.</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Mt Isa</td>
<td>Provision of video conferencing facilities within Centrelink CSC to support its agents</td>
<td>January 1999</td>
<td>Centrelink Office</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Mt Magnet</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Budemia Aboriginal Corporation</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Murgon</td>
<td>Establish a new Centrelink agent</td>
<td>December 1998</td>
<td>Graham House Community Centre, Taylor St Murgo</td>
<td>Wide Bay</td>
</tr>
<tr>
<td>Naracoorte</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Naracoorte Work Options, 1A Ormerod St, Naracoorte</td>
<td>Barker</td>
</tr>
<tr>
<td>Narooma</td>
<td>Establish a visiting service from Bega CSC</td>
<td>July 1999</td>
<td></td>
<td>Eden-Monaro</td>
</tr>
<tr>
<td>Newman</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Niill</td>
<td>Delivery of agent and outreach services</td>
<td>April 2000</td>
<td>West Wimmera Health Service</td>
<td>Mallee</td>
</tr>
<tr>
<td>Normanton</td>
<td>Provision of video conferencing facilities within Centrelink CSC to support its agents</td>
<td>February 1999</td>
<td>Centrelink Office</td>
<td>Kennedy</td>
</tr>
<tr>
<td>Norseman</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>WA Telecentre</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Nyngan</td>
<td>Establish a new Centrelink agent (possibly through NSW Access Centre)</td>
<td>December 1998</td>
<td></td>
<td>Parkes</td>
</tr>
<tr>
<td>Oberon</td>
<td>Establish a new Centrelink agent (possibly through NSW Access Centre)</td>
<td>February 1999</td>
<td></td>
<td>Calare</td>
</tr>
<tr>
<td>Orthost</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Country Education Service</td>
<td>Gippsland</td>
</tr>
<tr>
<td>Peterborough</td>
<td>Alliance with South Australian Rural Communities Office (SA State Government)</td>
<td>February 1999</td>
<td>District Council of Peterborough, 108 Main St, Peterborough</td>
<td>Grey</td>
</tr>
<tr>
<td>Punmu</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Quirindi</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Nungaroo Aboriginal Land Council, 2 Station Street, Quirindi</td>
<td>Hunter</td>
</tr>
<tr>
<td>Ravenshoe</td>
<td>Establish a Centrelink information access point</td>
<td>February 1999</td>
<td></td>
<td>Kennedy</td>
</tr>
<tr>
<td>Robe</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Barker</td>
</tr>
<tr>
<td>Roma</td>
<td>Enhance the current servicing arrangements through establishment of a Centrelink agent</td>
<td>December 1998</td>
<td>Roma and District Community Support Association (Note: Now a CSC)</td>
<td>Maranoa</td>
</tr>
<tr>
<td>South Rocks</td>
<td>Establish a new Centrelink agent</td>
<td>February 2000</td>
<td>Adult and Community Education</td>
<td>Cowper</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
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</tr>
<tr>
<td>St Arnaud</td>
<td>Establish a new Centrelink agent with access to the Job Network</td>
<td>January 1999</td>
<td>GMRCO Inc, Long St, St Arnaud</td>
<td>Mallee</td>
</tr>
<tr>
<td>St George</td>
<td>Enhance existing Community agent to deliver a broader range of Centrelink services</td>
<td>December 1998</td>
<td>St George Youth Advisory Service, 13 Grey St, St George</td>
<td>Maranoa</td>
</tr>
<tr>
<td>St Helens</td>
<td>Co-locate a single Centrelink officer with a Service Tasmania officer (Tasmanian State Government)</td>
<td>October 1998</td>
<td>Service Tasmania</td>
<td>Lyons</td>
</tr>
<tr>
<td>Sth Gippsland</td>
<td>Provision of dedicated 1800 number and facsimile machines to enable customers to fax information to Centrelink at no cost</td>
<td>February 1999</td>
<td></td>
<td>Gippsland</td>
</tr>
<tr>
<td>Streaky Bay</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Grey</td>
</tr>
<tr>
<td>Tara</td>
<td>Enhance the pre-existing minimal services provided on an honorary basis through establishment of a new Centrelink agent</td>
<td>December 1998</td>
<td>Tara Neighbourhood Centre, 41 Day St, Tara</td>
<td>Maranoa</td>
</tr>
<tr>
<td>Tenterfield</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Ms Tapscott, 279 Rouse St, Tenterfield</td>
<td>New England</td>
</tr>
<tr>
<td>Terang</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Wannon</td>
</tr>
<tr>
<td>Texas</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>QGAP 32 Cadell St, Texas</td>
<td>Maranoa</td>
</tr>
<tr>
<td>Tin Can Bay</td>
<td>Establish a new Centrelink agent</td>
<td>December 1998</td>
<td>Youth Hall, Tin Can Bay Community Church</td>
<td>Wide Bay</td>
</tr>
<tr>
<td>TjunTjun-Jarra</td>
<td>Establish a new Centrelink agent</td>
<td>December 1998</td>
<td>Tjuntjunjarra Aboriginal Corporation</td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Tom Price</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Kalgoorlie</td>
</tr>
<tr>
<td>Urana</td>
<td>Deliver an agent service from the RTC</td>
<td>November 1999</td>
<td>Rural Transaction Centre</td>
<td>Farrer</td>
</tr>
<tr>
<td>Various</td>
<td>Purchase satellite telephones for enhanced customer service and staff security</td>
<td>March 2000</td>
<td></td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Various</td>
<td>Establish a partnership with Australia Post</td>
<td>March 2000</td>
<td></td>
<td>Northern Territory</td>
</tr>
<tr>
<td>Various</td>
<td>Establish a partnership with the WA State Government for the delivery of basic services from the WA Telecentre network (57 sites)</td>
<td>May 1999</td>
<td>WA Telecentres</td>
<td>Various (WA)</td>
</tr>
<tr>
<td>Various (Western Australia)</td>
<td>Provision of dedicated 1800 number and facsimile machines to enable customers to fax information to Centrelink at no cost</td>
<td>February 1999</td>
<td></td>
<td>Forrest, Kalgoorlie, O'Connor, Pearce</td>
</tr>
<tr>
<td>Various (12) (North Queensland)</td>
<td>Provision of enhanced customer access through implementation of self help facilities</td>
<td>February 1999 (anticipated)</td>
<td></td>
<td>Leichhardt</td>
</tr>
<tr>
<td>Various (26) (South West NSW)</td>
<td>Provision of video conferencing facilities in Centrelink offices, agents and other customer access points</td>
<td>From February 1999</td>
<td>Various</td>
<td>Eden-Monaro, Cale, Farrer, Gwydir, Hume, Parkes, Riverina</td>
</tr>
<tr>
<td>Service Site</td>
<td>Service Initiative</td>
<td>Commencement Date</td>
<td>Location of Service Initiative</td>
<td>Electorate</td>
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</tr>
<tr>
<td>Various (National)</td>
<td>Program of information seminars for parents focussing on issues of adolescence and family issues (1st year pilot only).</td>
<td>First seminar to be conducted in early February 1999 (in Innisfail)</td>
<td>Various</td>
<td>Various (National)</td>
</tr>
<tr>
<td>Various (Northern Territory)</td>
<td>Establish Centrelink information kiosks in a number of locations and implement a video conferencing trial to indigenous communities</td>
<td>March 1999</td>
<td>Various</td>
<td>Kalgoorlie / Northern Territory</td>
</tr>
<tr>
<td>Various (South Australia)</td>
<td>Contract the Murraylands Counseling Service visiting service to deliver Centrelink services</td>
<td>February 1999</td>
<td>Malilee Finance and Information Service Inc, PO Box 90, Larmoo. Visiting towns Larmoo, Pinaroo, Murrayville, Karoonda, Coonalpyn, Tintinara</td>
<td>Barker</td>
</tr>
<tr>
<td>Various (South West NSW)</td>
<td>Establish a Career Information visiting service to cover all of the Centrelink Area South West. Eg. Bega, Eden, Bourke, Ivanhoe, Deniliquin, Balranald, Cobar, Coonamble.</td>
<td>February 1999</td>
<td>Various schools and educational institutions within Area South West NSW</td>
<td>Calare, Eden, Monaro, Farrer, Gwydir, Hume, Parkes, Riverina</td>
</tr>
<tr>
<td>Victoria</td>
<td>Assist with funding for the production of the &quot;City Guide&quot; publication</td>
<td>September 1999</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Wagin</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Bojanning Aboriginal Progress Association</td>
<td>O'Connor</td>
</tr>
<tr>
<td>Waikerie</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Comsurve 4 Thompson St, Waikerie</td>
<td>Wakefield</td>
</tr>
<tr>
<td>Walcha</td>
<td>Establish a new Centrelink agent</td>
<td>January 1999</td>
<td>Walcha Telecottage, 106E Fitzroy St, Walcha</td>
<td>New England</td>
</tr>
<tr>
<td>Warracknabeal</td>
<td>Establish a new Centrelink agent</td>
<td>March 2000</td>
<td>Northwest Business Centre</td>
<td>Mallee</td>
</tr>
<tr>
<td>Weipa</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Mapuna Community Aboriginal Corp, Red Beach Mapoon</td>
<td>Leichardt</td>
</tr>
<tr>
<td>Welshpool</td>
<td>Deliver an agent service from the RTC</td>
<td>December 1999</td>
<td>Rural Transaction Centre</td>
<td>Gippsland</td>
</tr>
<tr>
<td>Woolgoolga</td>
<td>Establish a new Centrelink agent supported by introduction of a visiting service</td>
<td>February 1999</td>
<td></td>
<td>Cowper</td>
</tr>
<tr>
<td>Wudinna</td>
<td>Provision of telephone, facsimile and photocopier facilities for Centrelink customers in rural communities</td>
<td>February 1999</td>
<td>Various</td>
<td>Grey</td>
</tr>
<tr>
<td>Yamba</td>
<td>Establish a new Centrelink agent</td>
<td>December 1999</td>
<td>Maclean Shire Council (likely agent)</td>
<td>Page</td>
</tr>
<tr>
<td>Yarram</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td></td>
<td>Gippsland</td>
</tr>
<tr>
<td>Yass</td>
<td>Establish a new Centrelink agent</td>
<td>February 1999</td>
<td>Note: Now a CSC</td>
<td>Hume</td>
</tr>
</tbody>
</table>

Department of Foreign Affairs and Trade: Contracts with Gavin Anderson and Kortlang

**Senator Robert Ray** asked the Minister representing the Minister for Trade and the Minister representing the Minister for Foreign Affairs, upon notice, on 17 February 2000:
What contracts has the department, or any agency of the department, provided to the firm, Gavin Anderson and Kortlang since March 1996.

In each instance: (a) what was the purpose of the work undertaken by Gavin Anderson and Kortlang; (b) what has been the cost of the contract to the department; and (c) what selection process was used to select Gavin Anderson and Kortlang (open tender, short-list, or some other process).

Senator Hill—The Minister for Trade and the Minister for Foreign Affairs have provided the following answer to the honourable senator’s question:

As indicated above the honourable senator has asked identical questions of both Ministers. The following answers are provided on behalf of both Ministers.

DFAT

(1) The Department of Foreign Affairs and Trade has not made any payments to the firm Gavin Anderson and Kortlang since March 1996.

AUSTRADE

There is no record of Austrade entering into a contract with Gavin Anderson and Kortlang.

AusAID

A search of the AusAID’s Activity Management System (AMS) which was established in July 1995 was conducted by CSG, and no record of the agency entering into a contract with Gavin Anderson and Kortlang was found.

EFIC

There is no record of EFIC (Export Finance Insurance Incorporation) entering into any contracts with Gavin Anderson and Kortlang.

Department of Transport and Regional Services: Contracts with Deloitte Touche Tohmatsu

( Question No. 1997)

Senator Robert Ray asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 7 March 2000:

What contracts has the department, or any agency of the department, provided to the firm Deloitte Touche Tohmatsu in the 1998-99 financial year.

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 Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

In responding to the question, the word ‘contracts’ has been interpreted to mean written consultancy agreements or agreements for the provision of services and the word ‘provided’ has been interpreted to mean a contract awarded by the department or a portfolio agency. Further, the information provided in this response includes contracts commissioned in the 1998-99 financial year only.

From the information available, the department provided three contracts to the firm, Deloitte Touche Tohmatsu during the 1998-99 financial year and they are listed at Attachment 1.

The department is not aware that any portfolio agency provided any contract to this firm in the 1998-99 financial year.
Carry out the task of probity adviser for the Proving Up stage of the Very High Speed Train Project (VHST). The probity adviser provided advice to the Project Control Group (PCG) which was the intergovernmental steering committee, consisting of the Commonwealth, the ACT and New South Wales Governments, responsible for progressing the VHST project. The Proving Up stage facilitated Speedrail Proving Up their Submission so that governments were in a position to decide on the future of the Project and their involvement, if any, in it. The Commonwealth assumed the lead role in the project on 4 December 1998 when the Proving Up stage was deemed to have commenced. The probity adviser was required to have high level communication, negotiation and liaison skills. The probity adviser also had to be acceptable to all three governments involved in the process. Staff with the relevant expertise were not available in the department.

Report on a review of the department’s corporate governance framework, taking into consideration the issues of decision making and monitoring, statutory accountability, communication, roles and responsibilities, accountability for resources, internal governance assurance (including self assessment) and external reporting. The consultant had prepared a similar review for a department facing similar governance issues, and brought to the task specialist skills in relation to risk assessment and governance assurance. The task required independent advice from a consultant conversant with relevant governance issues.

Undertake a Fraud Risk Assessment and Prepare a Fraud Control Plan for all divisions of the department in accordance with Commonwealth Guidelines. The skills and resources required were not available within the department.

### Australian Youth Council (Question No. 2132)

Senator Denman asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 6 April 2000:

1. Will the Australian Youth Foundation maintain its commitment to the broad range of disadvantaged young people.
2. Can the Minister guarantee that the amalgamation of the Queen’s Trust and the Australian Youth Foundation will not result in a more conservative thrust in those targeted for funding.
3. Will the amalgamation of the Queen’s Trust and the Australian Youth Council compromise the independence of both groups.
(4) Has the role of the Australian Youth Council changed as a result of the amalgamation.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

The references to the “Australian Youth Council” in parts (3) and (4) of the Honourable Senator’s question have been taken to mean the “Australian Youth Foundation”.

The Australian Youth Foundation and the Queen’s Trust for Young Australians are philanthropic bodies independent from the Commonwealth Government. While the Minister has a representative on the Boards of both organisations, their independence means that their internal decision-making processes must be treated as confidential.

As a result, the Minister cannot comment on their intentions.

Renewable Energy Commercialisation Program: Applications

(Question No. 2133)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 6 April 2000:

With reference to the round 3 grants under the Renewable Energy Commercialisation Program:

(1) (a) What criteria are used to select projects for this program; (b) how many applications were received; and (c) with what total value.

(2) What is the justification for funding a project to dry brown coal (gasification of biomass for coal drying) under a program whose objective is ‘commercialisation of innovative renewable energy equipment, technologies, systems and process’.

(3) What is the justification for giving one company, Theiss Contractors, of which Theiss Environmental Services is part, $2 million out of $9.2 million available.

(4) Why was half the available funding given to biomass projects.

(5) Can a guarantee be given that none of the wood for the Origin Energy project will come from clearing native vegetation or logging native forest.

(6) (a) What projects were unsuccessful; and (b) can a list of those projects be provided together with descriptions similar to those given for the successful projects and brief reasons why they were lower ranked than the successful projects.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) (a) Where projects meet all the Renewable Energy Commercialisation Program (RECP) eligibility criteria, merit selection is based on the following criteria:

• the degree to which the project demonstrates the potential for commercial application of innovative and cost effective renewable energy equipment, technologies, systems or processes within Australia and internationally;

• the degree to which the project contributes to the wider development and diversification of Australia’s renewable energy industry, particularly including the application of Australian technology within Australia and internationally;

• the degree to which the project has the potential to reduce greenhouse gas emissions over the longer term, including through the wider commercial application of the equipment, technologies, systems or processes involved in the project;

• where the project is a demonstration project, the extent to which there is a clear and direct pathway to the early commercialisation of the equipment, technologies, systems or processes involved in the project and their application in Australia and overseas; and

• the extent to which private capital funding is leveraged through the application of Commonwealth funding.

(b) The total number of applications received under RECP round 3 was 31.

(c) The total value of all 31 applications was approximately $836 million with 5 projects contributing a total of $770 million to this figure. The total RECP funds sought by these 31 applications was approximately $27 million.
(2) The project referred to is titled Waterwide Close Coupled Gasification of Biomass for Coal Drying. The coal drying function is a use of the energy derived from a 4.75MW Waterwide Close Coupled Gasifier (CCG) and boiler, which will be fuelled by a variety of biomass wastes, at the Herman Research Laboratories (HRL) at Morwell, Victoria. There is a greenhouse benefit of 3700 tonnes CO2 per year from using the energy from this gasifier rather than using coal for the same purpose. Moreover, in addition to its normal operation, the gasifier will be available to demonstrate the performance of a wide variety of biomass fuels currently available for conversion to heat energy.

The technical Expert panel that considered all of the applications supported this project, noting:

• there is a need for such a facility enabling the evaluation of different biomass fuels; and
• it has widespread replicability.

This facility will be a valuable marketing tool for the technology as it will be available for commercial trialing of different biomass feedstock.

(3) Applications are assessed on a competitive basis, and in an industry that is still relatively small, it is not uncommon to receive more than one application for different projects from particular companies. It is also common for companies to form consortia to leverage off the skills, intellectual property, project management or distribution channels that the individual parties can bring to a project. While Thiess Contractors was successful in its own right for the Waterwide Close Coupled Gasifier project described earlier, the other project referred to is a joint project between Thiess Environmental Services Pty Ltd, Landfill Management Services Pty Ltd, New Hope Energy Pty Ltd and CS Energy Ltd.

(4) About one third of the applications received under RECP round 3 were biomass projects. Under a competitive assessment 5 of these projects were rated more highly than other projects on the basis of the merit criteria described earlier.

(5) In relation to the Origin Energy project, the company is currently negotiating fuel sourcing agreements with softwood and hardwood plantation owners and processors of other agricultural wastes. The hardwood source is plantation blue gum.

(6) This information is commercial in confidence and therefore not available.

**Education, Training and Youth Affairs Portfolio: Agency Boards**

(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.
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.

Do board members receive any additional allowances if they are appointed to board subcommittees; if so, are such additional benefits provided for in the relevant legislation.

**Senator Ellison**—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

1. Five
   - The Australian Research Council (ARC);
   - The Australian Universities Teaching Committee (AUTC);
   - The Anglo-Australian Telescope Board (AATB);
   - The Australian National Training Authority (ANTA) and
   - The Australian Student Traineeship Foundation (ASTF)

(a) The Australian Research Council (ARC)

2. The Chair of the ARC is appointed by the Governor-General; other members are appointed by the Minister.

3. Yes.

4. The ARC Chair is full time and paid an annual salary; all other Council members are part-time and receive sitting fees. Deputy Chair $400.00 per diem; Members $350.00 per diem. ARC Committee and Panel members receive a salary. Committee and Discipline Panel chairs receive $18,000pa and Committee and Discipline Panel members receive $12,600pa.

5. No other benefits – except members can get a Department of Education, Training and Youth Affairs (DETYA) Corporate rate when joining QANTAS Club.

6. Members are entitled to business class air travel but are asked to travel economy class for short trips – members are paid travelling allowance and paid a mileage allowance (government rates) if they travel on Council business in their own cars – travel allowance is set by Remuneration Tribunal.

7. No spouse benefits.

8. Variations only on changes by Remuneration Tribunal – last change was 1 March 1999.

9. Not applicable. However, the *Employment, Education and Training Act 1988* does state:

   ‘Section 35B(1) the Chairperson, the Deputy Chairperson (if one is appointed) and

   the other members of the Council are to be paid the remuneration determined by the Remuneration Tribunal, but, if no determination by the Tribunal of a member’s remuneration is in effect, the member is to be paid such remuneration as is prescribed; (2) A member is to be paid such allowances as are prescribed.’

10. Yes, superannuation payments are made by the ARC for those members who are paid directly by the ARC. However, if the ARC pays sitting fees to the member’s employer, no superannuation is paid by the ARC.

11. Those members of the Council who are also Committee Chairs receive their Committee annual salary as well as their Council sitting fees when operating as members of Council. Both are set by the Remuneration Tribunal.

(b) The Australian Universities Teaching Committee (AUTC)

2. The Minister for Education, Training and Youth Affairs makes appointments to the AUTC.

3. A member of the AUTC is entitled to:

   (a) if the member is not the holder of an office or appointment referred to in subsection 7(11) of the Remuneration Tribunals Act 1973 or the holder of an equivalent office or appointment in the service of a State – fees at the level determined by the Remuneration Tribunal to be payable to the part-time holder of a public office, Category 2, as set out in paragraphs 2.5 and 2.6 of Determination No. 3 of 1999, subject to any other determination from time to time by the Tribunal in respect of office-holders of that kind; and

   (b) travelling allowance at the rates specified by the Remuneration Tribunal from time to time as payable to the part-time holder of a public office, presently specified in paragraph 2.7 of Part 2 of De-
termination No. 3 of 1999 as payable to the part-time holder of a public office, subject to any other determination from time to time by the Tribunal in respect of office-holders of that kind; and

(c) business class air travel within Australia or to and from the Australian territories on official business and, for other modes of travel, the standards and conditions of travel that apply to Senior Executive officers of the Australian Public Service on official business and

(d) other terms and conditions determined by the Minister from time to time.

(4) Current Sitting Fee rates as at February 2000.
Chairperson $325 per day
Member $250 per day
(5) No other benefits.
(6) See 3.
(7) No spouse benefits
(8) The fees were set for the first time in January 2000 when AUTC was first established.
(9) See 3 and 4.
(10) No superannuation benefits paid.
(11) No other benefits paid to members.

c) Anglo-Australian Telescope Board (AATB)

(2) No. Under the Anglo-Australian Telescope Agreement Act 1970, Australia appoints three of the six members of the Board. The Australian members of the Board are appointed by the Governor-General on the advice of the Executive Council. The British Government appoints the remaining three members.

(3) (a) and (b) No. Subsection 7(3) of the Anglo-Australian Telescope Agreement Act 1970 empowers the Governor-General to determine the remuneration to be paid to Board members and the other terms and conditions under which they hold office. The Governor-General’s determinations provide:

• in the case of two Australian Board members, that members be paid travelling allowance and the allowance payable for the performance of duty outside Australian and the External Territories, both at the rates and conditions applicable to officers of the Australian Public Service Senior Executive Services; and

• in the case of the third Australian Board member, that the member be remunerated at the rate determined by the Remuneration Tribunal for the Chairperson of the Australian Research Council pro-rata for each day the Board meets, and otherwise holds office on the terms and conditions that apply to a person appointed to the Senior Executive Service of the Australian Public Service under a fixed term appointment. The person is precluded from receiving any remuneration as a member of the Board for any period that they receive remuneration as a member of the Australian Research Council.

(4) See 3(a) and (b) above.
(5) None.
(6) See 3(a) and (b) above.
(7) No.
(8) See 3(a) and (b) above.
(9) N/a.
(10) No.
(11) N/a

d) The Australian National Training Authority (ANTA)

(2) In accordance with the Australian National Training Authority (ANTA) Act 1992, Part 6 Administrative Provisions relating to the Authority, members of the ANTA Board are appointed by the Governor-General on the nomination of the ANTA Ministerial Council.

(3) The Remuneration Tribunal has a role in the setting of fees and allowances for ANTA Board members who fall within the category of part-time holders of public offices. The value of these fees
and allowances are determined following an annual review and survey of costs by the Remuneration Tribunal.

The Chair of the ANTA Ministerial Council, under the ANTA Act, Part 6 section 29.(1) determines the level of other benefits (eg highest level of airline travel and use of cab charge credit facilities or Commonwealth car) for members of the ANTA Board.

The value of other benefits are determined as necessary or desirable to assist a member in, or place a member in a position that may facilitate, the performance of his or her duties (refer ANTA Act 1992 Part 6 section 29.(3)).

(4) The daily fees paid to part-time holders of public offices (ANTA Board) are as follows:

<table>
<thead>
<tr>
<th>Sitting Fees</th>
<th>Travel Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Per diem $550</td>
</tr>
<tr>
<td></td>
<td>Per overnight stay (for accommodation and incidentals) $350(Sydney) $290 – Other Capital City $200 – Other than a Capital City</td>
</tr>
<tr>
<td>Deputy Chair</td>
<td>$475</td>
</tr>
<tr>
<td>Member</td>
<td>$400</td>
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</tbody>
</table>

(5) No other benefits are paid to ANTA Board members.

(6) In accordance with Part 6 section 29.(1) of the ANTA Act 1992, members of the ANTA Board are entitled to the following additional benefits as determined by the Chair of the ANTA Ministerial Council with the approval of the Ministerial Council:

- The highest class of airline travel;
- Use of cab charge credit facilities or a Commonwealth Car
- the ANTA Board uses the services of the Authority’s corporate hire car, Ansett Cars, in lieu of issuing cab charge credit facilities.
- Accommodation standard is in line with the level of travel allowance determined by the Remuneration Tribunal (refer question 4 above).

(7) The ANTA Board members are not entitled to and do not receive any spouse benefits.

(8) (a) Since January 1998, the Remuneration Tribunal has undertaken one annual review of sitting fees and travel allowance paid to part-time public officers holders (ANTA Board) – this review came into effect on 1 March 1999.

There has been no review of other benefits since January 1998. ANTA Board members have continued to travel business/first class with ANTA’s corporate airline, Ansett Australia, and used the services of its corporate hire car company, Ansett Cars, since January 1998.

(b) In assessing the annual review following a survey of costs the Remuneration Tribunal paid particular attention to the following factors:

- the ability of the Commonwealth to retain and recruit appointees with the necessary skills, expertise and qualities to perform duties of the office;
- economic indicators and increases in wages;
- fees paid to part-time office holders in State and Territory Authorities and in the private sector;
- the need for restraint in Government expenditure and public service involved in holding a public office; and
- opportunity also taken to simplify the fee structure where possible.

(c)
<table>
<thead>
<tr>
<th></th>
<th>Up to 1 March 1999</th>
<th>From 1 March 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members</td>
<td>$380</td>
<td>$400</td>
</tr>
<tr>
<td>Travel Allowance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chair, Deputy</td>
<td>$320 (Capital City)</td>
<td>$350 (Sydney)</td>
</tr>
<tr>
<td>Chair and Members</td>
<td>$165 (Other than CC)</td>
<td>$290 (Other Capital City)</td>
</tr>
<tr>
<td></td>
<td>$200 (Other than CC)</td>
<td></td>
</tr>
</tbody>
</table>

(9) Variations to other payments to the ANT A Board, including the level and timing of each increase, are determined by the Chair of the ANT A Ministerial Council in accordance with the ANT A Act 1992 Part 6 section 29.(1).

(10) ANT A Board members are not paid superannuation benefits.

(11) ANT A Board members who are appointed to Chair Board sub-committees etc. are paid the equivalent sitting fees, travel allowances and other benefits as if attending normal Board meetings. This is provided for under the determinations of the Remuneration Tribunal and the ANT A Act 1992.

(e) The Australian Student Traineeship Foundation (ASTF)

(2) All members of the ASTF Board are appointed by the Minister.

(3) The Remuneration Tribunal sets the fees for the board.

(4) The Chairperson receives $502 for a day’s work and members are paid $380.

(5) The ASTF board does not receive any additional benefits.

(6) All board members fly economy class except when flying East Coast to Perth where business class is permitted. Accommodation is 3-4 star rating on average $150 per night. Vehicle allowances is not paid, reimbursement of petrol costs are provided.

(7) Board members receive no benefits for spouses.

(8) The fees for ASTF board members have not changed since October 1997.

(9) N/A

(10) No

(11) No

Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75

(Question No. 2171)

Senator Faulkner asked the Minister Assisting the Minister for Defence, upon notice, on 26 April 2000:

(1) Has the Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75 been completed; if so, when was it completed.

(2) Has the Government received the recommendations of the review; if so: (a) on what date were they received; and (b) who were they received by.

(3) Is it the case that the review recommends that service entitlement anomalies be removed by, in particular, according these personnel qualifying service for service pensions.

(4) (a) Has the Government finalised consideration of the recommendations of the review; if not, why not; (b) when will Government consideration be concluded; and (c) when will these veterans be notified of the Government’s decision.

Senator Newman—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

(1) Yes, the report was completed and handed to my office on 9 February 2000.

(2) Yes.

(a) 9 February 2000

(b) by myself.
(3) Yes, in some cases.
(4) (a) Yes.
   (b) The Government considerations have now concluded.
   (c) Veterans have been notified of the Government’s decision through the Budget 2000 Media Release on 10 May 2000.

Confidential Australian Exports
(Question No. 2194)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 1 May 2000:

With reference to Australian exports to Morocco, the department’s fact sheet compiled by Market Information and Analysis Unit, September 1999, cites $11 million in exports as ‘confidential items’.

(1) What are these items.
(2) Are any of these items of military application or significance.

Senator Hill—The Minister for Foreign Affairs has provided the following answers to the honourable senator’s question:

(1) The exports data are sourced from the Australian Bureau of Statistics (ABS), which has a legal obligation to ensure that any merchandise trade data, identified as disclosing the trade of a particular organisation, are not released. To enable as much information as possible to be released, within that legal obligation, the ABS aggregates the value of identifiable trade into a ‘confidential items’ commodity. The nature of exported items falling within the ‘confidential’ category cannot be disclosed.
(2) No.

Environment Awards: Costs
(Question No. 2199)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 2 May 2000:

With reference to the Prime Minister’s environment awards:

(1) How much money are the awards costing.
(2) How much money is each of the government agencies contributing to the awards.
(3) How much money is Ecos Corporation contributing to the awards.
(4) How much did the advertisement in The Australian of 29 April 2000 cost.
(5) Who are the individual judges for the awards.
(6) Who proposed the idea of the awards.
(7) For how long have the awards been planned.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) The estimated cost of The Prime Minister’s Environment Awards is $155,000.
(2) The expenses associated with the Awards are being met by the Department of the Environment and Heritage.
(3) None. Ecos Corporation has been contracted by the Department of the Environment and Heritage to coordinate the Awards.
(4) $16,623.
(5) With the exception of the individual category, each of the Awards categories has a judging panel as set out below.

Australia 2000 Environment Award for Outstanding Individual Achievement
See high level judging panel

Australian Small Business Award for Environmental Best Practice
Assessed by representatives from Banksia Environmental Foundation

Australian Business Award for Environmental Leadership
Assessed by representatives from Banksia Environmental Foundation
Sustainable Communities Award for Local Government
Marie Illman, ALGA representative
Ruth Morschel, Director, Housing Industry Association
Australian Greenhouse Office representative
Community Leadership Award for Environmental Achievement
Assessed by representatives from Keep Australia Beautiful Council
Young Australia Award for Environmental Achievement in Schools
Assessed by representatives from Keep Australia Beautiful Council
Natural Heritage Trust Award or Rural and Regional Leadership
Brian Scarsbrick, Chief Executive Officer, Landcare Australia Ltd
Dr Roy Green, President, Murray Darling Basin Commission
Professor Peter Cullen, Cooperative Research Centre for Freshwater Ecology, University of Canberra
Living Cities Award for Urban Environmental Leadership
Rick Butt, Environment Committee Chair, Royal Australian Institute of Architects
Maree McCaskill, Executive Director, Beverage Industry Environment Council
Australian Greenhouse Office representative
Australian Greenhouse Office Award for Innovation and Excellence
Australian Greenhouse Office
High Level Judging Panel
The judges in each category are required to nominate three finalists for consideration by a high level judging panel which selects the winner.

The high level judging panel comprises:
Ian Kiernan, Chair, Clean Up Australia, Clean Up The World
Robyn Williams, ABC Science Unit
Dr Jane Gilmour, Executive Director, Earthwatch Institute

In the individual category, finalists and the winner are selected by the high level judging panel.

(6) The idea for the Awards originated in my office.

(7) The Awards were first mooted late last year in the context of planning for Australia hosting of international World Environment Day 2000 celebrations. More detailed planning has proceeded since early this year.

West Papua
(Question No. 2222)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 12 May 2000:

(1) Was the Australian Government aware that the Indonesian Government was actively suppressing political freedom of expression between 1962 and 1969, including during the time of the ballot, and committing human rights abuses.

(2) Why did the Australian Government: (a) prevent two West Papuans (Willem Zonggonao and Clemens Runawery) going to the United Nations (UN) General Assembly in New York soon after the Act of Free Choice; and (b) vote to accept the Act of Free Choice in the UN General Assembly and actively lobby other governments to accept the Indonesian control of West Papua.

Senator Hill—The Minister for Foreign Affairs has provided the following answer to the honourable senator’s question:

(1) and (2) The events of 1962-1969 are on the public record and the archives are open to members of the public. It is not appropriate for the present Government to account for what might or might not have happened under a previous Government in 1969.
Chinese President’s Visit to Australia: Incidents
(Question No. 2223)

Senator Brown asked the Minister for Justice and Customs, upon notice, on 12 May 2000:

With reference to the visit to Australia of Chinese President Jiang Zemin in 1999, during which the Australia Tibet Council reported that a police officer in Queensland ripped up a poster of His Holiness the Dalai Lama, threw it on the ground and stamped on it, and that a police officer in Sydney was reported to have removed the batteries of a protester’s loud hailer (Australia Tibet Council News, October 1999): Can the Minister explain why, and on the authorisation of whom, the police were acting to inhibit the right to protest in these ways?

Senator Vanstone—The answer to the honourable senator’s question is as follows:

The Protective Security Coordination Centre (PSCC) in my Department is responsible for the coordination of arrangements throughout Australia to protect the security and dignity of high level visitors. The operational measures are principle the responsibility of State/Territory Police Services. The Australian Federal Police may assist with the provision of security liaison officers for particular visits.

The PSCC is aware that during the visit by the Chinese President as a guest of the Australian government, an incident occurred in New South Wales. I am advised that neither the PSCC, the Queensland Police nor the Australian Federal Police has a record of such an incident occurring in Queensland.

The specific questions asked by the honourable senator in relation to New South Wales are properly ones for the relevant State Minister.