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Tuesday, 29 August 2000

The DEPUTY PRESIDENT (Senator Sue West) took the chair at 2.00 p.m., and read prayers.

QUESTIONS WITHOUT NOTICE

Whaling: Japan

Senator GIBBS (2.00 p.m.)—My question is to Senator Hill, the Minister for the Environment and Heritage. Could the minister explain to the Senate why Australia did not join the UK, the USA, New Zealand, France, Germany and 10 other nations in the multilateral diplomatic protest against the Japanese whaling program, in Tokyo on Monday last week?

Senator HILL—We made our representations against the whaling program separately. Australia is strongly opposed to the Japanese whaling operation, both in the Southern Ocean and in the northern Pacific. As you know, Madam Deputy President, we do not accept the explanation that the whaling is scientific. We believe there are ways in which you can garner all the information for future conservation of the species without resorting to lethal methods. We strongly protested the recent expansion—sadly, it is an expansion—of the Japanese whaling take in the north Pacific this year, which takes new species of whale, including the sperm whale, and increases the numbers taken. It is totally unnecessary, and we would like Japan to cooperate and to desist. We were party to a resolution of the International Whaling Commission seeking that objective of Japan.

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Senator GIBBS (2.04 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston, representing the Minister for Employment, Workplace Relations and Small Business. In the light of today’s crippling Campaign 2000 strike by Victorian manufacturing unions, what is the coalition government doing to ensure ongoing workplace relations reforms which encourage jobs growth, greater prosperity and industrial democracy? Is the minister aware of any alternative policies? What would the impact be of these policies?

Senator ALSTON—I thank Senator McGauran for his question. I am sure he is acutely aware of the phenomenally impressive track record of the government since coming to office in terms of increased productivity and reduced levels of unemployment. We have a low rate of unemployment: it is down to 6.3 per cent. It was 11 per cent under Mr Beazley. Over 800,000 new jobs have been created since 1996, of which half are full-time, and wages growth is accelerating—it is at 2.5 per cent. The killer point which will be forever to Labor’s shame is that our record in terms of low-paid workers has been an 8.8 per cent real wage increase. Labor’s record from 1983 to 1996 was a 5.2 per cent real wage reduction. Not only has aggregate wages growth been 2.5 per cent a
year over the last four years of the coalition government; it was less than half of one per cent under Labor.

Why on earth would anyone want to overturn this very impressive record and go back to the bad old days? You would do it only if you were a wholly-owned subsidiary of the trade union movement. If you were not interested in real outcomes, if you were not interested in increased productivity and if you did not want to see rising levels of affluence on the part of ordinary Australians, you would do what that ever-declining group in Australian society—the trade union movement—advocates. That is why Mr Beazley, when asked about what has been described as ‘lunacy’—the 20,000-worker strike in Victoria—blamed it on Mr Reith. The assessment of the workplace reporter of the Melbourne Age states:

Today’s strike is expected to cripple the automotive parts, food processing, vehicle, engineering, plastics and telecommunications service industries at a cost to the state of between $40 million and $70 million.

Members of the Australian Manufacturing Workers Union, the Communications, Electrical and Plumbing Union and the Australian Workers Union planned the strike. This, according to AIG Victorian director Paul Fennelly, ‘is an enormous dummy-spit by the manufacturing unions’.

We have to understand the context of this. This is all about the unions winding back enterprise bargaining. This is all about what they choose to call pattern bargaining. In other words, they are not interested in productivity gains; they are simply interested in across-the-board increases irrespective of performance, which they can then say they delivered to their membership. That is what this is all about. As that industrial anarchist, Dean Mighell—whose union, I note, is one of the few unions not represented in this chamber, so I presume he is waiting for Senator Ray’s spot to fall vacant—says, ‘We have always said it was going to be a fairly long and tedious campaign because of the Workplace Relations Act and the nature of the industry. It is not like the building industry. You have to work much harder.’ ‘Much harder’, of course, means you have got to be more of a thug: you have got to get out there and really intimidate people. You have got to stand up to employers, and you have got to make sure that you bring the place to a standstill. In the face of all that, the response of Mr Beazley is to say that it is all Peter Reith’s fault.

Geoff Polites, president of Ford Motor Co., made it very clear at the weekend that he did not really think this was a Victorian strike. He said that this is run by essentially national unions. The people who have influence with the national unions are those on the other side of the chamber. They are the ones who could influence the outcome here. But, no, they are prepared to encourage Mr Bracks to do nothing, sit on his hands and make sure that the place is brought to a standstill so that the unions can get what they want. If that is the policy approach you are adopting, we are delighted it is out in the open now, because you will pay the penalty for this in the not too distant future. (Time expired)

**Diesel Fuel: Price**

Senator MACKAY (2.09 p.m.)—My question is to Senator Macdonald, representing the Minister for Transport and Regional Services. Is the minister aware that diesel is now selling at more than $1 a litre in many regional areas? Is he aware that this price represents an increase of 34c since the government set the level of its diesel fuel rebate at 24c a litre? Can he confirm that this leaves diesel users at least 10c a litre worse off? Does this not mean that the benefits of the diesel fuel rebate have now gone up in smoke, having been well and truly wiped out by the price increases caused in part by the GST? Is the minister concerned by reports from the Victorian Road Transport Association that the surging price of diesel fuel will lead to increased freight costs of up to 5c a kilometre, leading to an increase in the shelf price of goods of around 2.5c?

Senator IAN MACDONALD—What I am concerned about is what the price of petrol would be were the Labor Party in power. The Labor Party have opposed all of this government’s reductions in the excise of diesel fuel, and they have also opposed the reduction in the price of fuel that will come
from the GST as far as businesses are concerned. The Labor Party would add another 25c a litre to the current price of transport fuel in Australia. If, as Senator Mackay suggests, the price is $1 a litre now, were Labor in power they would add an additional 25c a litre to that. That is what the Labor Party is all about. The Labor Party opposed tooth and nail the GST package, which provided a 25c reduction in the price of fuel for transport vehicles in country areas. They also opposed the reduction in price that the GST brings about. If world fuel prices have meant that the price of fuel has increased, were Labor in power you would add to that yet again.

I am very concerned at the price of petrol across Australia, particularly in my state of Queensland. Mr Beattie and the state Labor government, and state governments right around Australia, will be getting a huge increase in revenue from the GST moneys they receive. If the price of petrol goes up and if the GST goes up, that money goes to the states.

Senator Mackay—It doesn’t go to the states!

Senator IAN MACDONALD—If the states are concerned about it and if the Tasmanian government, Senator Mackay, is concerned about it, then the Tasmanian Premier and the Tasmanian Treasurer can use some of the extra money that they are getting from the GST to subsidise fuel in Tasmania. In my own state, Mr Beattie and his Labor government, from the additional revenue they will be receiving from the GST, are quite within their rights to subsidise fuel. But what I am proud of is that, whatever the world price of fuel is—and everybody knows, even you, Senator Mackay, that the price of fuel has gone up because of world circumstances and nothing else—under Labor it would be infinitely higher. If you need any justification of that, have a look at what Mr Crean said in Rockhampton on radio: ‘We would do away with the current government’s reduction in excise.’ It is an unfortunate price, due to world costs, but if Labor were in power it would be infinitely higher.

Senator MACKAY—First of all, Minister, you are in government, so you have got a chance to do something about this and, secondly, the price of petrol has gone up everywhere as a result of the GST. Madam Deputy President, I ask a supplementary question. Are you aware, Minister, that diesel was selling for 106c a litre in Orange yesterday and 107c a litre in Cooma? How is it fair that country people who, according to the ABS, already pay nearly $10 a week more on transport costs than the Australian average, now have to pay even more? Lastly, in your own home town of Townsville, the price of diesel has gone from 83.9c on 1 July to 97.9c today—a 14c increase.

Senator IAN MACDONALD—My home town is Ayr in country Australia, not Townsville. My office is in Townsville. I do not live in a capital city, Senator Mackay.

Government senator interjecting—

Senator IAN MACDONALD—World oil prices come and go. As my colleague interjected, what about in 1990 when there was a Labor government in power and the price of fuel in those times was above $1 a litre? What did the Labor Party do in those days? Nothing, because they could not have an impact on world oil prices. That is the point: the price of fuel, petrol and diesel, at the moment is directly related to world oil prices. We do not control that—no more than the Labor Party controlled that back in 1990, when the price of fuel in those days was above $1 a litre as well.

The DEPUTY PRESIDENT—Order! The level of noise in the chamber is far too high. There are far too many conversations taking place across the chamber that are not related in any way to the people speaking. I would urge senators to maintain some silence.

Manufacturing Sector: Industrial Campaign

Senator TCHEN (2.16 p.m.)—My question without notice concerns the manufacturing sector and is directed to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate on how the industrial campaign by Victorian unions is undermining the Australian manufacturing sector? Will the minister further advise the Senate on what the impact of this
irresponsible action will be on our international competitiveness and capacity to generate high growth, investment and jobs?

Senator MINCHIN—I thank Senator Tchen for his question. Our government’s economic policies and tax and industrial relations reforms have been tremendous for Australian manufacturing. Manufacturing exports increased by nearly 18 per cent in the last financial year to $32 billion, greater than the 12.5 per cent increase in overall exports. Automotive exports are up to nearly $4 billion, an increase of 36 per cent, and manufacturing employment is now at its highest level since May 1990, when Labor plunged us into recession and nearly wiped out manufacturing in this country. Goldman Sachs reports that our productivity performance in the last five years has been better than at any time since the 1960s and is better than that of the US. Manufacturing output has grown by 17 per cent since the depth of Labor’s recession in 1990.

Against that background, the industrial action in Victoria today is complete lunacy and very, very damaging to Australian manufacturing. We have 20,000 employees on strike, and it is going to cost Victorian manufacturing about $72 million in lost production and over $5 million in exports. This sends a terrible message to the world about our reliability as a supplier and a terrible message to the world about Australia as a good place to invest in manufacturing. It is a particularly stupid action when we are all working very hard to attract investment in manufacturing in the automobile industry to this country. We have Holden deciding whether to invest nearly half a billion dollars in a new engine plant in Australia. There is potential for over $4 billion in auto investments over the next five years, all threatened by this crazy industrial action in Victoria. It has properly been labelled as ‘economic lunacy’ by manufacturing employers in Victoria. Of course if you compare that with the federal opposition’s industrial relations policy, that also would—if it were ever implemented—be a complete disaster for Australian manufacturing. It is a throwback to an industry wide bargaining approach which would be terrible for our manufacturing sector.

It is to the credit of the ALP conference that they voted in favour of free trade and against the troglodytes from the AMWU. I was very pleased to see and I congratulate Senator Cook for voting against his own Senate leader on that issue. But the combination of Labor’s approach to free trade, which we endorse, and their completely hopeless centralised industrial relations system would absolutely cripple Australian manufacturing. This is the problem with the Labor Party. They do not understand that you have to have a whole policy. You cannot just have the free trade policy over here and the industrial relations policy over there. You cannot have it both ways; you have to have a whole approach to manufacturing. If you want companies in Victoria and elsewhere in Australia to be able to compete, to be internationally competitive in a free trade environment, they have to have a flexible, enterprise based industrial relations system. You cannot tie the feet of Australian industry and tie them down with your ramshackle industrial relations system and then expect them to compete on the international stage without any protection whatsoever, which is Labor’s policy. You want them to compete in a free trade environment, but they will not be able to compete because of your industrial relations policy. Your opposition to removing the wholesale sales tax and your industrial relations policies show you have no idea of what Australian manufacturing must have in the way of policy settings if it is to compete in the 21st century in a world of free trade. You say you believe in globalisation, so how about getting the industrial relations policies to make that a reality?

Commonwealth Scientific and Industrial Research Organisation: Outsourcing

Senator LUNDY (2.21 p.m.)—My question is to Senator Minchin, the Minister for Industry, Science and Resources. Can the minister confirm that clause 18 of CSIRO’s enterprise agreement forbids outsourcing unless there are ‘compelling and demonstrable benefits’? What are the compelling and demonstrable benefits of proceeding with the government’s proposal to outsource CSIRO’s
IT? Why is it that CSIRO scientists are adamantly opposed to this proposal and why is the government being so pig-headed in dismissing the views of the science community on an issue so integral to their profession?

Senator MINCHIN—In relation to IT outsourcing in the science agencies, and CSIRO in particular, I am very disappointed with the stop-work actions today and the demonstrations by CSIRO staff. We have repeatedly reassured the CSIRO and staff that there will be no degradation to the capacity of the CSIRO and the other science agencies to conduct their excellent scientific research. But it is government policy to outsource IT, and we are working to that end. We are only talking in the case of CSIRO of off-the-shelf IT. We are working closely with the CSIRO and OASITO on a scoping study to determine the scope of the outsourcing proposed for the CSIRO. The CSIRO have seconded a member of their staff to OASITO to make sure that that agency completely understands the needs and desires of the CSIRO in relation to IT and what capacity there is for outsourcing. So we will pursue the policy, but we will do it sensitive to the demands and needs of the CSIRO and ensure that in no way is the capacity of that excellent agency affected.

I should also point out in relation to this Group 9 IT outsourcing that the Australian Institute of Marine Science has been granted small agency status to take it out of that group, because it wants to get on with outsourcing. It is keen to outsource its IT, and it is going to do that under the small agency status which it has been given. So we will work cooperatively with the CSIRO to get a good outcome. I am disappointed by today’s action.

Senator LUNDY—Madam President, I ask a supplementary question. Can the minister confirm that CSIRO is willing to pay a $6 million penalty rather than allow its IT function to be outsourced? Isn’t this persuasive evidence of the strength of CSIRO’s convictions that outsourcing of its IT functions will be severely detrimental to the organisation?

Senator MINCHIN—My simple answer to that is no, I cannot confirm that. That proposition has never been put to me. The chief executive, Dr Colin Adam, has never said to me that they would be prepared to act in that way. The executives of the CSIRO are working cooperatively with the Department of Finance and Administration and my department to pursue this policy.

Ethanol: Bounty Scheme

Senator LEES (2.24 p.m.)—My question is also to Senator Minchin, the Minister for Industry, Science and Resources. It concerns the promotion of ethanol as a means of reducing fuel prices and Australia’s reliance on petrol. I ask the minister: given the potential for ethanol to be blended with petrol to provide cheaper fuel for Australian motorists, will the minister agree that the coalition’s decision in 1996 to scrap the Democrats negotiated ethanol bounty scheme was shortsighted?

Senator MINCHIN—I cannot comment on the details of that decision back in 1996. I was not in government at that time. So you would have to ask others for a view on that policy. I am not familiar with the detail of that. I will get you an answer to that question. In relation to ethanol I have no information available to give you today, but I will give you an answer on our position in relation to ethanol in due course.

Senator LEES—Madam President, I ask a supplementary question. It certainly was in your government’s time, Minister. Indeed, it was one of the first decisions that you made. Given that you are Minister for Industry, Science and Resources and your government is currently looking at a rescue package for the sugar industry because of low world sugar prices as compared to where petrol prices are, I ask the minister: is it not the case that you could tackle two problems with one decision relating to ethanol? Does the minister agree that by accelerating the development of the Australian ethanol industry you would not only help reduce our reliance on petrol products but also give a major boost to the sugar industry?

Senator MINCHIN—The Minister for Agriculture, Fisheries and Forestry, Mr Warren Truss, is working very closely with the sugar industry to ensure that that industry
receives appropriate assistance at what is a time of crisis for it, and that is quite appropriate. The question of ethanol always is raised in relation to the sugar industry as the great magic pudding, that it is going to solve the sugar industry’s problems if we go down the path of ethanol. The most important factor in all of this is cost: the cost to Australian consumers, what that would mean in relation to the cost of fuel, whether you can in fact produce cheaper prices, what sort of subsidies would be required to make ethanol viable and practical. Work on that will go on, but the government is not about to embark on any compulsory application of ethanol to petrol.

Research and Development: Government Policy

Senator HOGG (2.27 p.m.)—My question is to Senator Minchin, Minister for Industry, Science and Resources. Why has the government allowed expenditure on Australia’s research and development as a proportion of GDP to plunge almost 10 per cent in two years—the worst performance among 17 OECD countries, trailing behind even Iceland? Is the government’s Chief Scientist, Dr Robin Batterham, correct in warning that Australia risks sliding into a ‘genteel decline’ if we do not dramatically increase the resources we are currently devoting to research and development? Is Dr Batterham correct in pointing out that our education and research sectors were travelling pretty well until about five years ago, when countries like Ireland, the UK, Canada and Finland dramatically accelerated ahead of us at breakneck speed? Doesn’t this make the government’s 1996 decision to cut the R&D tax concession to 125 per cent look foolish and short-sighted?

Senator MINCHIN—What was foolish and short-sighted were the outrageous economic policies issued by the then Labor government in destroying the fiscal credibility of this country, ranking up $80 billion in debt in their last five years, leaving us with a $10 billion deficit, which had to be tackled in one way. We tackled that responsibly. We ended the rort of R&D syndication, which had resulted in a doubling of the cost of the tax concession in your last financial year. You yourselves had made some vague, feeble attempts to move on R&D tax concession in your last few months but actually did nothing. You left it to us to clean up the mess. Also, because the $10 billion deficit we inherited was unsustainable, the burden of paying for that deficit and returning the government to fiscal surplus had to be shared across the community, and it was shared across the community. We expected the business community to share that burden by accepting the decision to reduce the R&D tax concession from 150 per cent to 125 per cent. Your arguments on all of this are absolutely hollow because, even though you are the most opportunistic opposition we have ever seen in this country, even you refuse to commit to a return to the 150 per cent R&D tax concession.

I share with the rest of the nation the concern about the fact that business expenditure on R&D in this country is declining. Part of that obviously is caused by the wind back of R&D syndicates, which had become a rort and which had artificially inflated the figures for business expenditure on R&D. There is a wind back from that, and there is a whole range of other factors. The mining industry is responsible for a lot of the R&D in this country, and they have gone through an enormous cost-cutting exercise because of international commodity prices and pressures on their bottom line. One of the first things to be cut in the mining sector was their R&D budgets, which obviously is regrettable, but it is a function of the international commodity price situation. There are other factors. Don Mercer recently made a speech in which he attributed much of the problem to the function of franked dividends, with companies being very focused on maximising profits and payouts and not on investing in their future. We do, in my view, have a problem in this country with the business community being insufficiently attuned to the need to invest in their own futures by investing funds in R&D.

In response to that we have, as you know, engaged two major reviews of the situation. One is through the David Miles led Innovation Summit Implementation Group, which is reporting to me later this week or early
next week with a whole range of ideas and proposals for enhancing business investment in R&D in this country. As well, we have Robin Batterham’s report on the science capability of this country. He has put out a very good discussion paper, which I urge you all to read and respond to. We would welcome the opposition’s responses to that very good paper. We will get a final report in October. The government will release later this year an innovation action agenda which will take the best of these reports and set out a path for enhancing Australian innovation and R&D through the next century.

Senator HOGG—Madam Deputy President, I ask a supplementary question. Is Dr Batterham correct in observing: ... over the last five years, competing nations have made purposeful investments and have literally taken off. ... what we have to ask ourselves is, do we want to be in this race? What is the government’s view? Do we want to be in this race? If so, how does the minister plan to get back into it?

Senator MINCHIN—There really is nothing I can add in answer to the supplementary question, except to say that it is a tragedy that we inherited, some four years ago, an appalling budgetary situation which has massively hindered and damaged this country’s capacity to invest additional resources in science and innovation. Dr Batterham is certainly right to point to the investments made by other countries. That is something that the government is very conscious of in its approach to the response to the Innovation Summit Implementation Group and the Batterham review.

Australian Army: Aid to Civilian Authorities

Senator BROWN (2.32 p.m.)—My question is to the Minister representing the Minister for Defence, Senator Ellison. I refer to the Australian Army’s pamphlet Aid to Civil Power, which directs the use of the Army against a crowd of Australian dissidents. When it gets to the section on ‘How to open fire’, it gives the sample order: ‘No. 1 section, adopt the kneeling position. Load. Man in blue shirt waving axe. Aim and then fire.’ I ask the minister: is this sample protest, presumably by Australian loggers, really a case where the Army should be used? Who is the man in the blue shirt? Is this not a classic situation that should be left to the more properly trained police forces of Australia? What is the government’s definition of a dissident?

Senator ELLISON—Senator Brown knows that this is the subject of legislation which is currently being debated in the Senate. The question really is in contravention of standing orders. However, I am willing to answer it. Yesterday I indicated during the course of the debate that the manual that Senator Brown referred to is out of date. It relates to the current provisions which are antiquated and which we are proposing to clarify and update. There is no reference in that manual to any sector of the Australian community. Any reference to loggers or otherwise by Senator Brown is totally wrong. It is something which is of his own imagining and is not in any way what that manual sets out to portray. As the Senate knows, this will be further debated today. If Senator Brown has any further aspects to raise, then he should raise them in the committee stage when we deal with the amendments which are being proposed.

I might add that it is not the government’s intention that military forces be used to usurp or put down any lawful protests by Australian people. In fact, we have proposed amendments which will clarify exactly how the military can be called out. Everyone agrees that the current legislation does need clarification, does need amendment, and that is what we are proposing to do. What we are providing to the Australian people is a clearer regime of a call-out by a state, a Commonwealth or a territory government. That is something which is highly desirable, having regard to the fact that these current call-out provisions are antiquated and go back to the 1920s.

Senator BROWN—Madam Deputy President, I ask a supplementary question. The minister has indicated that work will be done or is being done to replace this manual. I ask the minister if he will give the Senate a commitment that the replacement document will be made available to the Senate. I ask him if the basic tenet upon which this docu-
ment is used—that is, against dissidents—is to be continued in that new document. Can he now or will he then give a definition of what is a dissident in the Australian community?

Senator ELLISON—Senator Brown knows only too well that the subject that he talks of is to be debated this afternoon in the Senate. This manual will reflect the new provisions, and the question of ‘dissident’ or otherwise is the subject before the committee.

Goods and Services Tax: Aged Care Monitoring Services

Senator FORSHAW (2.37 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Is the minister aware that many elderly people use remote 24-hour monitoring services, such as that provided in New South Wales by the company Vitalcall, and that they rely on this service for both medical and security reasons? Can the minister confirm that the tax office has refused to grant a GST exemption for the monitoring service fees, meaning that many elderly Australians will pay an added 10 per cent? How can the Howard government justify collecting a 10 per cent tax from elderly Australians for a service which assists many of them to stay in their own homes and thus out of expensive aged care facilities?

Senator KEMP—Senator Forshaw raised an issue about the tax office ruling, and I will check whether there has been such a ruling by the tax office. Let me say that the government has been very concerned to make sure that those on pensions, along with those in the work force, along with Australian families and along with those in business benefit from tax reform. The fact of the matter is that, as a result of tax reform, we have been able to preside over a real rise in pensions. That is one of the many benefits of tax reform. It is true that some prices will rise and some prices will fall. We have made sure with the guarantees that have been given to pensioners that pensioners will be better off as a result of tax reform.

Senator FORSHAW—Madam Deputy President, I ask a supplementary question. I thank the minister for his ignorance on the question.

The DEPUTY PRESIDENT—Order!

Senator FORSHAW—Minister, I draw your attention to the fact that this service actually saves the lives of elderly people and I will forward you a copy of the article that tells you that. I further ask: is the minister aware that a similar monitoring service in Victoria called Vitallink—it is your home state so you should be aware—has been granted a GST exemption on the basis that it attracts HACC funding. Why is your government discriminating in this way against elderly Australians in particular areas?

Senator KEMP—The senator just mentioned one particular service which attracts HACC funding where there has been a GST exemption given. He has raised another service, and I assume that earlier service does not attract HACC funding. If he wants to give me the name of the particular service, I am happy to inquire into it. I would like to point out that the GST is now ALP policy. It would be interesting to see whether you are going to change the application of the GST in this area.

Senator Hill interjecting—

Senator KEMP—As the senator flagged, a roll-back here or not. If the ALP policy is to grant a blanket exemption in this area, Senator Forshaw should stand up and say so; if it is not, what we are seeing is another pathetic scare effort from the Labor Party. (Time expired)

Literacy: National Standards

Senator EGGLESTON (2.41 p.m.)—My question is to the Special Minister of State representing the Minister for Education, Training and Youth Affairs. This week schools around Australia are celebrating National Literacy Week. Will the minister inform the Senate of the 2,000 National Literacy Week award winners and how the Howard government’s record investment in education is helping to improve the literacy and numeracy skills of students around Australia?

Senator ELLISON—That is a good question from Senator Eggleston, because this week is National Literacy Week and I
reiterate the Howard government’s commitment to literacy in the education of Australia’s school students. We have increased funding to public schools by 18 per cent since 1996, something that the opposition might not like to hear. We have committed $5.2 billion to schools funding this year and in particular $869 million to students who have special needs in relation to literacy and numeracy. We want to build on those basic blocks of education dealing with reading, writing and arithmetic. These form the basic foundation for Australia’s school students and go on to benefit them in later years.

Already we have delivered a national literacy plan backed up by $131 million in funding. That will ensure that all students will be assessed for literacy and numeracy needs in the first years of schooling. Early remedial action is taken where necessary. All students at the completion of years 3, 5 and 7 will be assessed against national standards. We are seeing the results of these actions. In 1999, just under 87 per cent of year 3 students achieved the agreed minimum national reading standards. But, importantly, in relation to indigenous education, this government recognises the special needs of those students, and we have recently announced $27 million in funding for a national indigenous literacy and numeracy strategy. This is aimed at lifting indigenous numeracy and literacy skills to a level comparable with other Australians of the similar age group.

This week, as I mentioned, is National Literacy Week and we have announced awards which relate to some great achievements by Australia’s schools. There were 292 entries across Australia, and yesterday Dr David Kemp, the Minister for Education, Training and Youth Affairs, announced the award winners. We had eight major awards of $10,000 for government primary schools, three major awards of $10,000 for non-government primary schools and 60 awards of $1,000 to government and non-government primary schools. Senators opposite might be interested to hear that in their home states the following government primary schools were the award winners: in my home state of Western Australia, Middle Swan Primary School; in New South Wales, Lidcombe Public School; Victoria, Morwell Park Primary School; Queensland, St Paul’s State Primary School; South Australia, Goolwa Primary School; Tasmania, North Chigwell Primary School; the ACT, Latham Primary School; and, in the Northern Territory, Batchelor Area School.

In the non-government primary school sector, we had the Kurrawang Christian Aboriginal Parent-directed School in Kalgoorlie, the St Thomas More Catholic Primary School in Melbourne and the Yipirinya School in Alice Springs. The Yipirinya School is a marvellous example of the effectiveness of our numeracy and literacy programs. This school forms a role model for other schools facing similar problems. At Yipirinya School in Alice Springs—and Senator Faulkner, I know, would be interested to hear this—researchers tested the reading ability of the year 6 and 7 class and found that 72 per cent of children could not read any text. After just two years, some 83 per cent can now read at year 4 levels with higher than 90 per cent accuracy. That is runs on the board for Australian students who are experiencing problems with literacy and numeracy. It is showing that our government’s programs are working. (Time expired)

**Education: Funding**

**Senator CARR** (2.46 p.m.)—My question is to Senator Ellison, representing the Minister for Education, Training and Youth Affairs. Can the minister confirm that the average pupil-teacher ratio in Victorian government schools is 15 to one and that in the Catholic sector the ratio is 17 to one? Can he confirm that the ratio at Geelong Grammar is eight to one? Is the minister aware that the Acting Principal of Geelong Grammar, Mr Twigg, has stated that, with the windfall funds he will receive from the government, he plans to reduce class sizes still further? How will this inequitable policy contribute to improving the literacy and numeracy levels of Australia’s neediest schools?

**Senator ELLISON**—Senator Carr knows only too well that he has been distorting the figures in relation to the new SES funding. He knows that he has been distorting the SES score levels for those category 1 schools, which he is intent on attacking.
Senator Carr has placed them at an average of 120 on the SES score. What he is not taking into account is the variety of circumstances that these schools find themselves in. What he is not acknowledging is that the parents who come from some of these schools are not in good financial circumstances and that the new SES funding arrangements recognise the financial circumstances of the parents. This is a vast improvement on the ERI system which we had before. What he is not recognising is that Commonwealth spending on government schools will rise by 21 per cent over the next four years. Why doesn’t Senator Carr join with the federal government in promoting these programs which are going to deliver benefits to all Australian students? We believe in a strong government sector and a strong non-government sector. We do not believe in supporting one against the other, like Senator Carr does.

He might be interested to know that in the independent sector, for example, of the 21 per cent of school students who come from families with an annual income of less than $26,000, 20 per cent of those attend non-government schools. There are parents in the lowest wage bracket who are sending their children to non-government schools. We have maintained funding to the non-government sector as we have with the government sector. Senator Carr should wait until we have finalised the SES scores before he makes any wild allegations, before he says that all category 1 schools are at a score of 120, when in fact they range from the low 90s to 130. That displays a wide variance of circumstances of schools in category 1, which Senator Carr will not acknowledge.

We are about delivering outcomes to all Australian students, whether they attend a government school or non-government school. In fact, as I mentioned earlier, we have increased funding in the public sector by 18 per cent. This year we will be committing $5.2 billion to schools in Australia. Why doesn’t Senator Carr join with us, rather than carping about funding for the non-government sector? He might just take on board the wishes of the independent school sector, which urged him not to delay or block the schools funding legislation but to join with the government and get that through.

**Senator CARR**—Madam Deputy President, I ask a supplementary question. I assume, Minister, from your answer that the government is now willing to provide the SES scores for each of the category 1 private schools from the 1998 simulation study as directed by the order of the Senate. I ask you, Minister: can you inform the Senate how much Geelong Grammar will receive in Commonwealth specific purpose education funding over the next four years? In other words, what is the precise amount of windfall that Mr Twigg was referring to?

**Senator ELLISON**—Senator Carr knows full well that the Minister for Education, Training and Youth Affairs, Dr Kemp, answered the request which was made of him and he tabled the guidelines and the document entitled Number of schools by SES score. What Dr Kemp has stated is that once the actual SES scores—upon which non-government schools funding entitlements for 2001 to 2004 depend—become available he will table them. The minister has complied with the request made of him, and when those scores have been finalised he will provide them. He has rejected that he has only partially complied with Senator Carr’s request. In fact, the order requiring the tabling of the scores did not require the name of each school or that it be identified, as Senator Carr is trying to allege now. This government has nothing to hide. It is providing the information sought in a transparent way. We believe the SES funding is a step forward. (Time expired)

**Fuel: Public Sector Consumption**

**Senator ALLISON** (2.51 p.m.)—My question is to the Minister representing the Minister for Finance and Administration. I refer to the recent increase in petrol prices and I ask: what steps is the government taking to reduce consumption of petrol and diesel across the public sector? Why is it that the government is not leading by example and purchasing LPG, CNG or hybrid cars? Is the minister aware that the public sector could have saved $75 million this year in fuel efficiency if the 80,000 government cars...
purchased this year had been dedicated LPG Ford Falcons, for instance? How does the government justify forgoing savings of this order—around 50 per cent of fuel costs for individual cars—by not switching to alternative fuels?

Senator ELLISON—We are always looking for fuel efficiencies. I will certainly convey the question put to me by Senator Allison to the minister concerned. The minister with responsibility for the Public Service is perhaps the better minister to answer that question. We as a government are leading by example, and we have explored alternative means of fuel in every respect. In fact, as Senator Allison knows, in our legislation that we passed we have looked at ways of providing incentives for alternative fuels and reducing greenhouse emissions. This government is leading by example, and Senator Hill is doing an excellent job in this regard—much better than his Labor predecessor. I will take this matter up with the minister concerned and get back to Senator Allison.

Senator ALLISON—Madam Deputy President, I ask a supplementary question. While the minister is still exploring this issue, would he also consider the fact that hybrid petrol and electric cars have been developed in Australia and that they, too, save 50 per cent of fuel costs? Why is the government not using its procurement policies to kick-start a local market for such vehicles? The CSIRO has worked with Holden to produce the e-Commodore. What is your government doing to get this fuel efficient car on the market, not just as government vehicles but for all Australians?

Senator ELLISON—That is perhaps more a question for the minister responsible for industry and science matters. I will take this matter up and look into it. In relation to procurement, we have devolved responsibility for that to agencies. Those agencies would look to matters of that nature when making purchases. That is something for each agency to determine.

Education: Overseas Students

Senator McKIERNAN (2.55 p.m.)—My question is directed to Senator Ellison, the minister representing the Minister for Education, Training and Youth Affairs. Can the minister confirm the report in the Sydney Morning Herald of 26 August that a college in Sydney known as the Wesley Institute for Language and Commerce has closed, leaving 500 overseas students stranded with only partial refunds of their prepaid tuition fees? Can the minister further confirm that the Wesley Mission of the Uniting Church leased out its Commonwealth CRICOS registration to a commercial company that operated in breach of student visa requirements? Why was a trust fund not kept, as required by the ESOS Act? Can the minister confirm that the Wesley Mission received 20 per cent commission from the lessee company, Vision College, and that agents were receiving 40 per cent commission on students’ fees, with total commissions amounting to 60 per cent of students’ fees?

Senator ELLISON—The primary responsibility for the governance of this rests with the state governments concerned.

Senator Carr—It’s a CRICOS matter.

Senator ELLISON—This has been canvassed repeatedly in estimates hearings, as Senator Carr knows. The states are seized with the primary responsibility of regulating this and the Commonwealth has taken this up with the various state governments. As Senator Carr and the opposition well know, the Commonwealth has taken this up with the states at a ministerial level. In relation to Wesley college, that situation raises questions which are a state responsibility. Nonetheless, I will make inquiries and get back to Senator McKiernan.

Senator McKIERNAN—Madam Deputy President, I ask a supplementary question. I ask the minister to take note of the other questions contained in my question and ask further: can the minister assure the Senate that the government’s planned amendments to the ESOS Act—a Commonwealth act, Minister—will prevent the leasing out of CRICOS registration so that students will be protected in cases of this kind?
It is no secret that we have been looking at this legislation. But, then again, it is legislation which does not control the day-to-day operation of these colleges. The ESOS Act deals with overseas students who come here to study and regulates the overall scheme of overseas students who come to Australia. This, again, is a question raised by Senator McKiernan which goes to the responsibility of the various state governments.

Drugs: Seizures

My question is to the Minister for Justice and Customs, Senator Vanstone. Will the minister inform the Senate of the work of federal law enforcement agencies in the fight against performance enhancing and illicit drugs in the lead-up to the Sydney Olympics?

I thank Senator Payne for the question. The Commonwealth has been very successful in its preparations for the games. Seizures of performance enhancing drugs have been up quite dramatically in the year 1999-2000. There were 1,125 seizures of these drugs in that financial year. That compares with just 27 seizures in 1994-95 and 49 seizures in 1995-96. So when Labor left office there were about 50 seizures of performance enhancing drugs in a year. In the following year there were 265 seizures. In the year after that there were 558 seizures, and in the year after that there were 968. Steroids now comprise 48 per cent of all seizures compared with 37 per cent in the previous financial year. The majority of those PED seizures were from parcels and articles in the international post, some 87 per cent of them. There has been an increase in seizures of PEDs carried by air passengers—up some six per cent from last year to nine per cent. Customs employ a wide range of technology to assist in the detection of these drugs—backscatter X-rays, ionscans, detector dogs, video surveillance and intelligence driving the Customs profiles.

A prominent source of PEDs is the United States, some 83 per cent. It is certain that PEDs are legally available there over the counter, and that is why we believe 83 per cent of PEDs that come in come from there. The other major sources are Thailand, New Zealand and the United Kingdom. Most seizures are just personal quantities—one or two bottles. Only 58 seizures involved more than 500 tablets or capsules. During 1999-2000 Customs prosecuted 17 cases successfully. There have been increased penalties from 26 May. For trafficking in these drugs the penalty would now be up to a $100,000 fine or up to five years imprisonment. That has increased from what was a civil penalty of $50,000 maximum.

Performance enhancing drug seizures are only part of the illicit drug story. Seizures of other drugs are also up. In the four years of this Howard government, federal agencies have seized 1,755 kilos of heroin and 1,302 kilos of cocaine. Labor seized a mere 537 kilos of heroin in its last four years and 671 kilos of cocaine. Comparing our first four years with the last four years of Labor, we have seized three times the amount of heroin and twice the amount of cocaine that Labor seized in its last four years.

Order! The level of noise and conversation across the chamber is far too high.

As I said, we have seized three times the amount of heroin and twice the amount of cocaine that Labor seized. We have seized over seven million more hits of heroin—enough heroin to supply 64 capacity crowds at Stadium Australia—and over six million more lines of cocaine than Labor seized in its time. That should make it very clear that the government’s Tough on Drugs strategy is extremely successful compared with Labor’s paltry efforts.

I ask that further questions be placed on the Notice Paper.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Education: Overseas Students

In relation to a question put to me by Senator McKiernan, I have obtained further information on the Wesley Institute for Language and Commerce. Reports in the media that students would not receive their funds are
incorrect. The Wesley Mission has guaran-
teed that it will refund all moneys owed to
students of the WILC. The funds are pro-
tected by the notified trust account estab-
lished by the Wesley Mission in accordance
with legislative provisions. As indicated pre-
viously, the Department of Education,
Training and Youth Affairs is working
closely with state governments, in particular,
the New South Wales government, in rela-
tion to this. The department was present at a
meeting of these agencies with overseas stu-
dents on 25 August, which was arranged by
the Wesley Mission following the closure of
the Wesley Institute for Language and Com-
merce. The agencies concerned are working
together to facilitate the transfer of WILC
students to providers offering comparable
courses.

Ethanol: Bounty Scheme

Senator MINCHIN (South Australia—
Minister for Industry, Science and
Resources) (3.03 p.m.)—Senator Lees asked
me a question in question time about the
government’s attitude to the old ethanol
bounty scheme. In the light of the crisis in
the sugar industry, I undertook to get her
further information. I am reminded that the
government abandoned that scheme in
August 1996 following an inquiry by the
Bureau of Resource Sciences, the Australian
Bureau of Agriculture and Resource
Economics and a steering committee repre-
senting five departments, which concluded:
It was difficult to conclude that there were net
benefits from displacing petrol with fuel ethanol.
The current production and use of fuel ethanol
was not cost effective in reducing emissions of
greenhouse gas and environmental pollutants. The
ethanol bounty scheme in its current form would
not achieve its objective and should be discontin-
ued.
The government has no evidence before it to
suggest that the scheme should be reintro-
duced.

Commonwealth Scientific and Industrial
Research Organisation: Outsourcing

Senator LUNDY (Australian Capital Ter-
ritory) (3.04 p.m.)—I move:

That the Senate take note of the answers given
by the Minister for Industry, Science and Re-
sources (Senator Minchin), to questions without
notice asked by Senators Lundy and Hogg today,
relating to IT outsourcing and research and devel-
opment.

At lunchtime today right around the country
hundreds of scientists gathered to express a
view. They were protesting against the gov-
ernment’s mandatory IT outsourcing pro-
gram, which seeks to gather together the sci-
ence agencies of Australia in a group 9 clus-
tered contract. The aim of the government’s
policy is to make it mandatory that all of
these science agencies form within the scope
of one contract and outsource all of their in-
formation technology services. Today, in
responding to questions, Senator Minchin
gave no inkling that the government under-
stood the magnitude or the seriousness of the
implications of their mandatory IT
outsourcing program.

In expressing their outrage, the CSIRO
Staff Association and many of the scientists
who found their way to the lawns of Parlia-
ment House—and to the front of parliament
houses around the country—expressed very
specific concerns. Their argument was that
information technology is the tool for their
research and their innovation. It is not possi-
ble, they argue, for the government to distin-
guish an administrative information technol-
ogy from the research tools for innovation
because, if they had an understanding of the
implications of this, they would know that it
is the computers, the databases and the ap-
plications that draw all of this technology
together that actually enable and empower
the scientists to do their work.

Why is this relevant? In recent times we
saw the release of a report called The Chance
to Change, a discussion paper by the Chief
Scientist, Dr Robin Batterham. This report
highlights a number of very important issues,
including the fact that R&D investment is
declining under the coalition. How are these
two issues related? They symbolise one very
powerful message, and that is that the coaliti-
ion government do not understand the im-
lications of changes taking place in our so-
ciety in relation to information technology.
They do not understand that information management, be it for a business, a government agency or a department, is core business and determines the strategic direction of those organisations, be they in the public or private sector.

The CSIRO and other science agencies understand that information technology is core business and facilitates information management and the core tools for their research, their scientific endeavour and their capacity to innovate. These issues are important because they actually determine our economic future. I would like to refer to page 7 of The Chance to Change, by Dr Robin Batterham, Australia’s Chief Scientist, which talks about changing economic and business drivers, the very things that we hear sprinkled around the place in coalition rhetoric.

Let us have a look at what this report says. It lists factors under the headings ‘Old paradigm’ and ‘New paradigm’.

Firstly, under the old paradigm, the key factors are capital resources and labour. In the new paradigm, in this information age, the factors are the rising importance of knowledge and creativity. Secondly, in the old paradigm, export profile is essentially dependent on resource based industries. The new paradigm has the addition of knowledge based activity and knowledge based parts of resource industry. Surely this is the pointy end, where CSIRO sits in the economic landscape. Point 3 in the old paradigm says, with relatively few exceptions, most businesses serve the local market and that, in the new paradigm, firms go global and are subject to global competition. And so it goes on.

On those four initial points—and there are four more in this report; there are eight points altogether—the IT outsourcing program sits within the old paradigm and defies what is projected in the new paradigm. More than anything else, the government’s IT outsourcing program actually homogenises and dumbs down the information technology by virtue of the laterally clustered, vertically integrated contracts that it presents. It is a mandatory program, and so the science agencies have no choice—no choice at all—but to participate. They have asked very specifically—and Labor reiterates this call to the minister for science, Senator Minchin, and to the Minister for Finance, Mr John Fahey, who manages the IT outsourcing program—to pull the science agencies out of the program and to put that program out of existence. (Time expired)

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (3.09 p.m.)—It really is cheek for the Labor Party to come into this chamber and try to hector and lecture us on this side about the development of our economy and about research and development—

Senator Cook—You cut R&D!

Senator ABETZ—Senator Cook interjects, and that reminds me that I got something in the mail just—

Senator Cook interjecting—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! Senator Cook, you should not shout across the chamber; you know that.

Senator ABETZ—Senator Cook kindly reminds me by that disorderly interjection that I got a letter the other day from a person who was very upset with Senator Cook’s false claims and accusations in the Hansard of 16 August 2000. So, Senator Cook, if I were you, I would be very, very quiet. The development of the Australian economy—

Senator Cook—You’d better show it to us!

The ACTING DEPUTY PRESIDENT—Order! Senator Cook, if you have a point of order, take it.

Senator ABETZ—Isn’t it amazing how sensitive Senator Cook and the Labor Party become when there is a hint that they might be reminded of their tax strategy with R&D—which occasioned a lot of rorts, as Senator Cook well knows; they presided over a number of rorts that we as a government took out of the system, and we make no apologies for that. If Senator Cook wants to
dine out as a former failed minister of the previous Labor government, having presided over those R&D tax rorts, let him do so. It will guarantee him a further stint in opposition, and I wish him well in that endeavour.

In relation to the development of our economy, one of the key factors in determining how an economy is going is surely the question of jobs growth. We can talk all the fancy language we like about IT and R&D. We can talk about all sorts of things, but the bottom line of economic development and the growth of the economy is surely translated into the social benefit of increased employment. Since we have come into government, we have seen a constant increase in employment, and we are now hovering at about six per cent unemployment. That is a good social statistic, I would have thought, and one that the Labor Party should be embracing. But of course they will not, because, if they were to embrace our success in driving down the unemployment rate, they would be reminded of the fact that their Leader of the Opposition, the person who would become Prime Minister if Labor were to be elected, presided over one million of our fellow Australians being unemployed whilst he was the minister for employment. Indeed, given the high figures, he should have been called the minister for unemployment. Since that time, there has been nothing in Labor policy to suggest that they would do anything to reverse those horrible statistics over which they presided: one million Australians unemployed.

We on this side took the task of economic management very seriously. As a result, we have got inflation down, we have got tax reform, we have had industrial reform, and we have done all sorts of things which everybody was predicting would also lead to increased unemployment. The fact remains that we have, with those policies, driven down unemployment and we have increased employment. For all the talk of Senator Lundy and the Labor Party about what they would do in relation to research and development, it is just such a very sad pity, isn’t it, that they did not implement all those policies whilst they were in government and so did not see the sort of decrease in unemployment that we have presided over.

The fact is that Senator Lundy can wear her ‘Keep IT’ badge into the chamber and think that somehow makes her a guru, but we know from the IT industry that she is not seen in a particularly good light. Senator Richard Alston on our side, the minister for the information technology economy, is doing very well in relation to that area of development. Indeed, if Senator Lundy and the Labor Party were so concerned about information technology, why did they all vote on the other side against the 60-plus online access centres that we now enjoy in the state of Tasmania? It is empty rhetoric from Labor. The social statistics, especially on employment, show that we are succeeding where Labor failed. (Time expired)

Senator HOGG (Queensland) (3.14 p.m.)—On the last point raised by Senator Abetz, I think it is worth while noting that, in respect of the IT outsourcing which will take place under group 9, clearly one of the major problems is that which has occurred with other outsourcing. That is, many of the local IT industry groups are being cut out—they are being cut out of a element vital to their very survival. They do not have the large mass of the big corporations. They do not have the capacity, the large size, to compete with those corporations. But, nonetheless, they are a vital and integral part of our IT industry in Australia—and, as Senator Lundy rightly points out, they are being cut out of the outsourcing that is taking place throughout the government.

On the other point, the R&D point, a number of issues need to be raised. I will read from a recent press release, in which the Chief Executive of CSIRO was quoted. That press release states:

Dr Adam said that the international scene described in the Paper—

that is, the Chief Scientist’s discussion paper The Chance to Change—

made clear the need to place the Australian Science Engineering and Technology (SET) base in a stronger competitive position.

That has not happened under this government. Clearly, under this government, R&D
has gone backwards. And clearly, the excuses made for the government today by Senator Minchin in response to my question are no answer whatsoever.

If one looks at the report that came out only yesterday, on the 28th, headed ‘Research and Experimental Development, All Sector Summary’, from the Australian Bureau of Statistics, one finds how pitiful is the state of gross expenditure on research and development in Australia. Clearly, if one looks at the graph on page 4, it coincidentally coincides with the time that this government came to office. One finds that, in the period of time that is covered in this report, as others have noted, there was a fall of nearly 10 per cent—9.7 per cent to be precise. Yet in the same period of time, in Japan—which is undergoing some economic problems, some internal crises—gross expenditure on research and development went up by 8.1 per cent. Finland was up by 14.2 per cent. Korea shows a drop of 3.1 per cent. But why was there a drop? The Asian economic crisis clearly explains the difficulties that confronted Korea. But then one goes down the list to Australia and, as I said, it is 9.7 per cent down. Clearly, Australia had the worst result of any of the OECD countries in this particular survey.

What we find is that this government has abandoned its responsibility to set the pace and to set the agenda for our future economic development by having in place proper programs for research and development. Of course, in the Australian of the 29th, under the heading ‘Research spending plunge a global worst’, Dr Batterham, who is responsible for the report The Chance to Change, said:

> Australia still did not understand that increased investment in science, engineering and technology would deliver a better standard of living for everyone.

So that is something that I think the government have lost complete sight of—the fact that they have pulled back on R&D. They can use the excuse of the rorts but that is no excuse at all. Not only have the government vacated the whole opportunity that was presenting itself to maintain our level of spending on R&D and, thereby, safeguard the opportunities for our young people into the future but they have also taken Australia backwards in terms of what is happening throughout the OECD nations. I think it is summed up very well in the Financial Review of 25 August in an article headed ‘Stakes high in knowledge-economy race’. This relates to an interview with Dr Robin Batterham, and it says:

> But he’s been making it clear to scientists at public meetings around the country that at least $350 million a year is needed.

The alternative, according to Dr Batterham, is ‘a dollar languishing at US30c’. (Time expired)

**Senator CHAPMAN** (South Australia) (3.19 p.m.)—The allegation from the Labor opposition today that this government is neglecting the issues of industrial research and development, science and technology and industry innovation is a false allegation. It is demonstrably false because it is this government, the Howard government, that initiated the Australian Science Capability Review that currently is being undertaken by Dr Robin Batterham, the Chief Scientist. It is the government that has initiated the draft discussion paper The Chance to Change as a result of initiating that study—and, of course, that is now out for public consultation, with the final report of that review being due in October 2000. I might indicate that, as part of that public consultation, Dr Batterham will be meeting with members of the government’s industry, science and resources committee during this week to brief them on the paper and to seek the input of government MPs.

So let us have none of this nonsense that the government are neglecting this very important area. We recognise the importance of science and innovation in ensuring Australia’s economic welfare well into the future. Science and technology do have a vital role in developing Australia’s innovative capacity and in developing our industrial future. There is no doubt that the government are strongly committed to supporting science and technology in this country because of the beneficial outcomes that will result from that support.
It was about 12 months ago that the responsible minister, Minister Minchin, asked Dr Robin Batterham to undertake the study of Australia’s science, engineering and technology base and to provide the government with an analysis of the way in which that base operates, is supported and is linked to its users. The review addresses issues concerned with the translation of knowledge into wealth—the role of basic research in ensuring that our science, engineering and technology respond efficiently to the demands of a knowledge based economy.

There has been strong support throughout the science, the engineering, the technology and, importantly, the business sectors for this very important review. That is evident in the discussion paper that has been published. As I said earlier, the process of that review is now in the public consultation stage, and everyone with an interest in this area ought to take the opportunity to provide input to that consultation. The government intends to have an innovation action plan in this area as an outcome of this review. Of course, that is consistent with the government’s policy with regard to innovation and industry development over a whole range of industry sectors. This innovation action plan will be focused on improved innovation outcomes. One of the intended outcomes of that is higher business investment in research and development as well as, importantly, increased rates of commercialisation of research. The ultimate benefit arising out of the commercialisation will be new businesses and, most importantly, the creation of jobs as a consequence.

Through the action plan, the government will work in partnership with industry and the research community to further develop science and innovation in Australia. The government have embarked upon a comprehensive strategy to demonstrate our commitment to knowledge creation, innovation and economic growth. So the allegations made by the opposition are simply not sustainable with regard to that. Similarly, their allegations with regard to the government’s support for research and development are unsustainable.

The government has reformed research and development to remove the rorts and the tax dodges that had developed under the previous Labor government and had been completely ignored by that government. The government has also ensured that support is redirected to real research and development to the tune of $155 million in the current financial year. That is $155 million of government support under the R&D Start scheme, which is ensuring that real research and development with real outcomes and real benefits for Australian industry, and ultimately for the Australian community, is being achieved as a result of that expenditure. There is also some $600 million being provided in this financial year through the mechanism of the research and development tax concession, which represents an increase of some $50 million over the previous year. That demonstrates that industry itself is taking up the challenge to engage in a greater level of research and development as a result of that tax concession. (Time expired)

Senator O’BRIEN (Tasmania) (3.24 p.m.)—If one were to listen to Senator Chapman’s contribution, one would be led into thinking that all in the garden was rosy with regard to the research and development situation in this country. That is, of course, contrary to what the government’s own Chief Scientist, Dr Batterham, has to say. He is quoted in last Friday’s Financial Review as saying:

What we have to ask ourselves is: do we want to be in this race? We could choose not to and simply go into genteel decline ... if we choose to try to keep up it is going to cost a lot of money.

If I can draw upon Senator Chapman’s contribution, the government claims to have a great concern about this and says it is investing a lot of time and effort in getting our research and development contribution up. But Dr Batterham says it is down 9.7 per cent in financial terms, so the government must be failing in what it proposed to achieve.

I know the government was sorely embarrassed at the beginning of this month when Mr Kim Beazley, the Leader of the federal Australian Labor Party, announced in Hobart that Labor was going to focus intensively on a knowledge nation policy. Wasn’t it surprising to see what sort of quandary that pre-
presented to the government? In the Financial Review last Friday, there was an article by Lenore Taylor in which, after interviewing Senator Nick Minchin, she said:

And government sources say it has yet to decide the extent to which it wants to compete on the “knowledge nation” battlefield which will be central to the ALP’s electoral battle plan.

The fact of the matter is that this government is being dragged kicking and screaming into the debate on the knowledge nation, a policy which Labor has created and which now Dr Batterham is saying that this government has failed on. You really have only to look at comments attributed to Dr Batterham’s discussion paper in the Age on Friday, 18 August. The article states:

... Dr Batterham proposed the government introduce 300 HECS scholarships for students studying chemistry, maths and physics and a further 200 for those undertaking combined science/education degrees.

Why is that necessary? Well, think back. Which government was it that introduced a higher HECS level for students completing science degrees? It was the Howard government. The Howard government has been putting barriers in the way of knowledge and innovation in this country, and now it has the temerity to say, ‘We’re going to institute a review. We’re going to come up with some ideas that we might possibly put to the people for our potential next term.’ I have news for you: there is not going to be another term. The people of Australia have woken up to this government, just as they have woken up to the fact that every time the government is in trouble and does not have an answer it says, ‘We inherited a $10 billion black hole.’

I say to the Australian public: who was the Treasurer of Australia in 1982? Who left Australia and the Hawke government to inherit, in today’s dollar terms, a budget deficit of $22 billion—more than twice the problem that the government complained of? But of course they said, ‘We inherited a budget black hole of $10 billion.’ How long was it before they were trumpeting that they would have an $11 billion surplus? And how long again will it be before they say, ‘It won’t be $11 billion; it might be $1 billion or $2 billion’?

The government has led this country on a real roller-coaster ride in terms of the country’s financial situation. At the moment, the government is claiming great credit on the unemployment front. But I can tell you that outside of Sydney it ain’t so good. At the moment, this government has an Olympics led employment recovery. I would like to see what the figures are going to be after the Olympics in New South Wales. They certainly are going to decline. If the government has any sense it will concede that now.

The fact of the matter is that this government has failed conclusively in R&D. Its policies, which have cut back the research and development tax concessions from 150 per cent to 125 per cent, have without a doubt contributed to the shocking result that Dr Batterham has drawn the attention of the government and the Australian people to. The Labor Party has a solution. The Labor Party put that solution down through Kim Beazley in Hobart at the beginning of this month. The government clearly has not decided yet whether it wants to fight on this front, but I have news for you: you do not have a choice. The future of this nation is in jeopardy. If there is no attention paid to research and development funding, then we do not have a future in the 21st century. There is no point in looking back to the fifties.

Question resolved in the affirmative.

Fuel: Public Sector Consumption

Senator ALLISON (Victoria) (3.30 p.m.)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Ellison), to a question without notice asked by Senator Allison today, relating to fuel efficiency and the use of alternative fuels.

I wish to raise the question of leadership in the business of the increased cost of fuel for Australian motorists. I was very disappointed in the Minister representing the Minister for Finance and Administration attempting to buck pass and to say that it is someone else’s problem, another departmental issue and not something that he needs to be involved in. I
might have pointed out in my question that I have an application sitting on his desk right now to purchase a compressed natural gas car. I chose to apply for my own vehicle to be run on natural gas because of the extraordinarily good qualities of that type of fuel in terms of air pollution and fuel costs. It is difficult to refuel compressed natural gas vehicles in the current climate. It is like the situation of the chicken and the egg: not too many motorists out there want to purchase CNG vehicles when the infrastructure is not there for their refuelling. This is where the government could play a role.

I looked at the number of vehicles the Australian government purchased in 1999 to see what savings might be available in fuel cost reductions. The government might take the lead here and provide a breakthrough to overcome that chicken and egg situation by being a major purchaser of cars that run on alternative fuels. The Ford web site talks about the cost savings available with their dedicated LPG vehicle. I congratulate Ford on making this vehicle available. A lot of work has been done, but few manufacturers have taken the step of putting their vehicles on the production line. You can log on to this web site, and it tells you what savings might be available. You plug in the average kilometres travelled in a year. If we took the figure of 20,000 kilometres—that is the average for an Aussie motorist in a year—the fuel savings for that amount of travel using LPG as opposed to petrol amount to $1,031 in one year. The additional cost of the Ford dedicated LPG vehicle is just $798, so it takes a very short time to pay off that additional cost. If you travelled 20,000 kilometres a year, in nine months you would have paid that off. In the case of government vehicles, this figure would translate to around $75 million per annum. So we are not talking here about small amounts of money. As well as kicking off an industry that we should be encouraging in this country, we are talking about major public costs.

Hybrid vehicles will soon be available. The Holden ECOMmmodore is a vehicle that has been developed by CSIRO and Holden. This car runs on two engines: one is a small four-cylinder petrol engine, and the other is an electric motor, which drives the front two wheels. It has a very impressive fuel efficiency record. It is only a demonstration vehicle, but it is expected that this will halve the fuel costs for a vehicle that is not a small vehicle. It looks and performs like a Commodore. This hybrid vehicle is languishing, because governments have not sent the right messages to the manufacturers and have not put in place the incentives that ought to be there to build on the alternative fuels industry. The Holden ECOMmmodore has two engines that work together. The petrol engine drives the generator, which charges the batteries. CSIRO were involved in developing the battery power pack. The computer controls the operation of the vehicle so that it switches from one motor to another, depending on whether you are accelerating or decelerating, and that charges the battery—for instance, when you brake. It has enormous advantages. It is greatly disappointing that our government is not prepared to take steps to see the industry develop. (Time expired)

Question resolved in the affirmative.

PETITIONS

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

Human Rights: Burma

To the Honourable the President and Members of the Senate in Parliament assembled:

We, the undersigned request the Australian Federal Government and Parliament to:

(1) Recognise the committee representing People's Parliament (CRPP) as the highest authority in Burma.

(2) Urge the military junta (State Peace and Development Council) to enter into dialogue with the CRPP and ethnic leaders.

(3) Urge the military junta (SPDC) to free all political prisoners.

(4) Urge the SPDC to re-open all universities and colleges and to legalise the student union.

(5) Impose selective purchasing laws banning contracts against Australian companies doing business with the present military regime.
(6) Urge SOCOG to request that the International Olympic Committee bans the Burmese military regime from participation in the Sydney Olympics in the wake of the human rights violations.

by Senator Cook (from 97 citizens).

Copyright Amendment (Digital Agenda) Bill 1999

To the Honourable President and Members of the Senate in Parliament assembled:
The petition asks that the Senate should consider the proposals contained in the Copyright Amendment (Digital Agenda) Bill and the Advisory Report on the Copyright Amendment (Digital Agenda) Bill.

Your petitioners request the Senate, in considering the Digital Agenda Bill, to have regard to the interests of library users to ensure that in the new digital environment, Australians are ensured equality of opportunity in accessing information without undue restriction or expense. In particular Australians should not be required to pay to view information on a computer screen.

by Senator Hogg (from nine citizens).

Fremantle Artillery Barracks: Sale

To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows: our commitment to retaining the Artillery Barracks, Burt Street Fremantle, Western Australia and the buildings pertaining thereof, as it now stands, together with the inclusion of the Army Museum of Western Australia as part of that site.

Your petitioners respectfully request that the Senate overturn any proposal to sell or lease the site for any purpose, other than its present use.

by Senator McKiernan (from seven citizens).

Petitions received.

NOTICES

Withdrawal

Senator CALVERT (Tasmania) (3.36 p.m.)—On behalf of Senator Coonan, pursuant to notice given at the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notice of motion No. 3 standing in the name of Senator Coonan for three sitting days after today and business of the Senate notices of motion Nos 2, 3, 5, 6, 8, 9 and 11 standing in Senator Coonan’s name for nine sitting days after today.

Presentation

Senator Ian Campbell to move, on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Crimes Act 1914, and for other purposes. Crimes Amendment (Forensic Procedures) Bill 2000.

Senator Ian Campbell to move, on the next day of sitting:

That the following bill be introduced: A Bill for an Act to amend the Telecommunications Act 1997 and the Australian Communications Authority Act 1997, and for related purposes. Telecommunications Legislation Amendment Bill 2000.

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

That the Senate—

(a) notes that:

(i) the Commonwealth Scientific and Industrial Research Organisation (CSIRO) is conducting a rally outside Parliament House on Wednesday, 30 August 2000, drawing attention to the fact that the Office of Asset Sales and IT Outsourcing is forcing the CSIRO to outsource its information technology (IT) against its will and better judgement,

(ii) the CSIRO has highly specialised and complex IT needs, often on a project by project basis, and

(iii) the CSIRO judges that its IT service is best suited to in-house provision; and

(b) urges the Government to:

(i) reverse its ideologically-driven decision to force IT outsourcing on all its agencies, given the dubious success of the move,

(ii) reassess the drive to outsource in light of the massive expansion and uptake of e-mail and the Internet over the past few years,

(iii) allow agencies to decide the question of IT outsourcing, based on reasoned analysis of the benefits and disbenefits,

(iv) reverse the so-called penalty payments it has imposed on the CSIRO so far for not contracting out its IT services, and
(v) recognise the important contribution this research institution makes to science and indeed to the development of IT in Australia.

Senator Murray to move, on 5 September 2000:


Senator Mark Bishop to move, on 31 August 2000:

(1) That there be laid on the table by the Minister for Communications, Information Technology and the Arts (Senator Alston), no later than immediately after question time 3 sitting days after today, contracts between Telstra Corporation and Leighton Holdings and its subsidiaries which were the subject of question on notice no. 29 asked by Senator Bishop at the 1999-2000 Additional Estimates supplementary hearings of the Environment, Communications, Information Technology and the Arts Legislation Committee on 3 May 2000 (Hansard, p.57).

(2) That the documents referred to in paragraph (1) may be provided to the Senate with any genuinely commercially-sensitive information deleted.

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

That the Senate notes that 30 August 2000 is the first anniversary of the ballot for independence in East Timor, and:

(a) congratulates the people of East Timor on this occasion;
(b) remembers all those who died during the many years of Indonesian occupation as well as before and after the 1999 ballot;
(c) commends the United Nations Transitional Administration in East Timor, particularly the Australian contingent, for its ongoing role in the rebuilding of East Timor; and
(d) congratulates the East Timorese people and their leaders on their commitment to democratic processes and reconciliation.

LEAVE OF ABSENCE

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

That leave of absence be granted to Senator Newman for the period 28 August to 7 September 2000, for medical reasons.

NOTICES

Withdrawal

Senator O'BRIEN (Tasmania) (3.38 p.m.)—On behalf of Senator Murphy, I withdraw general business notice of motion No. 652 standing in his name.

Postponement

Items of business were postponed as follows:

General business notice of motion no. 620 standing in the name of Senator Greig for today, relating to Mr Konrad Kalejs, postponed till 30 August 2000.

General business notice of motion no. 648 standing in the name of Senator Brown for today, relating to private investment in plantations, postponed till 6 September 2000.

General business notice of motion no. 562 standing in the name of Senator Bourne for today, relating to the Albury-Wodonga bypass, postponed till 5 September 2000.

General business notice of motion no. 650 standing in the name of Senator Allison for today, relating to the introduction of the Corporate Code of Conduct Bill 2000, postponed till 30 August 2000.

General business notice of motion no. 663 standing in the name of Senator Cook for today, relating to questions taken on notice during estimates by the Economics Legislation Committee, postponed till 30 August 2000.

COMMITTEES

Employment, Workplace Relations, Small Business and Education Legislation Committee

Extension of Time

Motion (by Senator Carr) agreed to:

That the time for the presentation of the report of the Employment, Workplace Relations, Small Business and Education Legislation Committee on the provisions of the States Grants (Primary and Secondary Education Assistance) Bill 2000 be extended to 4 October 2000.
Employment, Workplace Relations, Small Business and Education Legislation Committee

Meeting

Motion (by Senator Calvert, at the request of Senator Tierney) agreed to:

That the Employment, Workplace Relations, Small Business and Education Legislation Committee be authorised to hold a public meeting during the sitting of the Senate on 31 August 2000, from 12.30 pm, to take evidence for the committee’s inquiry into the provisions of the Workplace Relations Amendment (Australian Workplace Agreements Procedures) Bill 2000 and three related bills.

EDUCATION: SES SCORES

Senator CARR (Victoria) (3.40 p.m.)—by leave—I wish to make a short statement before seeking leave to amend general business notice of motion No. 660 and asking that it be taken as a formal motion. Due to over-scrupulous editing by the clerks of my notice of motion, this notice of motion appears in the Notice Paper in a different form to the form in which it was given. I have circulated the notice in the chamber in the original form and, with it, the handwritten notes which were associated with the placing of that notice. It is this version which I now seek leave to amend and I also ask that the motion be taken as formal.

Leave granted.

Senator CARR—I move the motion, as amended:

That the Senate—

(a) notes the partial compliance by the Minister for Education, Training and Youth Affairs with the order of the Senate of 17 August 2000; and

(b) resolves that there be laid on the table by immediately after question time on the next day of sitting the documents required to comply with paragraph (b) of the order of 17 August 2000, namely the individual SES scores of each of the 2,262 schools that participated in the 1998 SES simulation project, identified by the name of each school, together with:

(i) the mean SES score for each of the current 12 categories,

(ii) for each of the categories, the spread and frequency of SES scores achieved in the Simulation Study, and

(iii) the number of schools in each of the twelve categories.

Question resolved in the affirmative.

COMMITTEES

Economics References Committee

Extension of Time

Motion (by Senator Murphy) agreed to:

That the time for the presentation of the report of the Economics References Committee on the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies be extended to 12 October 2000.

Superannuation and Financial Services Committee

Meeting

Motion (by Senator Calvert, at the request of Senator Watson) agreed to:

That the Select Committee on Superannuation and Financial Services be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on 5 September 2000, from 5 pm to 7 pm, in relation to its inquiry into prudential supervision and consumer protection for superannuation, banking and financial services.

BUSINESS

Native Title Determinations

Motion (by Senator Ian Campbell) agreed to:

That—

(1) So much of the standing orders be suspended as would prevent the succeeding provisions of this resolution having effect.

(2) On Wednesday, 30 August 2000, business of the Senate notices of motion nos 1 to 13 standing in the name of Senator Woodley for that day be called on no later than 5 pm.

(3) If consideration of any of those motions has not concluded by 6.50 pm, consideration of the unresolved motions may continue until not later than 7.20 pm.

(4) If consideration of any of the motions is not concluded at 7.20 pm, the questions on the unresolved motions shall then be put.
COMMITTEES

Legal and Constitutional Legislation Committee

Extension of Time

Motion (by Senator Payne) agreed to:

That the report of the Legal and Constitutional Legislation Committee on the provisions of the Privacy Amendment (Private Sector) Bill 2000 be presented by 5 October 2000.

FEDERAL COURT OF AUSTRALIA

Motion (by Senator Allison) agreed to:

That the Senate—
(a) notes the outstanding efforts being made by the Federal Court of Australia and the new Federal Magistrates Service in meeting the challenges of the new human rights jurisdiction;
(b) congratulates Chief Justice Black and all members and staff of the Federal Court of Australia and the new Federal Magistrates Service for their preparedness to address issues of accessibility and equity for new clients of the court; and
(c) urges the Federal Court of Australia and the Federal Magistrates Court to continue to lead by example in areas of disability access particularly, and in human rights jurisprudence generally.

COMMITTEES

Petrol Pricing Committee

Establishment

Motion (by Senator Cook) put:

(1) That a select committee, to be known as the Select Committee on Petrol Pricing be appointed to inquire into and report, by 4 December 2000, on the following matters:
(a) the failure to ensure that the price of petrol would not rise as a result of changes to the tax system;
(b) the increase in the amount of tax on petrol and other fuels resulting from the goods and services tax (GST) package;
(c) the expected future increases in the amount of tax on petrol and other fuels resulting from the GST package;
(d) the extent to which the GST acts as a tax on a tax on petrol and other fuels;
(e) the wholesale and retail price of petrol and other fuels in Australia, including an examination of the factors that influence those prices; and
(f) the amount of windfall revenue the Commonwealth will collect from the taxation of petrol and other fuels, beyond that projected in the 2000-01 Budget, and options for returning that windfall to Australian motorists.

(2) That the committee consist of 7 senators, 3 nominated by the Leader of the Government in the Senate, 3 nominated by the Leader of the Opposition in the Senate, and 1 nominated by the Leader of the Australian Democrats.

(3) That the committee may proceed to the dispatch of business notwithstanding that not all members have been duly nominated and appointed and notwithstanding any vacancy.

(4) That the chair of the committee be appointed on the nomination of the Leader of the Opposition in the Senate.

(5) That the deputy chair of the committee be appointed on the nomination of the Leader of the Government in the Senate.

(6) That the deputy chair act as chair when there is no chair or the chair is not present at a meeting.

(7) That, in the event of the votes on any question before the committee being equally divided, the chair, or deputy chair when acting as chair, have a casting vote.

(8) That the committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any such subcommittee any of the matters which the committee is empowered to consider.

(9) That the committee and any subcommittee have power to send for and examine persons and documents, to move from place to place, to sit in public or in private, notwithstanding any prorogation of the Parliament or dissolution of the House of Representatives, and have leave to report from time to time its proceedings and the evidence taken and such interim recommendations as it may deem fit.

(10) That the committee be provided with all necessary staff, facilities and resources
and be empowered to appoint persons with specialist knowledge for the purposes of the committee with the approval of the President.

(11) That the committee be empowered to print from day to day such papers and evidence as may be ordered by it and a daily Hansard be published of such proceedings as take place in public.

The Senate divided. [3.49 p.m.]

(The Deputy President—Senator S.M. West)

Ayes………… 26
Noes………… 39
Majority……… 13

AYES
Bishop, T.M.
Campbell, G.
Collins, J.M.A.
Cook, P.F.S.
Crossin, P.M.
Evans, C.V.
Gibbs, B.
Hogg, J.J.
Ludwig, J.W.
Mackay, S.M.
McLucas, J.E.
O’Brien, K.W.K *
Sherry, N.J.

NOES
Allison, L.F.
Bartlett, A.J.J.
Bourne, V.W.
Calvert, P.H *
Chapman, H.G.P.
Crane, A.W.
Ellison, C.M.
Ferris, J.M.
Greig, B.
Herron, J.J.
Kemp, C.R.
Lees, M.H.
Macdonald, J.A.L.
McGauran, J.J.J.
Murray, A.J.M.
Payne, M.A.
Tambling, G.E.
Tierney, J.W.
Vanstone, A.E
Woodley, J

PAIRS
Bolkus, N.
Crowley, R.A.
Faulkner, J.P.
Schacht, C.C.

* denotes teller

Question so resolved in the negative.

Senator Newman did not vote, to compensate for the vacancy caused by the resignation of Senator Quirke.

DOCUMENTS
Auditor-General’s Reports
Report No. 7 of 2000-01

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 7 of 2000-01—Performance Audit—ATO’s use of AUSTRAC data: Australian Taxation Office.

COMMITTEES
Environment, Communications, Information Technology and the Arts Legislation Committee

Report
Senator CALVERT (Tasmania) (3.53 p.m.)—On behalf of Senator Eggleston, I present a report of the Environment, Communications, Information Technology and the Arts Legislation Committee on in camera evidence given in the course of the committee’s inquiry into the casualties of Telstra issue.

Ordered that the report be printed.

Senator CALVERT—I seek leave to move a motion in relation to the report.

Leave granted.

Senator CALVERT—I move:

That the Senate adopt the recommendation of the report that the transcripts of the in camera evidence given to the committee on 6 and 9 July 1998 in relation to the Casualties of Telstra matter be released to the Victoria Police Major Fraud Group to enable their investigations to proceed.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Membership

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—The President has received a letter from a party leader seeking variations to the membership of certain committees.

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

That senators be discharged from and appointed to committees as follows:

The President has received a letter from a party leader seeking variations to the membership of certain committees.

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

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

Substitute member: Senator McLucas to replace Senator Bolkus for the committee’s inquiry into global warming and the Convention on Climate Change (Implementation) Bill 1999

Legal and Constitutional Legislation Committee—

Participating member: Senator Conroy for the consideration of the provisions of the Privacy Amendment (Private Sector) Bill 2000.

HIGHER EDUCATION FUNDING AMENDMENT BILL (NO. 1) 2000

First Reading

Bill received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:

That this bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.57 p.m.)—I table a revised explanatory memorandum relating to the bill and move:

That this bill be now read a second time.

I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—

A strong university system is essential to providing Australians with the skills and knowledge required to build a prosperous, democratic society. Investing in the education and training of our young people, in updating the skills and knowledge of the workforce, and in generating knowledge through research are all essential requirements for Australia’s long-term growth and competitiveness. To achieve this Australia requires a university system which is flexible and responsive, with the vision and capacity to make and sustain the connections necessary to capitalise on the endeavours and achievements of individuals.

As part of a more flexible and responsive system, this Government has sought to create an environment in which universities can develop steady and diverse sources of income. Universities have responded well to this challenge with the sector now able to call on revenues of around $9 billion per annum, a massive $900m more than in 1995, the last year of the Labor Government.

The basis for this continued growth has been the maintenance of a substantial and reliable public investment in higher education. Although in a period of budgetary restraint, the Government is maintaining operating grants in real terms.

The policies of freeing universities from the constraints of the past, while maintaining their funding, has meant that Australian universities are in a position to offer a record level of opportunities for young Australians to attend university and obtain an initial post-school qualification. Under this Government undergraduate places have increased by an estimated 35,000 and total numbers of students by an estimated 42,000. This is a remarkable achievement, and reflects the Government’s policy of making higher education more accessible to all Australians.

At the same time the Government has recognised the need to ensure Australia’s global reputation as a provider of quality higher education is maintained. The Government is currently implementing a historic quality assurance framework for the higher education sector that will maintain Australia’s international reputation for quality university teaching and research. The new framework is a cooperative venture with the States and Territories and will see a new agency—the Australian University Quality Agency—established in 2000.

This Government has also introduced measures to further improve the management practices of universities and to increase their responsiveness to student and community needs. The Workplace Reform Programme is providing $259m in additional funding to universities as an incentive for them to address the industrial relations and management rigidities that are a significant impediment to their further development. The first three universities to qualify for this funding will each receive over $4m in additional operating grant.

Late last year the Government released its new policy for research and research training, Knowledge and Innovation. This White Paper puts in place mechanisms to ensure universities focus on providing high quality training environments that give students a wider range of approaches to learning, as well as giving students the opportunity to experience a wider range of settings in which to develop their knowledge and skills. Research students are central to a vibrant innovation system.
The White Paper also recognises that an effective innovation system must be built on strong links between the different elements of the system. To this end it has put in place a policy framework which encourages collaboration across the academic, industry and community sectors.

Reflecting its commitment to knowledge and innovation, in this bill the Government boosts funding for higher education research and research training. The bill provides Budget funding of an additional $79 million over the next few years for two key research funding schemes – the Strategic Partnerships with Industry – Research and Training Scheme and the Research Infrastructure Equipment and Facilities Scheme.

The additional funding for these schemes will help to further encourage research collaboration between universities and the end users of research and to maintain an international competitive level of research infrastructure in our universities.

This bill also contains measures that are an important part of the Government’s $562 million Country Health package. The package is the largest effort yet by an Australian Government to redress the historical imbalance between rural and city health services.

The bill creates an additional 100 places a year for medical students who are holders of new bonded scholarships for students committed to practising in rural Australia for at least six years. After 5 years an additional 500 medical students, who will eventually practise in rural areas, will be studying in Australian universities.

This Government is the first to recognise the particular health care needs of regional communities, and has taken action to provide more doctors for regional areas.

The bill also updates the funding amounts in the Higher Education Funding Act to provide supplementation for price movements and to reflect revisions to the estimates for HECS contributions and expenditure on the Workplace Relation Programme, and the re-allocation of unspent funds from 1999 to other funding years. In addition, the bill establishes the base level of funding for universities for 2002.

Other technical amendments in the bill reflect the name change of Batchelor College in the Northern Territory to the Batchelor Institute of Indigenous Tertiary Education and update the definition of the term “year to which this Act applies”.

The measures in this bill are designed to continue the development of Australian higher education and to create a system that is financially viable, responsive to the needs of students and the community and that provides as many opportunities as possible to young people.

Debate (on motion by Senator O’Brien) adjourned.

COMMITTEES
Rural and Regional Affairs and Transport References Committee
Reference

(3.57 p.m.)—I move:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by the first sitting day in February 2001:

(a) alternative policies that can be developed to reduce the impost of the petrol price rise on households and Australia’s reliance on fossil fuels and to achieve a reduction in greenhouse gas emissions from the use of transport including:

(i) promoting, expanding and upgrading public transport,

(ii) developing alternative fuel options,

(iii) restructuring motor vehicle registration charges, and

(iv) promoting more fuel efficient and cleaner motor vehicles;

(b) the amount of windfall tax revenues over and above that forecast in the 2000-01 Budget that the Commonwealth and the states are likely to receive as a result of the rise in world petrol prices;

(c) the extent to which petrol companies will be able to pass on the 1.5 cents a litre savings from tax reform and over what time-frame;

(d) whether the subsidy scheme for regional motorists is adequate and is working effectively so that the city/country petrol price differential is not increased, and what alternative strategies can be implemented to reduce the cost of rural and regional transport;

(e) whether oil companies and retailers have used the opportunity presented by higher petrol prices to increase their retail and wholesale margins; and

(f) the extent to which government purchasing policies can encourage the domestic manufacture of fuel efficient, energy efficient and zero-emission passenger vehicles.
Tuesday, 29 August 2000
In recent days much has been made of increased petrol prices and its alleged causes. This has clearly become a political football, and I think many of the core issues at the heart of this debate have been lost. Specifically, I am interested this afternoon in talking briefly about what we as a community, as a government and as citizens in general can do to not be so reliant upon the use of petrol—particularly in cars—what alternatives exist and the opportunities that we as a Senate have to explore those.

I was reading in recent days an article in Perth's Sunday Times, which was an interesting profile piece looking at three supposedly typical Perth suburban consumers of petrol. I note there was no reference to rural citizens in there, and that is a point I can address later. The article dealt with those people who lived and worked in the city and who were responding to the recent increased prices for petrol. Understandably, there were mixed reactions, but clearly the public sentiment was against increased prices—as you would expect. People do not like paying more for anything, regardless of what it is. However, in one of these profile pieces, I noted with interest, the newspaper told of one particular citizen from Ballajura—a suburb roughly 10 kilometres from the city centre—who, in response to higher petrol prices, now rides his pushbike to work. I am not suggesting for a moment that this response is available to everyone or is a practical decision for everyone. But what I think it does show is that reliance on fossil fuels and easy access to cars, in particular in cities like Perth, lead to an unquestioned dependency on this form of transport while at the same time reducing the effectiveness of public transport through lower demand or lower usage thereof. It can very much be a catch-22 situation. We find that poor public transport availability and options can lead to car dependency, and that in turn minimises government and consumer responses to public transport infrastructure. In Australia, unlike some but certainly not all other countries, we have developed a culture whereby access to cars and fossil fuels is seen as a right—as something that governments must facilitate. It is very difficult for governments of whatever persuasion to resist or challenge that notion, given the mood of the electorate. But as a nation we really must come to terms with the fact that petrol cannot be seen as an essential commodity like milk and orange juice and yet be cheaper than both. Again, I am not suggesting that the answer to cleaner air, greenhouse gas reduction and vehicle choked cities is simply to make petrol highly priced—far from it. But we really must as a country look seriously at developing stronger public transport options and alternative fuels. I know that my Senate colleague Senator Allison wishes to speak more on that particular point.

As petrol prices begin to affect the hip pockets of Australians, the emotive response that petrol prices must be lowered must be sensibly countered, I think, with a more reasoned response of saying, 'Well, let's look at other options to petrol and to cars.' If we are going to have a debate about the cost of fuel in Australia, then it is imperative that we look to the future and that we look to the long term, to the big picture and to the transport sector as a whole rather than simply hold the narrow view of the cost of fuel in isolation. We must look at alternatives to a reliance on imported petroleum, and we must ensure that our transport infrastructure is sufficient to provide for the needs of our people into the new millennium. Governments rather than wringing their hands should be leading by example, particularly by way of what types of vehicles they purchase to run their fleets and the types of fuel they use. As my colleague Senator Allison said earlier today in question time, government fleet purchases last year totalled some 80,000 passenger vehicles or 14.6 per cent of all vehicles purchased. If the government decided to make the switch to LPG, to CNG or to hybrid vehicles such as those made by Toyota and developed by Holden, the refuelling infrastructure would expand to accommodate those vehicles as they filtered down to the second-hand market. We have to look at ways of providing motorists with the cheapest, cleanest, greenest transport options that we can. We must look at ways of reducing our greenhouse emissions and at policies that will help us meet our commitments to reducing the impact of global warming.
Senator Hill has already acknowledged—just last month, in answer to a question from my Democrat colleague Senator Bartlett—that automotive emissions are now amongst the fastest growing of all CO₂ emissions in this country. Total road transport emissions increased by 18.2 per cent over the period between 1990 and 1998, a figure that we as a nation must dramatically improve upon. The Australian Democrats are keen to identify ways of improving our record rather than embarking on a one-track witch-hunt into fuel prices. Senator Lees has already made the point that we must make provision for the possibility that the days of relatively cheap fuel are behind us.

The terms of reference I have prepared with my colleagues will examine not only the taxation component of petrol but also how those taxes can be spent to provide better transport infrastructure that will ultimately benefit all Australians. We must develop alternative fuels. We must ensure that public transport is improved to the point where people can be guaranteed a safe, reliable, practical and clean service. We must look at the possibility of restructuring motor vehicle registration charges. We must look at how the states are spending the GST revenue returned to them, and how public transport can be improved with this extra revenue. We must look at how rail transport, and particularly very fast train technology, can be improved and expanded to take pressure off our airports. We must look at how fuel companies are passing on savings from tax reform and over what time frame, and how effectively subsidy schemes work to reduce rural and regional transport costs. We must look very closely at how Australian technology can be exported to the world, and how we can revitalise our manufacturing sector by building green-friendly cars. It seems rather strange that we can export cars that use a lot of energy, yet we fail to see how much more opportunity there will be in the longer term if we get in on the ground floor of this sunrise industry. We must look at how we as a nation can take higher fuel prices as a challenge and an opportunity to use innovation to bring eco-friendly project cars into production. I would like to think that such innovation—the development of an automotive industry and an alternative fuels industry that can deliver cheaper petrol—is something that can be supported by both government and opposition.

In response to recent concerns over petrol prices, Labor senators have argued for yet another inquiry into petrol pricing and the petroleum industry. To do so would constitute the 49th such inquiry. However, the fact remains that petrol prices have risen by 20c a litre because of higher world oil prices. This has in turn has led to a further 2c a litre rise in GST, and endless inquiries will not change the cause and effect. A far better approach, we believe, is a serious look at public transport alternatives, where that is possible, and a review of alternative fuel options. We have got to start thinking ‘outside the square’—to use a current business term—and look beyond the short-sightedness of vehicles and fossil fuels. To that end, we propose:

That the following matters be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by the first sitting day in February 2001:

(a) alternative policies that can be developed to reduce the impost of the petrol price rise on households and Australia’s reliance on fossil fuels and to achieve a reduction in greenhouse gas emissions from the use of transport including:
   (i) promoting, expanding and upgrading public transport,
   (ii) developing alternative fuel options,
   (iii) restructuring motor vehicle registration charges, and
   (iv) promoting more fuel efficient and cleaner motor vehicles;
(b) the amount of windfall tax revenues over and above that forecast in the 2000-01 Budget that the Commonwealth and the states are likely to receive as a result of the rise in world petrol prices;
(c) the extent to which petrol companies will be able to pass on the 1.5 cents a litre savings from tax reform and over what time-frame;
(d) whether the subsidy scheme for regional motorists is adequate and is working effectively so that the city/country petrol price differential is not increased, and what alternative strategies can be
implemented to reduce the cost of rural and regional transport;

(e) whether oil companies and retailers have used the opportunity presented by higher petrol prices to increase their retail and wholesale margins; and

(f) the extent to which government purchasing policies can encourage the domestic manufacture of fuel efficient, energy efficient and zero-emission passenger vehicles.

That is the proposal in essence as I have outlined. I believe it is worthy of support. I am very conscious of the fact that we Democrats are so keen to try to shift the debate such as it has been on petrol pricing thus far around to a focus on our reliance on fossil fuels and on the fact that there are alternatives which can be explored and need to be explored and, if we are serious about cleaner cities and a better environment, that must be properly addressed.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (4.08 p.m.)—Petrol prices in Australia today are too high because OPEC has pushed up the crude oil price. But petrol prices in Australia today are too high because of the way in which this government extracts a usurious tax and in particular because of the way in which the GST applies to petrol prices, and that is the real issue. The way that this Democrats inquiry is heading—the Democrats having colluded with the government just a moment ago to kill off a genuine inquiry moved by the Labor Party—is to cover up the fact that the government is price gouging at the bowser, pushing up prices for Australian motorists. It is to cover up the fact that the Democrats with the government are complicit in this chamber for foisting a GST on Australia, and they do not want the analytical attention of a properly constituted Senate inquiry to reveal that fact to Australians. The Australian Democrats, in their quietly presented, well-modulated tones, try to draw a red herring across the path.

There is simply an honourable disagreement that there ought to be a better way. I do not deny the importance of alternative fuels; I do not deny the importance of energy conservation; but the real issue for Australia, the one that confronts this parliament and this chamber, is the high price of petrol, the anger at the pump—and what is the government going to do about it? To pretend it is about alternative energy or about increasing the cost of automobile registrations is to deny the fundamental point. Labor will not be supporting this inquiry. We will not lend our name to this mischievous behaviour and we will insist that the truth and the facts come out in a properly documented way so that the political debate over who is responsible and where the true costs lie can be properly exposed and so that ordinary Australian motorists can see who is responsible and have laid out for them as an inquiry alternatives to deal with their problem. They want relief and they want action; they do not want talk. They want to know the facts, the alternatives and then what the government is going to do about it.

This is a motion which denies reality. Let me go to a number of fundamental points about where the Democrats claim to have stood. There are five points to be made. Fact one, on 13 August 1998 in his address to the nation, the Prime Minister John Howard said:

The GST will not increase the price of petrol for the ordinary motorist.

Fact two, the Australian Automobile Association, a reputable independent organisation representing Australian motorists, says that this government will earn $1 billion of extra revenue this financial year as a consequence of the rake-off that they make over oil price increases, and $140 million of that will be a rake-off due to the GST.

Fact three, petrol prices in metropolitan Australian bowers are now pushing $1 a litre, and in country Australia, where you fill your tank more often, where you travel longer distances and where you do not have access to public transport, the prices are well in advance of that. In the city of Kalgoorlie in my own state of Western Australia, petrol is $1.11 per litre at the bowser; at Exmouth
in my same state it is $1.19; and on the major arterial highway linking Western Australia to the rest of this nation, at an important way stop called Cocklebiddy, it is $1.33 per litre. It is no wonder the tourist organisations in that region are saying, ‘Retired Australians who cart their caravan around this nation as their superannuation aren’t coming. They can’t afford the petrol prices.’ The damage is more pervasive to rural communities than ever before.

Fact four, 3c per litre of those price increases that we have endured in this nation since July are due to the GST alone. Who is complicit? The two parties that a few minutes ago in this chamber knocked off the Labor Party’s real inquiry: the government and the Democrats. And fact five, yesterday Meg Lees, the Leader of the Australian Democrats, said in a press release, ‘We are addressing the future. We are not talking about the past.’ Never mind the crime that has been perpetrated on Australian motorists, never mind bringing to account the Prime Minister, who said before the election, ‘The GST will not increase the price of petrol.’ Since when have the Democrats renounced their intention to keep the bastards honest? Why are they not doing that now, or have they become the bastards themselves and they need this chamber to keep them honest?

There are a number of points that I need to make as to why we oppose this motion. Firstly, what about truth in politics? The Prime Minister made his commitment, he was backed by the Treasurer on 7 September and he was backed by the Liberal Party campaign headquarters on 6 September—all of whom said the GST will not increase prices. What about a bit of truth? We need a dinky-di inquiry that will get at the facts, not some inquiry that will go on a frolic about alternative fuels and look at relief that might occur some time next century or at a much higher cost to Australian motorists. Australians want redress now, not at some future time.

This inquiry that is being proposed by the Democrats will do nothing about the windfall gain to government revenue that I referred to earlier. Lachlan McIntosh, of the Australian Automobile Association, puts that gain at $1 billion. The NFF in a press release today put it at $400 million. The RAC in my home state of Western Australia put it at $660 million. What are the facts? How much rake-off is this government earning as a consequence of the higher prices? The inquiry that is being proposed by the Democrats will not answer that question. What about the widening gap between city and country prices? As I have said, at metropolitan bowser petrol is $1 a litre; in the bush, it is anything up to $1.33, and last night on the ABC, in some parts of Western Australia, it was reported to be $1.68 a litre.

Senator McGauran—What!

Senator COOK—It was reported on the ABC last night, and the Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts, Ian Campbell, was present and did not argue the case. The prices between country and metropolitan Australia are widening because of the formula the government has used here, and they are set to widen even further. As I said, country motorists fill their tanks more often. They travel further. They do not have the alternative of public transport. They certainly do not have the easy alternative of alternative fuels. And they get hit hardest, yet the gap is widening. What about all of those promises to regional Australia from this government? What about a tax on a tax? Where is the principle here? The main components of the cost of petrol at the bowser are the cost of buying the crude, refining it and shipping it to the bowser, the cost of the excise applied by the government—which is a tax on petrol—and then the cost of another tax on that total, which is the GST, a tax on a tax. One of the fundamental principles of taxation law is to avoid governments taxing taxes in order to extract a higher gain. Why aren’t the Australian Democrats concerned about that principle? Why don’t they want to inquire into its effects here? Is it because they are complicit, that they voted for a tax on a tax?

What about the half million dollars of Australian taxpayers’ money that the government paid to reduce petrol prices in the bush? There is now a substantial allegation that it has been pocketed by the oil companies and has not gone to help consumers at all. What about that? It has been investigated
by the ACCC, but should not this parliament that approves of the outlays by the government at budget time have some look at this as well? We are responsible for voting for budget bills. Should we not examine whether this $500,000 of taxpayers’ money has simply been soaked up by the oil companies?

What about the central question here? How much is the true windfall? As I have said, it is $1 billion according to the Automobile Association, $400 million according to the NFF and $660 million according to the RAC. But why can’t we call the government to an inquiry and get them to open their books and show us the facts so we can see what the windfall is? That is the investigative role of Senate committees. Why do the Democrats prevent us from doing that? Why does this motion for an inquiry into alternative fuels obscure our ability to get at that detail? That is a question for the Democrats that Australians want to know the answer to and, if they will not give it, if they obstruct it and if they want to have a cover-up with the government, they will eventually pay the political price.

What about the lie that the government tax is necessary to cover indexed pension payments, when of course pensions as outlays are indexed and the revenue on petrol is also indexed? That is the lie that has been put into public debate and that is the justification, but no-one says—and certainly no-one from the government says—that the index on the GST is being moved upwards by the OPEC oil sheiks whereas the index on pensions is being moved upwards by the inflation rate and the rate of growth in petrol prices has been 30 per cent in the last couple of months whereas the rate of inflation in this country is around three per cent. No-one explains that. An inquiry is necessary to get to the bottom of who is telling the truth there. Certainly Mr Howard is not, and his explanation to the House of Representatives that you need to index petrol prices in order to pay pensions is a fraudulent misrepresentation of the economic truth of this matter, and any economist will say so. Why don’t we have an inquiry to look at that?

Why don’t we have an inquiry to look at the options? I have said Australian motorists are hurting because of the higher petrol prices, and the government says, ‘Bad luck. There’s nothing we’ll do about it.’ This is a chamber of a federal parliament with national responsibilities, and we are elected here to have other ideas from the government. Why don’t we look at it? Why don’t we examine the options? Why are the Democrats voting with the government to prevent the Labor Party from having an independent, dinky-di, fair dinkum look at who is telling the truth here and what the options are for relief by a committee drawn from this chamber which would have the Democrats on it, the government on it and us on it? The anger out there in ordinary Australia is an anger because they are unnecessarily paying higher prices. They are not convinced by the argument that the government does not intend to do anything about it, but they do want to hear from their parliamentary representatives about what the alternatives are. An inquiry can properly produce carefully considered options for government action and recommend them.

Why are the Democrats preventing us from doing that? We know why the government are—because they just line up behind their leader, although in their own caucus room backbenchers are speaking out and objecting to what the Prime Minister is saying, and they are demanding all sorts of changes. Does the government not want an inquiry because government backbenchers who are speaking out might find a forum where their voices might be heard? Here is a fundamental question of Australian democracy. There is no doubt people want something done and there is no doubt the government and the Democrats are now obstructing a logical and reasonable course of action for the alternatives to be carefully presented to the Australian community.

This is a sloppy motion. This is a desperate motion to change the issue and get away from the real issues. This motion is beside the point. It is a cover-up in order to avoid the issues. Our objection to it is: let us do what Australians want and have a proper inquiry. This motion is extremely odd when taking into account what Senator Lees said and what the Prime Minister said to her at
the time both the government and the Australian Democrats agreed that Australians would have to suffer under a GST. Back then, you will remember the press conferences, the Prime Minister and Meg Lees in bed together, waving around this package of so-called changes that are ‘good for you’.

What were those changes? The Prime Minister, in his letter of 28 May 1999 to Senator Meg Lees, said that there would be measures in that package on greenhouse gas abatement programs and on greenhouse of national environmental significance. He also said that there would be incentives to switch to lower sulfur diesels and that there would be a program to maintain the current price relativities between diesel, CNG and other alternative transport fuels and that clean fuel credits would be given. He said that there would be a subsidy program for conversion for CNG vehicles, LPG vehicles over 3.5 tonnes, et cetera. He said that there would be 100 per cent excise credit for rail transport and oil cycling infrastructure. They are all things that we thought had some purpose. We did not want a GST, but at least those things had some purpose.

If you look at the terms of reference of the inquiry that the Democrats have put in this chamber, you will see that they want to inquire into exactly those things. It raises the question: did they get the deal they thought they got? Are they now the disgruntled suitors who have been left at the church unable to get the package up, and do they want an inquiry to get their deal back again? Is this what this is about? You had one bite of the cherry back in May last year when you foisted a GST on us. Now you want to avoid a proper inquiry into petrol prices in order to inquire into the issues you tried to get John Howard to agree to but he sold you out back then. That is not the purpose of this debate. Petrol prices are too high, the government is making a significant rake-off, and there is one central, simple question: what is the government going to do about it? For us in this chamber facing our parliamentary responsibilities, what can we do to give voice to the public opposition to petrol price increases and ensure that the government hands back some of this windfall gain to Australian motorists?

Last night I had the chance to participate in a state-wide current affairs program on the ABC in Western Australia. Let me run through, lest this chamber is in any doubt, what the anger is like out there in the Australian community. From the farmers organisation in Western Australia, Collin Nicholls said, ‘Farmers are facing a 40 per cent increase in their budget and, because their markets are determined by world commodity prices, they can’t pass it on.’ The farmers are angry. The WA Transport Association said, ‘Petrol prices reflect in every good or commodity we buy that is on the supermarket shelf. Not only are high prices hurting our members, but they are hurting Australian consumers as well.’ The Transport Workers Union said, ‘Our members, who are owner/drivers, are going out of business but can’t sell their rigs because petrol prices are too high but the contract prices have not risen to offset them.’ The Premier of Western Australia said in this hook-up that he wants the federal government to freeze the excise.

The RAC in Western Australia said, ‘The real cost of the government’s rake-off is $660 million.’ The ACCI said, ‘There is a need for an inquiry to look at options on road funding.’ The independent fuel outlet said that they were not making a profit. Shell Oil said that it was not. But Larry Graham, the Independent member for the Pilbara, pointed out that Shell had boasted a 14 per cent increase in earnings internationally and 150 per cent increase in total profits. The Motor Traders Association of Western Australia is holding a public rally to protest. And what does this chamber do? Let’s look at alternative fuels. Let’s not answer any of that white-hot anger in the electorate. It is about time that we got real in here. We are answerable to the people of Australia. They are angry. They want something done. It is our obligation to have a proper inquiry, not an ersatz, flimsy, failed cover-up like this will be, in which the government, as one of the conspiring parties in the GST, and the Democrats, as the other conspiring party in the GST, use their numbers in this chamber to block proper debate, proper accountability,
proper examination and the proper formation of resolutions to the problem. *(Time expired)*

**Senator KEMP** (Victoria—Assistant Treasurer) (4.28 p.m.)—We have just been treated to what can only be described as a Senator Peter Cook rant for 20 minutes. Listeners to this broadcast would have been interested to tune in and wonder what the Labor Party were going to do about the high level of oil prices which we all deplore.

**Senator Cook**—You just voted down our proposal.

**Senator KEMP**—Senator Cook, again you have worked yourself up into a lather. At the end of the day, you have to come out with some policies. You have to say what you are going to do. Senator Peter Cook has drawn attention to the high level of oil prices which we all know about, which we all deplore and which affects all countries, including Australia. I think we are all concerned about the impact of those high oil prices. What was Senator Cook’s solution to them in his remarks? Senator Cook complained about the GST. The Labor Party now supports the GST. The GST now forms part of the Labor Party’s policy.

**Senator Cook**—No, it does not.

**Senator KEMP**—Yes, it does. I will mention the R word, seeing that I am being provoked. You did say that there would be a roll-back. What sort of roll-back, Senator Cook? Let us say that you had a 50 per cent roll-back, at a minimum. At a minimum, the Labor Party have a GST plus a 50 per cent roll-back. What would that cost revenue? That would cost revenue $12 billion. The fact of the matter is the Labor Party have stopped speaking about the high level of oil prices. We recognise that the high level is a result of trends on world markets. This government have made their views known in the appropriate fora about our concern and about the adverse impact these prices can have. The Labor Party’s solution is to blame taxes. The Labor Party solution claims that in fact the current level of oil prices is due to taxation.

**Senator Mackay**—It is in part.

**Senator KEMP**—Let us take the interjection from Senator Mackay—in part. If that is the case—and I do not accept that—what is the Labor Party’s solution? Is the Labor Party’s solution to cut the level of taxes on fuel? Senator Mackay is going to speak, and I suggest that we all listen very carefully to see whether Senator Mackay can outline which taxes she proposes to cut. Senator Cook has complained about the GST, but the GST is Senator Cook’s party policy.

**Senator Cook**—No, it is not. Tell the truth.

**Senator KEMP**—Senator, all I am saying is, if you feel there is an effect which you do not like, what is your policy on it? Is this part of the roll-back? The Labor Party’s policy is to have a GST and a roll-back. Senator Cook, you have been complaining in your remarks about the goods and services tax. We are going to listen to Senator Mackay, and the question is whether she takes up your complaint and whether this is a part of the Labor Party roll-back. It is a fair question. The Labor Party has complained about the level of fuel excise. So the question is: is the Labor Party going to cut the level of fuel excise? It is a fair question because you have got yourself into the same mix-up that you got yourself into during the GST debate. Remember you were so opposed to the GST and you fought it tooth and nail for 1½ years, but come 1 July the GST is a part of your policy. As the Treasurer has so often said, ‘The Labor Party says the GST is so bad but it proposes to keep it.’ What happened at the polls? All of this effort to leverage the polls collapsed. You were revealed as being a total fraud. The Labor Party was revealed as being totally fraudulent. The public asked, ‘How can the Labor Party be opposing the GST when at the same time it is a part of its policy?’

It is an astonishing thing that we are seeing the same fraud in relation to petrol prices. The Labor Party—again for cheap political motives—are pretending to the public that the high level of prices is due to various taxes. We do not accept that. But if that is the Labor Party position, surely one would expect the Labor Party to have a posi-
tion on the application of the GST on fuel. Surely the Labor Party would have a position on the excise levels on fuel. Surely the Labor Party would have a position on the indexation of excise. It is not unreasonable to say that. Let me make a prediction: Senator Mackay will stand up and pretend the solution to all of this is yet another review. We have had 40 reviews.

Senator Cook—So what? None of them have worked.

Senator KEMP—I know it is embarrassing for you because the public are perceiving again the total fraudulent approach of the Labor Party. If the Labor Party is trying to blame the government for high prices because of various taxes, what is the Labor Party’s position on the excise tax, on the indexation of excise and on the GST? The fact of the matter is that the Labor Party does not have a position on any of those things. What is the Labor Party’s position in relation to fuel prices? To have a review. It will hide behind a review because of its total lack of policy, as we have seen in so many areas.

Senator Cook, I think the public will treat you ultimately in relation to this issue with the same contempt that they treated you in relation to the GST debate. I think the public will ask, ‘What is the Labor Party on about? Why is it impossible for the Labor Party to reach a sensible policy on any issue? The Labor Party’s claim that the high price of oil is the government’s fault is totally false. What is the Labor Party going to do about it?’ The Labor Party wants a 41st review. It is a pathetic position from a pathetic party. The government will not have a bar of it. What did the Labor Party do when it was in office in relation to fuel? Let us just get a few facts on the table. Under the Labor Party, the excise rate rose from 6c per litre to 34c per litre. That was Labor Party policy while it was in office—to raise excise. I make the point: the excise rate rose from 6c per litre to over 34c per litre.

Senator Cook—The barrel price is $15, not $30.

Senator KEMP—Senator Cook, you do not even understand what you are yelling out about. You raised the excise from 6c per litre to 34c per litre, and you are not proposing to change the excise rate at all. If I am wrong, Senator Mackay will be speaking after me and she can correct this.

Senator Cook—You are wrong.

Senator KEMP—Fascinating! If Senator Mackay says that the Labor Party proposes to change the excise rate on fuel, that will be of considerable public interest, Senator. It will cost a few dollars—let me make that point—but it will be of great interest. When Labor were in office, not only did they raise the excise on fuel very substantially—almost sixfold—but they also brought in indexation of excise in 1983. That was Labor Party policy. That was the Labor Party policy when the inflation rate was rising in the order of over five per cent per year during the Labor term in office—far more than the current rate—

Senator Cook interjecting—

Senator KEMP—But that was your policy, Senator. I point out that the Labor party did have policies on fuel. Those policies were to raise taxes on fuel and excises. That is exactly what they did. That was the Labor Party position. So the Senate naturally treated the Labor Party proposal with contempt. The Labor Party should come out and say what their policy is on fuel—and not a review! How long have you been in opposition? Can you have a major policy on some issue of public importance? Is it possible for that party over there—that discredited party, whose front benches are laden down with former Keating ministers—to reach a policy position in any particular area?

Senator Cook interjecting—

Senator KEMP—You have raised the issue constantly in question time about the price of fuel. Surely the Labor Party can have a position—and not just yet another review. Let me make it clear: the government is very concerned about the level of petrol prices, and the GST is not the reason for the high level of petrol prices. In fact, the excise was reduced by 6.7c a litre. I think that is the first time the excise on fuel has ever been reduced; and it came down under this government. The petroleum refining industries expected to achieve savings of some 1.5c per
litre. The GST has not contributed to the rise. In fact, the rise in fuel prices has come about because of the rise in oil prices on world markets. The cost of a barrel of oil—let me make this clear—has risen from some $A17 a barrel in January 1999 to around $A55 a barrel in late August this year. So there has been a very substantial rise on international markets in the price of petrol.

Let me say that we are concerned, as I think all Australians are, at the high prices of fuel. But let me also point out that, under the former government—Senator Mackay, you may not know this—the real price of petrol in current dollars rose to over 100c per litre in Sydney in 1985. This has happened before.

Senator Mackay—What are you going to do about it? Nothing.

Senator KEMP—First of all, you analyse what the real cause is; and the real cause is the rise in fuel prices on world markets. The government, along with other countries is making its views known to OPEC on the—

Senator Cook—The higher the cost, the bigger the tax.

Senator KEMP—Can I make the point that what we are doing is making our views known, along with other countries, in the international fora that can have some impact. What is the Labor Party going to do about it? Senator Mackay, we will wait breathlessly for your speech, to see what in fact you propose to do. Your thesis is that this is due to taxes. You are wrong, but that is your thesis.

Senator Mackay—In part.

Senator KEMP—Well, let’s say ‘in part due to taxes’; this is your thesis. So what are you doing in relation to taxes? You are doing nothing in relation to taxes. This is the humbug of the Labor Party. It is another totally fraudulent position. The first fraud that the Labor Party inflicted on the Australian public is that it was opposed to the GST—but it now forms part of its policy. The next fraud the Labor Party is on about is that somehow the high prices of fuel are due to taxes. So what is the Labor Party going to do about it? It is not going to change anything. It is a total humbug, a total fraud.

Senator Cook—You defeated our motion. Wake up!

Senator KEMP—No, sorry; you are going to do one thing about it. You are going to have another review. The first 40 reviews apparently did not solve the Senator Cook problem, so we are going to have yet another review, and that is no excuse. For a change, why doesn’t the Labor Party attempt to develop a policy on an issue of public importance?

Senator Mackay—You couldn’t care less!

Senator KEMP—‘They could not care less,’ says Senator Mackay.

Senator Mackay—You couldn’t care less about regional Australia!

Senator KEMP—Well, I think the public would be very interested to know, Senator Mackay, that you could not care less. But we do care, Senator Mackay. What governments do is tackle the real issues and the real causes and do not attempt to grandstand like the Labor Party has attempted to grandstand today. But again, we will listen to Senator Mackay. Okay; Senator Mackay says that the high price of petrol is ‘in part’—as she says now; the Labor Party’s position has changed a little bit from Senator Cook—

Senator Mackay—No, it hasn’t! It has been exactly the same.

Senator Cook—We have always said that.

Senator KEMP—Well, if it is ‘in part due to taxes’, what is the Labor Party position on those taxes?

Senator Mackay—We oppose the GST—remember?

Senator KEMP—Hold on! This is part of the roll-back. The question is: what is the Labor Party position on those taxes? Let me make a prediction to this chamber. Senator Mackay will not make one comment on that. There will be no comment on the roll-back of the GST on fuel. There will be no comment about cutting the excise on fuel. There will be no comment on the indexation of excise on fuel. There will be no comment on any of those three areas, Senator Mackay. There will be not one comment, and the
public will be entitled to think that the Labor Party is a total humbug on this issue, a total fraud—which you were in relation to the GST and which you are now on petrol prices.

As my remarks in this debate are now coming to an end, let me say that we will not be supporting the motion proposed by the Democrats. We feel that we agree with the first position of Senator Meg Lees in relation to an inquiry, and I have made my views known. Let me conclude my remarks by just reading a comment that was made by the Prime Minister in the other place yesterday. It is worth repeating in this chamber. These are the Prime Minister’s comments:

I say very plainly to the Australian people that I do not like higher fuel prices and that I understand how sensitive the Australian people are to them. But these higher prices have been due overwhelmingly to world factors. Can I say to those who sit opposite, and to people anywhere else in the Australian community who are calling for a discretionary reduction in excise, that they are really saying that either you run down the surplus and thereby put upward pressure on interest rates or you cut payments for schools, for roads, for health and for all the other vital things that the government provides. The government will not be responding to those irresponsible calls. They are not based on fact. They seek, rather, to exploit understandable public concern about the price of petrol.

The Prime Minister concluded his remarks thus:

I say again to the Australian public that I share its concern, but the culprits lie amongst the oil producing countries of the world; they do not lie on the front bench of the government.

The government is, as always, taking a very responsible approach to this important public issue. I suspect that when we listen to the views of Senator Mackay on behalf of the Labor Party we will find them as vacuous as the Labor Party can be on so many other issues of public importance. In the end—I let me make a prediction—Senator Mackay will say nothing about cutting GST, nothing about cutting excise, nothing about dealing with what she sees as the indexation issues. What Senator Mackay will be saying is ‘Gosh! What we need is the 41st review on petrol!’

Senator ALLISON (Victoria) (4.46 p.m.)—What we heard from the ALP was, indeed, a diatribe. Senator Cook excelled himself. It is not often that I agree with Senator Kemp, but I do in this case: we have heard a load of humbug. In fact, Senator Kemp, I need to correct you: it would be the 49th inquiry into fuel prices per se. The ALP say they want a properly constituted Senate inquiry. Mr Acting Deputy President, I put it to you and to the ALP: Senator Cook has obviously not read the terms of reference. Of course this is a properly constituted Senate inquiry. The fact that it goes to more than the question of ‘How can we bash up the government and the Democrats over the GST?’ obviously does not suit the ALP. They want an inquiry where they can run around the country, speaking the same message over and over again: this is terrible, and it is all to do with the GST—and we know that that is not the case. In fact, it is quite a nonsense.

I was absolutely amazed and floored to hear Senator Cook say, ‘We don’t want all this extraneous material from the Democrats in the terms of reference—this business of alternative fuels.’ He actually said that Australians do not want to wait for the next century, another century, for alternative fuels. I think that indicates where the ALP are coming from. This is where their real credentials are on the environment. This is how much they care for greenhouse gas emissions. This is how much they care for pollution. This is how much they really care about the cost and fuel efficiency of the vehicles we run in this country.

I would remind the ALP that they left office with emission standards in this country five years behind those of other industrialised countries around the world. If we are going to start talking about the tax arrangements and the great benefits that the Democrats have managed to achieve through that tax package, then I will remind the ALP about the mess they left behind and the sort of pollution we suffer as a result of allowing our fleet to become very old, polluting, dirty and disgraceful.

Senator Kemp says, ‘We want to look at what has happened to the cash and whether the petrol companies have, in fact, pocketed
that money.’ Let me just carefully read through the term of reference which would allow us to examine that. It is reference (c)—and it is a pity that Senator Cook is not here as he could be listening to this. Reference (c) states:

... the extent to which petrol companies will be able to pass on the 1.5c a litre savings from tax reform and over what time frame ...

Senator Cook says that what he wants is to look at the options for relief. Let me go to the very first term of reference, reference (a), which states:

... alternative policies that can be developed to reduce the impost of petrol price rise on households.

It is plain enough to me that this allows us to look at options. That is what Senator Kemp says he is interested in: looking at options for relief. He wants a dinky-di inquiry. That seems to be pretty dinky-di to me. It is going to the Rural and Regional Affairs and Transport References Committee for inquiry. That committee is not dominated by the government. The problem is that the ALP do not chair that committee, it is chaired by the Democrats—and that is obviously a major problem for the ALP. So we cannot have a dinky-di inquiry obviously if it is not under the control of the ALP.

Let us look at something else that Senator Kemp said we desperately need to inquire into: the windfall. The terms of reference again deal with this question of the windfall, and I will read them out. Term of reference (b) states:

... the amount of windfall tax revenues over and above that forecast in the 2000-2001 budget that the Commonwealth and states are likely to receive as a result of the rise in world petrol prices.

What more could you be wanting? The word ‘windfall’ is there; it is actually in the terms of reference already. Senator Cook would have us believe that this is some nonsensical inquiry that is being put up by the Democrats that does not address the issues that people are interested in. He passes it off as some silly notion—‘The Democrats are again getting carried away with alternative fuels; we all know that’s airy fairy stuff.’ Certainly the ALP’s record, in this place at least, has shown that they are not much interested in that whole question.

There are some other important parts of this inquiry that I will spell out again because, obviously, Senator Cook did not read this effectively. Term of reference (d) states:

... whether the subsidy scheme for regional motorists is adequate and working effectively ... so that the city-country petrol price differential is not increased. And:

... what alternative strategies can be implemented to reduce the cost of rural and regional transport.

Term of reference (e) is whether:

... oil companies and retailers have used the opportunity presented by higher petrol prices to increase their retail and wholesale margins.

So these terms of reference go to the core of the problem. But, instead of that, the ALP just wants an opportunity to bash the GST in the normal fashion.

I really want to talk in this debate today about the opportunities for us to look at alternative fuels, because the Democrats happen to think that that is important and that it is the way forward. As I said earlier in taking note of an answer and as I said in my question today to Senator Ellison, there are enormous opportunities for us to cut the fuel consumption of individual vehicles by 50 per cent. The average motorist spends $2,500 or thereabouts a year on petrol for their vehicle. The opportunities just to shift to LPG using the Ford Falcon dedicated LPG vehicle are 50 per cent. Over the last few weeks, we have been talking about minor increases. Of course, it means a lot of money to those people who travel long distances, but let us get real about this. The real opportunities are for us to reduce those imposts and reduce the cost to motorists by 50 per cent. What we need to examine in this place is what sort of leadership governments can show in order to deliver on those cost reductions.

Let us look at something we can actually have some control over. We do not have control over the OPEC nations. We cannot determine what the cost of a barrel of oil will be when it comes into this country. These are not measures which we can do a great deal about. Certainly reducing the one point whatever it is cents per litre that might be
attributable to the GST in petrol is not going to make much difference to the hip pockets of ordinary Australians. But if you take $2,500 and reduce that by half then we are talking big money.

It is not just LPG that offers those advantages. CNG is a very important fuel, and it is important because it is not tied to petroleum prices. It is important because it is an indigenous fuel. It comes out of the ground in Australia. It is pumped around our country. It can be tapped for transport purposes. All we need is the infrastructure to put it in place. We need the refuelling depots. We need to make sure of that before we ask Australians to commit to switching over to this new fuel, which is cost effective and extremely good for reducing emissions, both pollution and greenhouse gases. It would be extremely good if we turned our minds in this country to how we can encourage those fuels.

Senator Conroy—Why didn’t you get the government to agree to this in the negotiations?

Senator Allison—Senator Conroy interrupts, as he usually does, and points out that there were opportunities during the tax debate, and the Democrats indeed took those opportunities. We will have buses and trucks converted to compressed natural gas. In fact, there is $75 million for that measure alone. But more needs to be done.

Senator Conroy—Why didn’t you get a better deal?

Senator Allison—It would have been very good, Senator Conroy, to have achieved everything, but we are now asking you, the ALP, to help us to achieve what needs to be done at this point. But you are not interested. For you, this is of no concern. You just want business as usual. Senator Cook says, ‘In the next century we will think about alternative fuels.’ You say, ‘There’s no need for us to bother with that now. Let’s just take the populist line. Let’s just tap into people’s concerns about increased fuel prices, not worry about the future and not worry for the next century about the fact that we have alternative fuels in this country that we could tap into tomorrow.’ It needs leadership; it needs government action. Let us look at how we can do that with this inquiry. But, no, the ALP is not interested.

Let us have a look at some of the recent statements put out by CSIRO. This is topical today—we had a rally outside today by the very good scientists from CSIRO. Let me just mention a couple of things that were said in a recent press release. It stated:

Australia may need to cut greenhouse emissions by 50 to 85 per cent of today’s level, to meet its long-term obligations under the UN Framework Convention on Climate Change, two senior CSIRO scientists said today.

That is certainly consistent with the messages that have been coming to the global warming inquiry: that the Kyoto protocol is only the very first step and that we have to take drastic and serious measures. That means not continuing business as usual for the next century. The CSIRO suggest a couple of strategies. They suggest four altogether that would work to help us curb our greenhouse emissions. The first is:

... to obtain more energy from less fuel across the whole fossil fuel energy cycle, from production through to power generation

The third is:

... to gradually switch to low-carbon or carbon-free sources of energy, like hydrogen and renewables

That is what we need to examine. In the transport sector, which uses so much of our energy in this country and is such a big contributor to greenhouse, how can we look at alternative fuels which will assist us to do that and reduce the cost?

Senator Conroy—Why didn’t you get the government to set up an inquiry when you could?

Senator Allison—You might learn something, Senator Conroy, if you listen. The Australian Greenhouse Office says:

The Australian transport sector accounts for 72 million tonnes of Australia’s total net greenhouse gas emissions, representing just over 17 per cent of Australia’s total emissions. About 87 per cent of these emissions come from road transport, including cars, trucks and buses.

Greenhouse gas emissions from the transport sector are also the fastest growing emissions of any sector, rising by 18 per cent from 1990 to 1997. The Bureau of Transport Economics proj-
ects that, without reduction measures, emissions from the transport sector will rise by 38 per cent between 1990 and 2010.

That is what we want to see dealt with. The Democrats are interested in solving the problem of greenhouse gas emissions in this country. We can do this by changing to alternative fuels and by weaning ourselves off the total dependence that we have on fossil fuels. Remember—and Senator Cook should note this—they are not going to last for another 100 years. We are running out of oil reserves in this world, and Australia just cannot keep consuming petrol, diesel and petroleum products at the same level that we currently are. It is absolutely critical that we start looking at alternative ways forward.

It is disappointing that the government has chosen not to support our terms of reference. I would have thought the government would be well informed by the sort of inquiry this might turn up. The ALP does not want any sort of inquiry at all—unless it can simply attack the GST; that is all it is interested in. There are fantastic opportunities for us to achieve great savings, both in greenhouse emissions and in cost. I will mention a couple of hybrid petrol and electric engines which are currently either in production or available elsewhere. We can look to the United States now, we can look to Europe and we can look to various parts of the world that have governments that are prepared to put in place regulatory arrangements which encourage the use of those vehicles.

The Honda Insight has an ultralight one-litre lean burn VTEC engine that works in tandem with a brushless DC electric motor. It achieved world low consumption figures of 3.85 litres per 100 kilometres and a highway rating of 3.36 litres per 100 kilometres. It conserves fuel with an automatic idle stop system. It has a highly rigid and ultrasafe body that is around 40 per cent lighter than an equivalent steel body. Is it available in Australia? No. Will it be available in Australia? Probably not. It is available in the US, it is available in Europe and it is available in Japan. No doubt it could be imported into Australia, but it would cost a great deal of money to do so. Ford’s Think City was on display here at the Melbourne International Motor Show. It is a zero emission two-seater powered by a liquid cooled three-phase alternating current induction motor. It accelerates from zero to 50 kilometres per hour in seven seconds, and it has a top speed of 90 kilometres per hour. It plugs directly into any standard 220-volt 16-amp or 10-amp outlet for recharging. That will be available in the US in the next two years, but there are no plans to have it available in Australia.

The Toyota Prius is another hybrid vehicle. It uses half the petrol and emits only half the carbon dioxide on a typical city drive cycle. It is powered by an electric motor, power for which is supplied by a 288-volt battery pack and a fuel efficient twin cam multivalve petrol motor. It has a Corolla sized exterior dimension and a 1992 Camry sized interior. Toyota—and I congratulate them on doing this—have brought seven production models of the Prius to Australia for evaluation. I have driven in one. It is a very quiet vehicle and a very pleasant vehicle to travel in. But there are no plans to go into production in Australia. Again, we have to ask ourselves why. What is it in this country that has not been able to encourage any of our car manufacturers, apart from Ford with LPG, to get these vehicles into production, on the road and available to motorists in this country so that we can save on fuel costs, so that we do not need to worry about OPEC and so that we do not need to be concerned so much about greenhouse emissions and pollution?

I have just mentioned a few of the many innovations available to reduce fuel costs, to reduce emissions and to reduce greenhouse gases in this country. We need to look at why Australia has not been able to get these vehicles onto our roads, why we in Australia still have very large cars and why other countries—like Japan—have chosen to impose variable registrations, for instance, to encourage people to update their vehicles so that they run cleaner and more fuel efficient cars on the road. The UK has recently announced a grant scheme of £1,000 for people who purchase electric vehicles. There are schemes of this sort all around the world in places where we really do care about the burning of fossil fuels, places where the re-
ality of energy security and the reality of air pollution are real. Australia can learn much from the examples of those overseas countries. This inquiry would have been a good opportunity to look to the future in this country instead of to the past, to look beyond the last few months and what has been agreed in tax arrangements and to go into the next century that Senator Cook talks about—not with one’s head in the sand, not imagining that we can go on doing the same thing, but looking at a real future for transport in this country that is much more cost effective than the ALP has been able to deliver to us so far.

Senator MACKAY (Tasmania) (5.06 p.m.)—I was interested in Senator Allison’s contribution in relation to allegations that the Labor Party are running a populist line. I think that is true. If you go to regional Australia to talk about this issue and to see what is happening in regional Australia, there is major concern among the populace. There is major concern among the people who are being, and who will be, impacted by petrol prices. Isn’t it peculiar that these Democrat terms of reference arose only very recently? After the Labor Party had mooted an inquiry for some time, all of a sudden the Democrats came up with this. The Democrats are entitled to accuse us of being cynical, but at least our suggestion of an inquiry was out there for a considerable time.

I also note with some interest that the person who would be chairing this inquiry if the government were prepared to support it, Senator Woodley, is not here. Senator Woodley knows, probably more than anybody in the Democrats, the difficulties faced in his home state of Queensland and in regional Australia. I would obviously be interested to hear his views, but not everybody can speak. But one thing I have always respected about the Democrats—and I mean this most sincerely—is their absolute, unwavering commitment to accountability and transparency. Even when it has been extremely uncomfortable for the Labor Party, the Democrats have been supportive of that. Even when it has been to our detriment and we have not wanted it, the Democrats have insisted on accountability and transparency. I congratulate people like Senator Murray for his work on commercial-in-confidence. But the problem is that, when you are actually part of the decision, you have got to be held accountable for that decision. This is the difficulty, and this is why the Democrats are not prepared to support this.

We had an unbelievably undignified and ungracious response from Senator Kemp, who clearly had not done any preparation at all on this absolutely critical issue. If I were a person out in country Australia listening to that contribution, I would just be astounded at the lack of compassion that he showed to people in regional Australia who are genuinely suffering. This is not a game; this is serious. If you go out to regional Australia—and a lot of us do—and talk to people about how they are currently suffering in relation to petrol, if you look at the conditions that people are living under and the way the GST has impacted on regional Australians, and if you go to my home state and Senator Brown’s home state of Tasmania and have a look at what is a regional microcosm of how the GST has impacted, it is extremely illuminating.

I noted, with some interest, that Mr Peter Costello—it was in the newspaper clips recently—has spent the grand total of 10 days in regional Australia from 1996 to the end of 1999. I wonder why that would be? I wonder why Peter Costello would not want to go to regional Australia? I can tell you; I am out there all the time. If I were Peter Costello, I would not want to go either because he would not get out of there alive, given the initiatives this government has taken in relation to regional Australia. There are people in this chamber who know it, and there are people on the back bench of this government who know it. You know it—why aren’t you doing something about it? This government is in office, so you have got the capacity to actually do something. The GST is this government’s tax; it is not the Labor Party’s tax. You are sitting around complicit, blaming the oil sheikhs, as Senator Cook said, and doing absolutely nothing. I think it is a total disgrace. As somebody who actually lives in regional Australia, I think it is outrageous that Senator Kemp gave it that sort of per-
functory treatment and clearly put no preparation whatsoever into his speech.

Senator Cook moved a motion which would have allowed us to explore all these options, the alternatives that Senator Kemp talked about in what I thought was his fairly tawdry response. Senator Greig has yet to have this delightful experience—she says with heavy sarcasm—but the Democrats should try to come to the regional services estimates and try and get some answers and some genuine transparency from the government about what is going on in regional Australia. Try and get some answers out of the Minister for Regional Services, Territories and Local Government, Ian Macdonald, about what is happening in regional Australia. You will get none. They are not doing anything. That is the point. The government are doing absolutely nothing.

Senator Woodley knows this because he sat there and listened to the absolute obfuscation from this minister for hours and hours as he simply stonewalled the questions. The Labor Party does not care too much about Senator Macdonald stonewalling questions, but I think, as a government minister, he should have a bit of a go at defending his own government in regional Australia. We asked a number of times whether there had been any impact—or would be, prospectively, any study of the impact—on regional Australia from the GST. Not only has there not been a study; there was never planned to be one and nor will there be one. I find it extraordinary that, when you have a tax that is clearly going to impact on one section of the community disproportionately, the government are not even prepared to have a look at it prior to its implementation. I find that unbelievable. We asked about the implications of the national competition policy—nothing. We asked about the implications of various budget cuts—nothing. They denied they even existed. It is just a joke, it really is. One thing people in regional Australia are not stupid. They are not stupid, and they are not going to buy this.

The bottom line is this: regional Australians pay a lot more for everything. They pay a lot more for clothes, they pay a lot more for transport, they pay a lot more for food, they pay a lot more for health and education services—such as they are these days, courtesy of this government—and now they pay a lot more for petrol. The Labor Party are not asserting that the GST is the reason for the massive increase in petrol prices. We are asserting that the GST is in part a contributor to it. That is what we are saying the government should look at. We want to look at the commitment John Howard gave that prices would be substantially lower, and we want to have a look at some remedial strategies. We cannot do that now. Way back in the dim, dark days when John Howard actually made it out to regional Australia, with his hat on, he made a statement which has become famous as the Nyngan declaration. He said that every time there was a cut in regional Australia a red light would be flashing. The red light has basically been on high beam, especially in relation to this one, because people in regional Australia are paying more.

Let us look at some genuine empirical examples of what is happening in relation to petrol in regional Australia—in places I have recently been to—comparing pre-GST prices with the amount of increase contributed by the GST. Many of these regional cities are also areas of high unemployment, in fact, some of the areas of highest unemployment in Australia—cities like Bundaberg, for example, where I was last week. In the March quarter small area labour market figures, unemployment in Bundaberg was 14.4 per cent—so much for the growth economy in Bundaberg. Petrol prices in Bundaberg pre GST were 81.5c a litre and have now risen to 89.9c a litre. The GST component of that by our calculations is 2.14c. So in a place with one of the highest unemployment rates in Australia petrol prices are increasing exponentially, and the GST is a contributor to that. It is not the only place. Very similar figures can be found in nearby towns, and I am going to go through them because I think it is important to have this information on the record.

Let us look at Gladstone: pre GST, 87.5; August—now—91.6; GST, 2.29c. That is our calculation. If we are wrong, I invite the government or the Democrats to correct us. That is our calculation based on the formula
that everybody else seems to be using—except the government, which is in major denial. What is the unemployment rate in Gladstone? It is 10.4 per cent—double-digit. So big petrol hikes and a major impact as a result of the GST. Why doesn’t the government just come out and say that what it wants to do is basically kick regional Australia while it is down? Let us look next at Rockhampton: pre GST, 82.5; August, 96.9; GST impact, 2.78c—or close to 3c, which everyone seems to be accepting; unemployment rate, 11.8 per cent. Turning to Townsville, I noticed that the Minister for Regional Services, Territories and Local Government did a pretty good job today of defending the higher diesel prices in his home state or home base of Townsville. This is the regional services minister defending the higher prices of that product where he is based. Looking then at Townsville: pre GST, 80; today, 92.9; GST on our calculations, 2.4c; unemployment rate, 14 per cent.

Let us look at Queanbeyan, which is not very far from where we are: pre GST, 84.9; now, 97.7; GST, 2.85c—close to 3c; unemployment, 8.4 per cent. That is better, but still above the national average. They are the figures for Queanbeyan—a stone’s throw from here. Turning next to Grafton in regional New South Wales: pre GST, 88.9; now up to 96; GST in our estimation is about 2.7c—so that is 3c. This is now—of course, because of the nature of the GST, this will go up. Unemployment in Grafton is running at 10 per cent. Looking now at Lismore: 87.9 pre GST; now, 95.9; GST component on our calculations, 2.67c; unemployment rate, 11.5 per cent. How on earth are these people going to be able to afford to drive to actually get to jobs? Turning finally to Ballarat: 79.9 pre GST; now, 93.3; GST component on our calculations, 2.45c; unemployment rate, 10.4 per cent.

These towns that have been impacted by the GST are the very same towns that are paying more for everything else in relation to the GST. The GST is a flat percentage rate of tax—the higher the original price, as Senator Cook explained to everybody, the more tax you pay. That is axiomatic and that is a fact. Not only that, but the higher prices go, the more GST you will pay. Some of these regional centres are coping with record unemployment levels in a so-called boom economy and now they are being hit with record price increases. I do not want to be alarmist, and I will say it again: we are not asserting that the GST is wholly and solely the cause in relation to petrol prices; we are saying that it is a part of it. We are saying this is additional revenue the government did not expect and we are saying that it is going to increase because of the nature of the GST. Anybody would agree with that, except for the government, which simply denies that it is happening.

This is the inevitable outcome, in terms of petrol and regional Australia, of what is an intrinsically inequitable tax. This is what happens when you apply a flat percentage tax indiscriminately. Today the Victorian Road Transport Association commented on the impact of similar increases in the price of diesel fuel. In many regional areas diesel is now more than a dollar a litre. This represents an increase of 34c since the government set the level of its diesel fuel rebate at 24c a litre. This means, as we said in question time today, that regional Australians are at least 10c a litre worse off, so bang goes your diesel fuel rebate. The Victorian Road Transport Association said:

... nothing moves without a truck, and that cost will flow to the community.

That is absolutely correct, and that is what is happening out there. According to them, about 5c a kilometre has been added to transport costs, which will translate into supermarket price rises of about 2.5c. This is on top of the GST—on top of prices in the supermarket that have already risen as a result of the GST. Fuel prices, as we know, are going to go up because of what is happening in the global situation, and nobody disagrees with that. The government are continuing to deny reality, but they are also ignoring their own backbenchers. I suppose why wouldn’t you really, when you look at how successful they have been in lobbying the government in relation to regional Australia.

Earlier this year on ABC radio the Prime Minister said—and I was amazed when we
found this quote when we were undertaking research for this contribution:

... one of the distinguishing features of the tax package is that it is going to result in sharply lower fuel prices than would otherwise be the case in rural and regional Australia.

So on the ABC he was not even asserting that it would be a zero-sum gain; he was saying that prices were going to be sharply lower. Extraordinarily, Senator Kemp came into the chamber during question time yesterday and said that, after the GST was applied, petrol prices had fallen. Senator Conroy is from Melbourne, and even in the middle of Melbourne, surely, petrol prices have gone up. I think one of the backbenchers today from the coalition made it extremely clear that the differential is increasing, but of course now urban Australians are being pinged too. This is an extraordinary statement from the Prime Minister coming on top of his comment that ‘the GST will not increase the price of petrol for the ordinary motorist’. I am not quite sure who he defines as ‘the ordinary motorist’—maybe it is the politicians who drive Comcars, I do not know. But certainly the ordinary motorist is doing really badly and not doing really well.

Let us have a look at some of the backbenchers who have complained. Peter Lindsay, the member for Herbert—whose main city is Townsville—has written to Peter Costello about the harsh conditions being imposed on the people in his electorate under the government’s policies. Good, you write a letter—that is going to get some action, I do not think. He has also expressed his concern about the impact of future inflationary increases on the price of petrol. We have not even seen that yet—that is, the inflationary aspects of the GST. But we have already seen petrol prices increase by approximately—maybe more, maybe less—3c a litre because of the GST; additional revenue this government had not counted on is going to increase exponentially. Peter Lindsay has called on the government to freeze the inflation-linked increase in excise because of the rising prices. That has been ruled out by John Howard, the Prime Minister.

Paul Neville, the member for Hinkler—who I have to say was ardently pursued by the media in relation to this last week and was completely missing in action; Hinkler covers the cities of Bundaberg and Gladstone—has, with other coalition backbenchers, called for a look at the reallocation to roads of the revenue raised by the GST from petrol. Just think about this for a minute: what he is saying is, ‘Let’s put some more money from the petrol excise into roads.’ What is the point of having roads if you cannot afford to drive on them? What is the point of having new roads if you cannot afford the petrol to put in your car? One of the things that is happening in my home state of Tasmania today is that people cannot afford to buy their fuel and are stealing petrol. There is a major problem in Tasmania of people actually stealing petrol. That is the nature of the Tasmanian economy when you have an increase in this sort of thing.

Some of the people in this chamber ought to wake up and go out into regional Australia and have a look at what is actually happening. It is an absolute disgrace. The National Party, particularly, should be ashamed, in that they purport to represent the regional Australians. That is what they are supposed to be here for. It is absolutely outrageous. We are proposing to have a look at a proper scheme that looks at the issue of the increased revenue from the GST. What is absolutely astounding is that the government is still saying the GST has no impact on petrol prices. That is not right. I reassert what I said in the chamber the other day, that those who assert that the GST has had no impact on petrol prices are lying. Those who make that assertion are lying.

I sat down with a service station operator in Bundaberg, and he went through it with me and explained how it all operated. It is there—in Bundaberg it is about 3c. He went through his books with me. This guy’s business is now in jeopardy. He is likely to have to close up as a result of that. He joins the end of a very long queue of regional Australian businesspeople who are having to close up as a result, one way or another, of the application of the goods and services tax. There is no way to really overstate this. I really
would invite senators who have not been out to the places that I have talked about to go and talk to these people. Many of us on this side of the chamber travel around regional Australia. Last week I went to Eden-Monaro. I was in McEwen. I was in Hinkler. Obviously, I talked to a lot of people outside those electorates as well. I do not just visit marginal seats, by the way. Those three happen to be marginal.

Senator George Campbell—Richmond and Page.

Senator MACKAY—And Senator George Campbell was in Richmond and Page. People are absolutely furious about what has happened with the GST and petrol. They are not furious because of the hip-pocket nerve, as Senator Greig talked about; they are furious because it is going to impact on their day-to-day lives—in terms of what they can afford, in terms of what they can buy their families and in terms of what they can do in relation to their quality of life.

We have lost the opportunity. We have had this inquiry out there for a long time. It is not being supported. I honestly think—I do not know how Senator Greig would have voted, had he had his time over again—the GST is a disaster for regional Australia. The people of rural and regional Australia do not regard it as funny. They do not regard it as something that should be used as a political football. They just want a quality of life. They just want things fixed so they can have a decent education system, a decent health system and enough money to put some petrol in their cars. (Time expired)

Senator MURPHY (Tasmania) (5.26 p.m.)—I was enticed by the contribution of the Democrats to make a contribution on the Democrats’ motion. It was very interesting listening to the comments that they made in support of the motion that they have moved here today. I have to remind the Democrats that we find ourselves debating this motion, as we debated the motion that we proposed—for a proper inquiry, I might say—because of the situation that they placed this country in. It was they who took the step to join the government and impose a GST upon the Australian public. There is no doubt about that. They now seek to make all sorts of excuses for the consequences that they have foisted upon the Australian public.

We have pursued this issue on the basis that the government made a promise to the Australian public. They made a very clear promise, both prior to and after the election, that the GST would not increase the price of petrol. In fact, some ministers—one being the Minister for Finance and Administration—said that the price of petrol would go down as a result of the GST. We all acknowledge that world crude oil prices go up and down, and they do impact upon the price of fuel at the retail end. There is no doubt about that. That is not in question. What is in question here is: what has the government done with respect to the tax changes it made and the Democrats supported? That is what is in question. We have consistently had a government saying from the outset, as I said, prior to the election and subsequently, that petrol prices will not increase—in fact some, as I said, said it would decrease—as a result of the GST. We know that is simply not true.

I took steps to ring the Australian Taxation Office yesterday and asked them for some information. I asked them: if we still just had excise on petrol, what would be the current rate of excise today, excluding the GST, in terms of a tax on fuel? It is clear, abundantly clear, that there is a difference in the tax take on fuel today of almost 3c per litre. That is what the government and the Democrats have foisted upon the Australian public. That is a fact. The Treasurer was one of those who said, both prior to and after the election, that the GST would not add anything to the price of fuel, and he has continued to say it. As late as 23 August the Treasurer in an interview with Steve Liebmann on the Today show said:

The GST didn’t add anything to the pump price.

I do not know what sort of calculator he has got, but he wants to get it checked because it has got a 3c per litre mistake in it somewhere. That is exactly what the difference is. As a result of the GST, we have got an additional three per cent tax take on petrol at the retail pump end, the end that affects the ordinary motorist and the Australian public. The Democrats’ proposition in their motion reads:
alternative policies that can be developed to reduce the impost of the petrol price rise on households and Australia’s reliance on fossil fuels and to achieve a reduction in greenhouse gas emissions ...

As was pointed out by Senator Cook, the Democrats entered into an agreement on the GST, and part of that agreement related to an alternative approach. I have not heard the Democrats, in all the time since the introduction of the GST, stand up in here and make any comment about alternative policies or about what sorts of policies they locked the government into to bring about a population less reliant on fossil fuels. There has not been one speech—that is the truth of the matter. I have not heard Senator Greig or anyone else at that end of the chamber get up in here and make a speech in this respect. I heard Senator Allison talk about the ECOmmodore. Of course it is going to happen. But why didn’t you lock the government into a stronger commitment to the development of a car like the ECOmmodore? No, we will not find that in any document or agreement between the Democrats and the government on the introduction of the GST—not one iota.

I go to the question of leaded petrol. Back in 1993 there supposedly was a 2c differential between leaded and unleaded fuels. I made a few inquiries recently to check out how things are progressing, because, as I understand it, there is a timetable for the expiration of the use of leaded fuels. My inquiries proved to be very interesting. I come back to the Democrats’ position. I know for a fact that in Western Australia you can no longer buy leaded fuel; you can buy non-lead replacement fuel. If it is the case in Western Australia, why isn’t it the case in the rest of the country? Where have the Democrats been on that? Why didn’t they lock the government into that? If they are so concerned—as they say we are not—about emissions, why didn’t they get that sorted out? They did not come in here and make a song and dance about that, because they failed in every effort.

While I am talking about leaded fuel versus non-leaded replacement fuel, who gets to keep the difference in the case of the non-lead replacement fuel now used in cars that would normally run on leaded petrol? The difference, which was only ever intended to be 2c a litre, now is approximately 2½c a litre. I wondered why the government should keep that excise, but the government does not get the excise anymore. The companies keep that money. I suppose they would argue that they keep it because of additional production costs. Where in his motion does Senator Greig deal with any of these issues? Unlike the motion that we put up, which goes to the very heart of the issue confronting the Australian public today, there is nothing in Senator Greig’s motion that would give any comfort to the Australian public that the Democrats are genuine about getting to the nub of this issue. They have referred this matter to the Senate Rural and Regional Affairs and Transport References Committee, which they chair. Point (b) of the motion reads:

(b) the amount of windfall tax revenues over and above that forecast in the 2000-01 Budget that the Commonwealth and the states are likely to receive as a result of the rise in world petrol prices;

There are two things about that. One is that excise on fuel is a fixed amount and comes about as a result of CPI increases. The CPI increase has to be greater than one per cent for there to be an increase in the excise on fuel. The only real effect on the Australian motorist as a result of the increase in world oil prices is at the retail end, and that is as a result of the GST.

I listened with some interest to the Prime Minister in the other chamber yesterday when he said, ‘Well, you’ve got to establish firstly whether or not there is a windfall.’ He said that we—that is, the opposition—‘seemed to think that there is a windfall, but in fact there is not a windfall.’ He said this was because ‘our costs are greater’—I think it was by a factor of two to one—‘in terms of the pension increases, et cetera.’ I have a little bit of difficulty with that because excise on fuel does not increase unless the increase is greater than one per cent. It has increased, since the introduction in 1994, in excess of 24 times. There have been a number of occasions when it has not increased at all. Pen-
sions increased. They increase, as I understand it, with any movement in the CPI—that is a fact. This again is a bit of a fudge on the part of the Prime Minister, supported by the Democrats. It amazes me. Senator Allison is saying that we want a beat-up on the GST. Of course we want a beat-up on the GST. Why wouldn’t we? The coalition of Democrats, National Party and Liberals have put in place something which was a con on the Australian public. It has been proven to be a con because they now feel they are caught in a trap. The Democrats are caught in a trap and they are looking for a way out. I have to say that not even this motion will get them out of the trap that they are in.

The public are not that gullible. They were gullible enough to accept your credentials before but they are not going to be gullible on this occasion. Senator Greig has proceeded to put up a proposition that for all intents and purposes is only aimed at looking at alternative policies. Senator Greig: in terms of your credibility on environmental matters, I would have thought that you would have had all of the alternative policies in your back pocket, that you would have been able to produce them and that you would have been able to argue very reasonably why they should be in place. But we have not heard that at all. If I go to paragraph (c) of this proposition, it states:

(c) the extent to which petrol companies will be able to pass on the 1.5 cents a litre savings from tax reform and over what time-frame;

As I understand it, the ACCC is looking at that, and I think they are having some difficulty. I do not want to be disrespectful to any of my colleagues on the rural and regional committee but, as a senator who sits on other committees, we sometimes face great difficulty in actually getting our hands on the facts. We sometimes need the advice of experts with regard to getting some of these matters properly fleshed out.

Paragraph (d), which is another little gem, states:

(d) whether the subsidy scheme for regional motorists is adequate and is working effectively so that the city/country petrol price differential is not increased ...

But it has already increased. That is another fact. I would say to the Democrats: make a few phone calls and check a few fuel prices. You will soon establish the fact that the gap has widened between the city and country prices. I would suggest that $500 million—if that was the amount of money to go into this scheme—is not sufficient. Why? Because the GST has added almost another 3c a litre to the cost of fuel.

All of these claims that have been made by the government and the Democrats with regard to the benefits of the GST in respect of fuel—whether it is at the retail end, being sold for general motorists, for the transport industry or for any other aspect of industry—have not come true. The Democrats have to wear it. They have to accept that they locked themselves into a situation with this government who pulled a con on the Australian public. That is what they have to accept.

First the Democrats came in here and voted down an opposition motion that went to the very heart of what is at question here because they knew that it would confront them and highlight their inadequacies to the Australian public over this issue. They then come in here with this mickey mouse proposal that will achieve absolutely nothing. And that is what they want: another smokescreen. I thought for a minute, when I listened to Senator Kemp, that the government were going to support it. I am still not sure that they are not, because some smokescreen is better than no smokescreen. I know that the government are looking for somewhere to hide and they may well try to hide in this Democrat proposition. That is a reality.

As we have heard from Senator Lees, and again from Senator Kemp today, there have been numerous inquiries—Senator Kemp said 40; Senator Allison corrected him—and this would be the 49th. Well, the Democrats’ one would not be the 49th because that would not be an inquiry at all. But, if you had proposed what we proposed, we would have had the 49th inquiry, which would have been a worthwhile inquiry. So what if we have had 48 others? They were probably very worthwhile inquiries about different aspects of the fuel industry. I have to admit that I
have not taken the time to go and check what
each of those inquiries actually was about.

Senator Bartlett—If you are so interested
in petrol prices, you should.

Senator MURPHY—I take the interjec-
tion from Senator Bartlett. I assume he has
and I hope that, if he gets up to speak, he will
be able to tell us what each and every one of
them is about.

In closing, we have a responsibility to en-
sure that the government delivers on the
commitment that it gave to the Australian
public. We have to do that because that is
what the Prime Minister said he would do on
many occasions. He said, ‘We will deliver on
our commitment.’ The facts of the matter are
that the government and the Democrats are
not delivering on commitments on petrol that
they made to the Australian public. That is a
fact. This proposal, smokescreen that it is,
should not be supported. We should get a
proper inquiry going to establish some real
facts as to the problems associated with the
price of fuel. Nobody would disagree that
world oil prices are a factor. We have to es-
tablish the facts—b ut we do not have to es-
tablish them, because we know the GST has
increased the tax take on fuel by at least 3c.
We have to look at the revenue take and what
capacity there is to give some relief to the
Australian public. This motion for a Demo-
crats inquiry will do them no good and
should be opposed.

Senator BARTLETT (Queensland) (5.44
p.m.)—Just as Senator Murphy was inspired
to speak by the Democrats, likewise he has
generated some extra enthusiasm for me to
clarify this situation for him, because I think
it is important to ensure that it is clear. De-
spite all the protestations from the ALP that
this whole exercise is not just another op-
portunity for them to get onto their band-
wagon of bashing the GST, it is quite clear
from their contributions—including Senator
Murphy’s—that that is precisely what it is
about. Despite all of the ALP speakers ac-
knowledging that world oil prices are a sig-
nificant contributor to the increase in petrol
prices around Australia, what do we have in
their terms of reference? Paragraph (a), GST;
paragraph (b), GST; paragraph (c), GST;
paragraph (d), GST. That is all they want to
focus on for another whole inquiry.

Senator Conroy—You voted for it.

Senator BARTLETT—I know everyone
wants to relive their youth, relive the golden
days and pretend that we are back when we
were younger, but the GST is here and we
have got to live with it. Sorry, but it is here.
Speaking, as I am sure you would know, as
one of those Democrats who did not vote for
the GST, I came to terms with the fact that it
was going to be a fact more than 12 months
ago. I would rather live in the present and
look to the future. Much as I would like to
relive my youth, I am stuck with now and we
have to look forward. My reliving my youth
is not going to help the Australian public in
terms of their concerns about petrol prices.

If we are serious about addressing the le-
gitimate concerns of the Australian public
about petrol prices, we need to look at the
reality now and what we can do about it. As
speakers have acknowledged in amongst all
their various comments, the vast majority of
the current petrol price rise is due to world
oil prices. We know the Prime Minister did
not meet his commitment to reduce the level
of excise. That was a commitment and a
power totally and only within the govern-
ment; it was nothing to do with the Senate or
the Democrats.

Senator Hutchins—Was that a core
promise?

Senator BARTLETT—I do not know
whether it was core or not, but it was obvi-
ously broken and everybody knows that.
Senator Cook himself said that, as did all the
other Labor speakers. The Democrats have
said that. It is quite clear that the Prime
Minister did not meet his commitment to lower the rate of excise adequately. The
whole country knows that. Why do we need
a Senate inquiry to confirm that the Prime
Minister did not keep his promise, something
everybody already knows? Senate inquiries
are about trying to establish facts, not con-
firming things that everybody already
knows. They are about trying to find answers
and solutions to address a problem, not just
reinforcing complaints about something that
everybody already knows. They do actually
cost a fair bit of time and money. If an inquiry were set up in the context of suggesting that it would address a public concern or problem, then it would be misleading. Indeed, we would provide false hope to the public if we set up an inquiry that was not framed in a way that would provide a solution or at least some answers or suggestions. It is quite clear that the ALP are not serious about that, otherwise they would be supporting this Democrat motion.

There is plenty in the terms of reference here for Labor to run all their stuff about the Prime Minister not keeping his promise. There is plenty of stuff in there where you can run all the GST stuff you like, but it also provides an opportunity to acknowledge that we are likely to be stuck with high fuel prices even if we were not stuck with a GST because of world oil price factors. That is something we should try to look at to see what we are going to do about it. Do we increase subsidies to reduce the price? Do we provide extra assistance for people in the bush? Do we put extra resources into reducing our reliance on fossil fuels and international exports of oil so we have less of an impact when the world oil price goes up? Forecasts are that the world oil price will go up significantly higher again, and you will still be there complaining about the GST. That is not going to help anybody very much; in fact, it is not going to help anybody at all, and it is certainly not going to help any of us in terms of dealing with our dependence on world oil prices. The whole point of trying to address the concerns of the Australian public is to try to ensure that we actually find solutions for this problem of overall price rises.

Senator Conroy—You’re doing a Basil Fawlty: don’t mention the GST.

Senator BARTLETT—I’ve mentioned the GST a number of times. I am quite happy to talk about the GST, but I do not talk about the GST as being a—

Senator Conroy—Move on.

Senator BARTLETT—I am quite happy to move on. The whole point is that we recognise the GST as part of the tax system now. You want to move on, as you repeat-edly say, but you will not get rid of the GST and you are not even going to put forward any commitment to reduce the level of excise, stop indexation or anything like that. It is completely pointless to simply focus on the GST as though somehow or other it is to blame for everything. What we need to do is to examine proposals that will address the clear problem of the likely long-term, ongoing increase in the price of petrol—and that would be a fact whether the GST was there or not.

This is something, despite Senator Murphy’s protestation, that the Democrats have spoken long and loud on for many years. He obviously, for whatever reason, does not immediately listen in every time the Democrats make a speech. I cannot imagine why that is, but obviously it is not the case. We will have to notify him every time we make speeches now so he can make sure he hears all of our contributions on transport policy, petrol prices and the need for alternative fuels.

Senator Conroy—He will be hanging on with bated breath.

Senator BARTLETT—I know Senator Conroy listens in every time, and that is why he never misrepresents our position on anything. Clearly some others do not listen, but these are policy positions the Democrats have pushed for many years. We have policy platforms. They are on our web site now and they were put forward at the last election. We have policies on transport, petrol pricing and all sorts of issues to do with reducing our reliance on petrol imports and moving to alternative fuels. Much as it may shock others, we do not suggest that we know all the answers to everything, and we think it would be appropriate to tap the expertise in the broader Australian community about other ideas for reducing our reliance on fossil fuels and, indeed, reducing the impact on our Australian economy every time world oil prices go up. It clearly reduces our independence and our control over our own future if we are subject to and vulnerable to things that we have no control over as a nation, such as international oil prices. That is what this whole issue is about and that is what this inquiry is focused on.
Even so, our terms of reference would still provide plenty of scope for the ALP to continue to get evidence, get witnesses and make speeches to their hearts content about the great evils of the GST, if that is all they wish to contribute to the whole debate. The fact that they are not interested in broadening it out to long-term solutions gives a clear indication that they are not serious about the issue and that they see it simply as a short-term political opportunity. I think that is a great shame because this is a serious problem—one that quite legitimately concerns the Australian public and has significant economic concerns and one that we should be trying to find solutions to rather than using it for political point scoring. It is a bit unfortunate that we as a Senate have not been able to move forward in a positive way on this issue of concern. Obviously we will have to look at other mechanisms to try to constructively address the concerns of the Australian public and the impact that this issue will have on the Australian economy and our environment.

Senator HUTCHINS (New South Wales) (5.53 p.m.)—I did not have any intention of speaking in this debate until I had an opportunity to look at Senator Greig’s motion that is before us. I have an opportunity to make a contribution in light of what I see as—and I take on board the word already used—the ‘smokescreens’ in Senator Greig’s motion. In particular, the Democrats are trying desperately to hide behind the fact that they are in this up to their necks—the predicament that the Australian motorists and the Australian transport industry are in at the moment because of the rising fuel prices that will affect Australian households, not only directly by filling up their cars but also indirectly by those increased transport costs that Senator Mackay outlined today, and the inability and resistance by the government to do anything about this.

I want to go to the parts of the motion that I find intriguing. Are the Democrats saying that there is no need for an inquiry into the government’s broken promises in relation to fuel? If so, I do not know how they can justify the inquiry in the terms that they have outlined here today. In relation to the issue of saying that Australia has a reliance on fossil fuels and that we should be attempting to reduce this reliance, in our lifetime that reliance will not reduce at all. Probably in our own children’s lifetime that dependence will not reduce at all. This is a furphy, and it has been run by a lot of well-meaning people but people who just do not wish to confront the issue—that is, that our technology and our transport systems, whether public or private, are dominated and will continue to be dominated by diesel fuels.

One of the angles that the Democrat’s motion is trying to run is that if we increase the price of diesel fuel then at some point or another that might discourage people from using their own private motor vehicle transport or, if you listen to Senator Allison, get heavy vehicles off the road—that people will switch to public transport, whether buses, trains or trains, and that goods will be delivered by trains. That will not happen in either my lifetime or my children’s lifetime. That thinking is in cloud-cuckoo-land. To Senator Allison’s credit, she has been to a number of industry functions at which she has not only advocated that heavy vehicles should be fu-elled by ethanol, CNG or LPG but also suggested fuelling vehicles with canola oil. As I understand it, when she put that idea to one of the major road transport bodies, they really did think she may have overstepped the mark and, indeed, may have been out of her league. As I said, I think the people who are advocating this position are well meaning but not very well informed.

If you look at the issue of public transport in terms of price rises in petrol or diesel, you will find that, no matter how much you increase the price of diesel or petrol, there is insignificant movement in the patronage of public transport vehicles, whether trains or buses. It just does not move. That is not the answer to what the Democrats see as urban congestion and emissions. The answer, as town planners will tell you, has to do significantly with urban density. Even that does not work. From reading some studies, even if we substitute cars for trains that are accessible and close by, there is only a five per cent decrease in the amount of private car usage. So in this country, and in most Western
countries, we have a dependence on cars that we have had for some generations and that we will have for some generations to come.

It is disingenuous of the Democrats to come in here today and argue that we should use a magic wand to come up with the answers to public transport. In their view—and they think this is correct—if we continue to increase the price of petrol and diesel, that will discourage people from using their own private transport to transport either themselves or their goods. They are living in cloud-cuckoo-land. Every objective survey I could point to—and if I had an opportunity I could get the names of the surveys—will indicate differently. People are not discouraged from using private transport no matter how much the price of diesel or petrol goes up.

As Senator Mackay eloquently put it today, the Victorian Road Transport Association said today in their press release that the price of goods supplied to people in shops and other commodities throughout the state of Victoria will increase substantially over the next period. And why is that? Because of the government’s policies. What will affect that? Inflation. This is something over which the government have control. Our original motion by Senator Cook urged the government to take action, to nip this in the bud, to protect themselves from inflationary effects that may occur as a result of these decisions. However, by the government voting down our motion today, they will not be able to have these issues fleshed out and they will not have the opportunity to act under the guise of a Senate committee report, if it went that way.

I also point to part (a)(ii) of the Democrats motion, ‘developing alternative fuel options’. If the Democrats are accusing Labor of having a 48th or 49th inquiry into petrol or diesel, I could accuse them of not being forthright and honest in relation to the number of inquiries there have been into alternative fuel options. There is major pressure in Europe and North America about fuel standards. There is a huge debate under way in California about low sulfur fuel. I want to point this out: on fuel quality, early indications are that low sulfur diesel needed to meet the emission standards that are being sought—that is Euro 4 or Euro 5 emission standards—will probably add 10c extra a litre. So even if we embark on a situation where we are going to reduce the amount of sulfur in diesel, we are going to increase the price by at least 10c a litre for that diesel. And there are no alternative or economically viable schemes coming along to replace the dependence—whether or not we like it—we have on diesel and petrol.

Under this inquiry that is being sought by the Democrats, we are being asked to investigate a situation where we will be advocating increased diesel prices over the next few years, and this will occur because of our commitment to meet the standards over the next few years. Let us not live in fairyland, cloud-cuckoo-land or anywhere like that. The Democrats know exactly what they are doing, and they are doing it for the wrong reasons. There are no viable reasons for what they are advocating. Behind this is their dislike of private transport, whether it is by car or by truck. That is what is really behind this. Their misguided logic is this: increasing the price of fuel—whether petrol or diesel—will discourage private passenger use and will discourage companies from using trucks to transport their goods. That will not occur, as I said, in my lifetime or in the lifetime of my children, because we are dependent on it.

The next part of the Democrats motion—(a)(iii), ‘restructuring motor vehicle registration charges’—goes to show how much research, I imagine, the drafters of this motion did. Earlier this year, the National Road Transport Commission made recommendations to the Australian council of transport ministers in relation to charges for heavy vehicles. Mr Acting Deputy President, you may be aware that in 1995 in this country there were 10.2 million passenger and light commercial vehicles, 340,000 rigid vehicles and 600,000 articulated vehicles. The NRTC reported to the Australian council of transport ministers and made some recommendations. As I have pointed out, this is in relation to the Democrats motion at section (a)(iii), ‘restructuring motor vehicle registration charges’. This year the NRTC has recommended: for two- and three-axle vehicles, a proposed increase of two to four per cent;
for B doubles, a proposed increase of 15 per cent; and for three- and four-axle articulated vehicles, a proposed increase of 30 per cent. And, as I understand it, the states are in the process of implementing this recommendation. So we have already dealt with (a)(iii).

Once again, I come back to what might be an obsession of the Democrats, and that is mistakenly thinking that, by their actions, they are going to discourage people from using private vehicle transport or from using heavy vehicles or light vehicles to transport goods. That will not occur. This is, as I have stated, a misguided—but probably well-meaning—attempt by people who really have not concentrated on the issue and looked at how they might address this dependence that we have on private motor vehicles.

If you look at it, it is a city-country divide. In the motion there is also a reference to looking at a subsidy scheme or some sort of differential between city and rural motorists. I remind the mover of the motion that, earlier this year, or it could have been last year, a High Court case was taken by Mr Ha against, I think, the South Australian government. The South Australian government deliberately did some cross-subsidisation—I think that is what it was—of South Australian rural motorists. The High Court struck down that differential. I think you may recall, Mr Acting Deputy President, that at some stage Peter Costello was looking at some sort of means by which to apply some differential between country and city operators. He has not been able to do it. Constitutionally, he will not be able to do it. It is bunkum for the Democrats to come in here and put forward this motion that we should be investigating it. Investigate it all you like, it will not change. Mr Costello and the coalition have done their best to see if they can do something like this. It cannot be done. If we are going to talk about people being fair dinkum, maybe the Democrats themselves should look at how they are going to operate on this. If this is a means by which they can slither out of supporting our motion and go back to their cafe latte set in Sydney or Melbourne and say, as they jump into their Jags, ‘We have done our best,’ then good luck to them.

If we are serious about trying to redress the difficulties that Australian families and companies are facing with these hikes in petrol and diesel prices, then the only way forward would have been for the Democrats to support our motion today.

I want to finish on one other thing that concerns diesel prices and the issue that the Democrats are trying to raise about social issues and increasing public transport. In the diesel grants rebates scheme that the government put forward, even though they were made quite aware of it, almost all urban buses operated by private bus companies are excluded from being able to make application to the diesel fuel rebate scheme. On 1 July their bus fares would have gone up because they are not in the zone that would attract the rebate. They are not in that zone. So much for their concern about trying to encourage people to move from private car usage to public transport. This is not a genuine motion; this is what I said earlier it is: an opportunity for them to slide out of their responsibilities.

Senator Harradine (Tasmania) (6.08 p.m.)—I will not take much of the Senate’s time. I think what has needed to be said has, in fact, been said and I would only be going over what the Senate has already heard. The reason that matters are referred to committees—normally speaking—in this chamber is in order for the committee members and, through the report of the committee to the chamber, the whole of the chamber to understand the facts of a situation. The purpose of referring matters of major public policy to committees is also to allow persons affected to come before the committee and give the committee their experience as to how they are affected.

In this particular instance, those who are affected really are those least able to bear the burden. I am referring particularly to working families, those who are almost on the breadline. These are the ones that will mostly be affected. There will be others, of course, affected directly. Regional Australia, as has been said during the debate quite frequently, will be particularly affected—not least of all, my own state of Tasmania. Spare a thought for the truckies, for those people in the trans-
port industry. They are working extraordinary hours at the present moment. I use the word 'extraordinary' because we have all seen and studied the figures relating to deaths of persons who are in the transport industry. The pressure is on them at the present moment, and they do not need this further burden.

This afternoon we have had the proposition by the opposition and the proposition by the Australian Democrats. An attractive part of the proposition by the opposition was that it had a reporting date in early December. One of the purposes of referring a matter to a committee is to come up with a report, based on facts, which will provide a self-evident path which the government and others would follow in order to achieve the objective outlined by the committee's report. In the opposition's proposal, the opposition did have a number of matters to be investigated and into which the committee would inquire—and to most of which, frankly, the answers are already known. But it would have been a useful exercise, I think, to focus the attention of government and others on what is actually occurring. I notice that the proposition did not mention the word 'excise' by name—although subparagraph 1(e) would have been able to be utilised, I suppose, to get from the Labor Party what its view is about the whole issue of the excise. Nonetheless, I did vote for the opposition's proposal, and the reason I did so was that I thought it did at least focus on the issues as they are now.

The Australian Democrats motion, which we are discussing, does not have the sort of immediacy that I think is required. Nevertheless, it does raise issues, including the alternative policies that can be developed to reduce the impost of petrol price rises on households, and it goes into the question which is on a lot of people's minds: Australia's reliance on fossil fuels and the effect on greenhouse gas emissions. I must say, though—to be quite frank—that, for the people that I move amongst, that is not high on their thinking at the present moment. Their thinking is, 'How are we going to make ends meet this week, as a result of a hike in fuel prices?'

I was hoping that the Democrats and the opposition might have come to some sort of agreement on the matters in question, because some of the things raised by the reference we are currently considering would be very worth while inquiring into. I must express my regret that there was no agreement. But having some sort of an inquiry is better than having none, because the matters will be canvassed and, no doubt, whether the proposers like it or not, certain people will come before the committee and give evidence on some of the matters that are pressing more on the minds of the public than are some that are specifically mentioned for inquiry.

After all of that—not that it will make a great deal of difference—I also will be voting for the proposal. But I really believe that that should not be used to sidetrack a government or used to lessen pressure on the authorities to do something about this matter immediately. A lot of the people I am thinking of just cannot cope with further rises. Some suggestion was made—I think it was by the minister—that there are likely to be further price rises caused by international factors within the next few months. We all realise, of course, that this is a matter largely about which the government has little control. But there are other areas—and I am not going into them as they have all been canvassed—where the government does have the opportunity to ameliorate the problem, the very real and big problem, that is faced by the community, particularly those who are most vulnerable.

Senator GREIG (Western Australia) (6.18 p.m.)—I take this opportunity to sum up briefly, mercifully. In closing this debate, I must say that I share some of Senator Harradine's disappointment that some kind of accommodation could not have been met. I do not believe that the proposal we put forward was unreasonable. Throughout much of the debate—such as it was—I heard time and time again from Labor senators their particular preference for going down the path of some kind of inquiry in terms of investigating petrol price rises, their cause, how the money is being accumulated and where it is going. Yet I remain convinced that those
things are covered in items (b), (c) and (d) of our motion, and I cannot see why Labor could not bring itself to support that.

Senator Cook spoke first and accused me of having a reasonable and carefully moderated voice. I do not know quite how to respond to that, other than to say that I have yet to be convinced that apoplexy is the way to go. He argued also, as I have said, that what we Democrats ought to be doing and what the Senate ought to be doing is going down the path of Labor’s repeated call for yet another review. There have been so many reviews that I do not know why Labor does not just go the whole hog and have a musical! But 49 is, I think, enough. It is not enough simply to have a review or, for that matter, simply to have a Senate inquiry: we must act on the recommendations thereof. I wonder how many of these 49 reviews remain in dust jackets on shelves, waiting for their 50th counterpart.

Senator Kemp spoke and gave us 26 minutes of roll-back and two minutes of why the government would not be supporting the Democrats motion. Mr Acting Deputy President, I share your concern: to this point in time, I still do not understand why the government, nor do I understand clearly whether or not it was, was in fact cementing its position of opposition to this motion.

My colleague Senator Allison picked up on the points which I had noted in listening to Senators Cook, Mackay and others about the question of what was happening to the windfall tax revenue. Senator Cook seemed particularly agitated by that point, and again I come back to items (b), (c) and (d) in the Democrats motion, which I believe would have adequately covered that.

Senator Mackay made reference to Senator Woodley and made a point of noting that he was not here. For the record, Senator Mackay, I should point out Senator Woodley’s keen interest in this issue, particularly for his rural and regional constituency in Queensland. But he did, in fact, have another engagement and, to the extent that I can, I extend his apologies.

Senator Mackay spoke also of rural and regional disenchantment. I have no doubt that that is very real in Tasmania, as it is in other parts of Australia. But one of the key reasons that we Democrats have proposed this motion and phrased the terms of reference in the way we have is that maybe—maybe—we can address some of that. One of the points that I have tried to make strongly here today is that, once we acknowledge—and we really should acknowledge—the reality that petrol prices have increased and that there is an unexpected windfall of revenue for the government, why cannot we use some of that revenue more sensibly in rural and regional areas?

Senator Cook made the point, for example, that where his electorate office is in Kalgoorlie there is very poor public transport. I think that is what he said from memory; it was a while ago. Perhaps if we could reasonably and realistically use some of this unexpected revenue quite specifically to upgrade and improve the public transport that exists in rural and regional Australia, that would be one of the things that this committee could and should address.

Senator Murphy, who is now in the chair, then spoke, goading us Democrats as to why we did not lock this in in the GST deal. We could not get everything. We got an awful lot, but we could not get everything. My rhetorical question to you is: what did you do in 13 years of government? Where were the alternative fuel policies then? Where was the public transport infrastructure then? As Senator Lees said quite rightly at the time—and it is worth echoing—the Democrats were able to achieve more in 13 days of negotiation with the government than was achieved in 13 years of negotiation with previous ALP governments.

Senator Bartlett then spoke. He also seems to have a reasonable and carefully moderated voice—monotone, some would argue. He reiterated his passion for environment issues, and there is no doubt that he is sincere about that. More importantly, I think he spoke quite honestly about the fact that we must simply recognise that this is the scenario we have, that this is the GST ANTS package we have, that this is the global political climate we have and that we need to respond to that reasonably. Shri l calls from the Labor Party—for purely political reasons—for an immedi-
or purely political reasons—for an immediate reduction in petrol prices as we enter what is effectively an election year are simply unacceptable when the issues are more serious and deeper than that, as Senator Harradine indicated.

Senator Hutchins spoke, sounding a little like a cracked record, as he was following three or four of his colleagues. He made a point which I must take issue with, and that is that the Democrats have a particular dislike or disapproval of private transport and that our passion for this issue was driven by that. I must refute that and say that it is not the case. We acknowledge the reality that many Australians enjoy the use of personal and private transport, but that is no reason to become complacent. The point I made in my opening remarks to this motion is that we should not simply take it for granted that a car must be available for everyone and that fossil fuels are here to stay. We must—I repeat, must—look at sensible public transport options and alternative fuel provisions. Senator Hutchins suggested that better public transport with alternative fuels simply will not occur because that is not part of the Australian mindset, but that is not enough. We Democrats argue that greater leadership is required here.

Finally, Senator Harradine spoke, particularly with regard to the committee process, and I share some of his concerns about that. Senator Harradine seemed to feel that a greater sense of immediacy was required in addressing this issue. In response to Senator Harradine’s concerns—unless I misunderstood him—that those people who may want to present themselves to the committee process or to provide submissions to it will in part be disenfranchised working people, I suggest to Senator Harradine that, that being the case, if we keep the reporting date as the first sitting day in February then we keep that relatively slow social period over Christmas and the school holidays and the slow working period of January-February and the new year. That will perhaps provide some opportunity for those people to participate in the committee process. They might not be able to do so if we were to hasten this to a November reporting date.

In closing, I reiterate my party’s position and its clear preference for these terms of reference on fuel policy to proceed in the way that we have outlined and I have spoken to. I believe the issues, particularly the issues of public transport and alternative fuels, are worthy of serious debate, not just here and now but in the committee process. The end result should be that we do something serious about it. We do not want this to become yet another dusty report on a shelf somewhere. I commend this motion to the Senate and believe it is worthy of support.

Question put:
That the motion (Senator Greig’s) be agreed to.

The Senate divided. [6.31 p.m.]
(The Deputy President—Senator S.M. West)

Ayes………… 10
Noes………… 45
Majority……… 35

AYES
Allison, L.F. Bartlett, A.J.J.
Bourne, V.W * Brown, B.J.
Greig, B. Harradine, B.
Lees, M.H. Murray, A.J.M.
Ridgeway, A.D. Woodley, J.

NOES
Abetz, E. Alston, R.K.R.
Bishop, T.M. Boswell, R.L.D.
Brandis, G.H. Calvert, P.H.
Campbell, G. Carr, K.J.
Chapman, H.G.P. Collins, J.M.A.
Cook, P.F.S. Cooney, B.C.
Crane, A.W. Crossin, P.M.
Crowley, R.A. Eggleston, A.
Evans, C.V. Ferris, J.M.
Forshaw, M.G. Gibbs, B.
Gibson, B.F. Heffernan, W.
Herron, J.J. Hogg, J.J.
Hutchins, S.P. Kemp, C.R.
Ludwig, J.W * Macdonald, J.A.L.
Mackay, S.M. Mason, B.J.
McGauran, J.J.J. McKiernan, J.P.
McLucas, J.E. Murphy, S.M.
O’Brien, K.W.K. Patterson, K.C.
Payne, M.A. Ray, R.F.
Sherry, N.J. Tambling, G.E.
Tchen, T. Troeth, J.M.
VansSTONE, A.E. Watson, J.O.W.
West, S.M.
* denotes teller

Question so resolved in the negative.
TELECOMMUNICATIONS
(CONSUMER PROTECTION AND
SERVICE STANDARDS) AMENDMENT
BILL (No. 2) 2000

Report of Environment, Communications,
Information Technology and the Arts
Legislation Committee

Senator CAL VERT (Tasmania) (6.36
p.m.)—On behalf of Senator Eggleston, I
present the report of the Environment, Communications, Information Technology and the Arts Legislation Committee on the provisions of the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000, together with the Hansard record of the committee’s proceedings, tabled documents and submissions.

Ordered that the report be printed.

PETROLEUM EXCISE AMENDMENT
(MEASURES TO ADDRESS EVASION)
BILL 2000

Second Reading

Debate resumed from 28 August, on motion by Senator Ellison:

That this bill be now read a second time.

upon which Senator Cook had moved by way of amendment:

At the end of the motion, add “but the Senate:

(a) condemns the government for its inaction on the dangerous practice of fuel substitution and, in particular, for allowing the Australian Taxation Office to cease random testing of fuel;

(b) notes that fuel substitution is a dangerous practice that reduces engine performance, leads to total breakdown of engines, defrauds the Commonwealth of millions of dollars in revenue and harms the environment;

(c) notes that the Commonwealth Parliament has a responsibility for ensuring that fuel substitution does not occur, including the testing of retail fuel; and

(d) calls on the government to ensure that the activity of fuel substitution is really brought to an end”.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (6.37 p.m.)—by leave—I amend the motion to read:

At the end of the motion, add “but the Senate:

(a) condemns the government for its failure to take any responsibility for skyrocketing petrol prices; and

(b) condemns the Prime Minister (Mr Howard) for promising that petrol prices would not rise as a result of the goods and services tax (GST) when he had no intention of keeping this promise; and

(c) notes the total failure of the National Party of Australia to ensure that the country-city fuel price differential did not get worse as a result of the GST”.

Last night, at close of play, I was part way through my address on the second reading of the Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000. Anyone could be forgiven, on seeing the plain title of this bill, for thinking that “measures to address evasion” may well have referred to the government’s duplicity with Australian motorists over how they have pumped up the price of petrol at the bowser in Australia through various tax measures, particularly the GST, which they applied as a tax on a tax—a tax on the excise—making Australian motorists pay more than they need to. This afternoon we saw the Labor Party’s proposition for a proper inquiry—which set out the options for change and the handing back of some of this windfall gain to Australian motorists—defeated by a combination of the government and the Australian Democrats, the two authors of the GST, who were protecting the impact of the GST from parliamentary scrutiny and closer examination.

The terms of my amendment quite clearly nail part of the responsibility for the higher prices Australian motorists are paying onto the government and, if carried, would express the view of this chamber that the government should act to lower the costs to Australian motorists. The amendment now notes that the National Party has failed to do anything, as the significant regional political force in the coalition government, to reduce the yawning gap between country and city
fuel prices. The differential has only got worse as a consequence of the GST; it has not got better.

This substantive bill is about fuel substitution and about the government at long last succumbing to the blandishments and encouragement of the opposition—propositions that we raised in 1997 to legislate to prevent fuel being watered down, toluene being added to the field or fuel being tampered with so that people buying petrol were getting something less than what they paid for. Companies engaging in this practice were escaping their full obligations to the tax system, culminating in a drain on government revenue—according to one of the witnesses that appeared before the Senate committee that conducted an inquiry into this bill—of $300 million a year. In a press release in January 1998, Minister Warren Truss proudly announced the government's action to stamp out fuel substitution. It stated:

The Federal Government is implementing strict new laws ... to combat the loss of revenue and stamp out dangerous and illegal practices resulting from fuel substitution.

The government was very clear about what it was doing then with its legislation. The government said it was going to stamp out fuel substitution. But at the Senate Economics Legislation Committee, my colleague Senator George Campbell asked both the Australian Taxation Office and the Australian Customs Service about who had responsibility for carrying out the government's wishes and ensuring consumers were not harmed by substitution. It is instructive to now go back and look at the answers then given to what was a straightforward and plain question. Mr Jackson, from the tax office, said:

Our legislation does not empower us to deal with the quality of fuel. If people want to mix half a litre of water with half a litre of petrol and say that is petrol and, if they pay the excise on it, they have paid the excise.

At that point, as far as the tax office was concerned, as long as you paid the tax due it did not matter whether you mixed water with petrol and sold it as petrol. But then Mr Burns from the Australian Customs Service said in response to the same question from Senator Campbell:

I think the point is that it was not Customs' responsibility, but it was the responsibility of either other government agencies or state governments.

Customs wiped its hands of it. At the time, Senator Kemp said it was one big duck-shove. Both agencies said that there was nothing they could do about carrying out Minister Truss's wishes to stamp out the dangerous practice because they did not have the power. Whatever the government said back in 1997 and 1998, the Taxation Office and the Customs Service—bear in mind that these were the appropriate agencies—were not able to deliver what the government said it intended to do because they lacked the capacity or the legislation to implement the government's wishes.

The bill before us seems, in a sense, to confirm what the tax office and Customs were saying: that, despite the brave predictions and promises of the government, they did not have the agency per legislative authority to do what the government said and, as a consequence, we now have this legislation. As I have already said, it has been a long time coming and, because we have waited a long time for it to come, the problem has got worse. Since July last year, when the tax office took over control of fuel substitution from Customs, a total of only 42 sites around Australia have been tested to see whether fuel substitution is occurring. Of those 42 testings, a total of eight instances of fuel substitution were discovered—so it is still going on. To get a strike rate of eight out of 42 is a fairly high percentage—a 20 per cent incidence of fuel substitution. Compare that meagre number of 42 sites tested with the actions of Customs when they had responsibility for this in the previous year. Their annual report for 1998-99 reported that they had visited 551 sites and had found 52 positive instances of fuel substitution.

So once again Customs detected a very serious level of fuel substitution. But instead of the government acting on that, once it found out there was this kind of problem, it reduced the number of tests. As I said, there were 42 tests last year and 551 tests in the previous year, and from those 42 tests we see a 20 per cent incidence of fuel substitution. This is a serious problem in the community and it is a
wonder that it has taken the government so long to act. The opposition were concerned to participate in the Senate inquiry into this legislation. The Senate Economics Legislation Committee conducted an inquiry into this legislation in August this year—earlier this month—but the Labor senators involved in the inquiry were not satisfied that the majority conclusions of the inquiry properly raised public interest issues about whether or not the government had acted quickly enough to staunch this haemorrhage to revenue and overcome the duplicity exercised towards motorists on fuel substitution. As a consequence, the Labor senators appended a minority report to the majority report.

This is a fairly detailed document and I do not intend to go through all of it, but one of the questions it poses stands out. It is a question that I now refer to. The ministerial council is the body through which Commonwealth and state ministers responsible meet to see if there is a possibility of coordinating action between the states and the Commonwealth. On a matter like this it was not surprising that, when they convened the CBAV, they—along with the New South Wales and Queensland governments—advocated a 10-point plan to deal with fuel issues. I now refer to the minority report. In particular—and I refer to this New South Wales, Queensland and CBAV report—point 3 of that plan dealt with fuel substitution. It called on the Commonwealth to:

(a) report to the Ministerial Council on Consumer Affairs, the MCCA, on whether the proposed Commonwealth fuel standards would be adequate to take action under trade practices legislation in order to protect consumers from contaminated fuels; and

(b) ensure an adequate level of testing by the Australian tax office, formerly Customs, is conducted to minimise excise abuse.

What I now foreshadow is that in the committee stage of this legislation I will ask the minister directly what the government have done about that proposal. Why did they not accept that proposal at the ministerial council? It would have attended more rapidly to this problem I have referred to and been a more comprehensive way of dealing with it. And what do they intend to do about this in the future? It seems to me they are fairly fundamental questions. While we support this legislation, we believe it has been slow in coming. Part of fairness and justice in the tax system goes to acting promptly once a problem is identified and remedying it expeditiously. Here the government have clearly dragged the chain—they have made brave promises to the electorate and not honoured them until they brought forward this legislation after some considerable time.

Let me now draw my remarks on this bill to a conclusion by referring to the additional amendment that I have moved. We know that in Australia today the significant public debate reflected in newspaper coverage and the electronic media is the question of the white-hot anger of Australian motorists over the high price they are paying at the bowser for petrol. This is an issue that is not unrelated to the legislation before the chamber. But let me just draw this comparison. Of course part of the driving force for the higher prices being paid by Australian motorists is the import price—where OPEC, on behalf of oil producing countries, have squeezed the world market to force the price to rise. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

DOCUMENTS

Australian Trade Commission: Review of the Export Market Development Grants Scheme

Senator CARR (Victoria) (6.45 p.m.)—I move:

That the Senate take note of the report.

Last year in the Senate I raised the question of a group of companies operating on the international education market that were operating in Australia as providers of educational services to overseas students and that had received grants under the Export Market Development Grants Scheme. In that discussion I raised the question of some 20 educational institutions that had received grants and subsequently lost their registration within Australia as a result of various levels of irregularity or from going out of business. But I was particularly concerned about how the Department of Foreign Affairs and Trade was providing export development grants to companies which were clearly operating out-
side of the law and, in some cases, providing grants to companies where the inappropriate actions of those companies clearly brought into question Australia’s international reputation within the educational export industry.

Since then I have been assured by various officers of the Department of Education, Training and Youth Affairs on several occasions in Senate estimates hearings that this problem would not arise again, because there were now much better liaisons between the Department of Education, Training and Youth Affairs, Austrade and a range of other Commonwealth departments and that there was a new interdepartmental committee. Naturally enough, I always accept the assurances of the Department of Education, Training and Youth Affairs on such questions, because I know that over the years they have always been able to be on the ball on these sorts of issues!

Senator Cook—Are you using irony?

Senator CARR—This is an ironic comment, Senator Cook. The problem has been that, while I have noticed that this year’s export development grants report indicated the situation has improved dramatically—and to this extent one has to take some assurances, as I say, from the Department of Education, Training and Youth Affairs—I nonetheless remain very concerned that a number of problems seem to have slipped through the net. I know, for instance, that Alpha Beta College, which is an educational service provider operating mainly in New South Wales, has received a grant for some $23,000 this year. I understand that this is a college that is subject to ongoing investigation by the various levels of government, both Commonwealth and state, between DETYA and DIMA. It is my understanding this is a college that received a grant of $6,000 last year, so it has actually seen an increase in its level of grant, despite being under investigation.

Excelsior College, according to the reports in the *Sydney Morning Herald* on 22 July, was on the brink of closure by the New South Wales government, and according to the answers I have received from the department it has been subject to ongoing investigation of a quite serious nature, yet it has managed to receive $25,000 to sell itself overseas. This is a college which I suggest is posing a serious risk to our international reputation. I was able to table company records in a Senate estimates committee which showed that a very large number of students involved in that college were not actually attending the college, that in fact 14 of the 33 students enrolled were not actually paying their overseas student health charge, which is an important criterion in terms of the operation of the ESOS act. And we noticed a number of agents who have very dubious practices were employed by this college. And we noticed that there were a number of interlocking directorates between these agencies and various other unscrupulous operators operating in Sydney. So I am shocked to find that Excelsior College managed to score itself a grant this year. I am troubled that this is a pattern that is emerging. I notice, however, that there are others in a similar situation.

I am also disturbed that there are operating in Sydney agencies that you would think would know better. The Uniting Church, I understand, has leased its CRICOS registration and its registered training organisation registration to a company known as the Wesley Institute for Language and Commerce, also known as the Vision College, at the Sussex Centre at 401-403 Sussex Street. It is run by Rachel Ong, who also runs a college known as the Sydney Institute of Business. This college collapsed just last week, leaving I understand 600 students in the lurch, 200 of which have been reported for non-attendance. Many of the 600 ought to be reported for non-attendance, but the records do not seem to exist. You have to ask yourself why it is that the Uniting Church can lease out its name and not understand the full implications of the law. (Time expired)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (6.55 p.m.)—I too wish to speak on the Australian Trade Commission’s review of the Export Market Development Grants Scheme. I make note of the very appropriate points that my colleague Senator Carr has just made about some education exporters. However, the focus of my remarks goes to the very nature of the scheme itself. It should be said that the Export Market Development
that the Export Market Development Grants Scheme is the foremost mechanism that is used by government to encourage small to medium sized Australian companies to access the export market. It is a scheme that has a long history. Its genesis was in the Whitlam government. That gives you some idea of how long the scheme has been around.

Since the advent of the Howard coalition government the scheme has undergone remarkable surgery which has made it less effective and, therefore, less able to help lever small to medium sized Australian companies into the export market. Because the scheme has imposed blockages and hurdles for access for small business the potential gains to the nation through new exports has been lessened. This is hard to calibrate, and particularly difficult given the Asian currency crisis from 1997, when the decline in countries in our near region as export markets meant that opportunity was lessened. It has been hard to actually get a clear fix on what damage the government’s changes to the scheme have done in not taking the maximum potential that was there for Australian exporters.

But now that the Asian economies are back in strong growth (with the possible exception in these circumstances of Indonesia, but one hopes that will change) and the complexion of our markets in ASEAN has improved—there are still strong markets elsewhere in the world; notably, the United States has been the major locomotive for world economic growth, and supported interestingly over the last few years as well by stronger growth in Europe and by China’s continual strength, at between six or eight per cent, depending on whether you believe official or unofficial estimates of growth; and now at last we see Japan coming from negative growth back to a more promising position of growth—the question arises as to whether this scheme serves the purpose the nation supported it for, or whether this scheme requires now to be reviewed and made more effective. With stronger international markets, quite clearly greater opportunity exists. What this scheme does do is overcome one of the essential requirements for small to medium sized companies: it provides a measure of accessing market intelligence about what opportunity for a company might be somewhere else in the world and it provides a rebate on expenses incurred to make contacts with possible clients. It is a coalface scheme aimed at linking up sellers with buyers, to our national advantage.

There has been a review of this scheme. Interestingly, while the review has proposed an extension of the scheme for five years, I think it could have been longer, because the stop-start nature of these things is in itself a deterrent. The hurdles that have been introduced are hurdles where bureaucrats make judgments about entrepreneurial opportunity. We think that is wrong. Bureaucrats are not the people that should make those judgments; entrepreneurs should. The government would be better advised to seek private sector advice about some of the judgments it makes about whether or not it should make a grant. The government has maintained a $150 million cap on the scheme. With a growth market in the world, to limit the opportunities of Australian companies to that cap, given that when the world economy was stronger seven or eight years ago the scheme was valued at over $200 million, means that the government by being penny-wise is pound-foolish and, if you like, cramping the effectiveness of the scheme.

One of the other recommendations of this report is that producers of X-rated videos cannot access the scheme. This is an odd bit of moralistic judgment. If their businesses are legal in Australia—and they are—they ought to be able to access the scheme, because there is a ready market for their product in the world. If their businesses are illegal, they should not.

Question resolved in the affirmative.

**Australian Trade Commission: Export Market Development Grants Scheme List of Recipients**

**Senator COOK** (Western Australia—Deputy Leader of the Opposition in the Senate) (7.02 p.m.)—I move:

That the Senate take note of the document.

This is the second report. The report that was before the chair and that attracted an inter-
vention in the Senate by my colleague Senator Carr and me was the first item called on under this agenda—that is, a review of the Export Market Development Grants Scheme under the Export Market Development Grants Act 1997. The first document reported June 2000 grants; this document reports August 2000 grants. Therefore it is, if you like, a month plus one later, but it is the same subject. I wish to return to some of the comments I was making about the scheme in general.

As I was saying, with a stronger global economy, greater potential exists for Australian companies to win markets overseas. This scheme operates, and has done for a long time, to help small to medium sized companies rebate some of their costs in doing that. We all have an interest in this scheme because, clearly, the more contracts they win, the more exports we as a nation make. A recent survey by Austrade showed that workers employed in companies that predominantly are exporters earn more than workers employed in companies that are not. It showed that workers employed in companies that are predominantly exporters have a higher level of job satisfaction, have a higher level of occupational health and safety and are, on a range of other indicators, better off. That mirrors a world trend. Export industries, because they are more competitive globally, tend to be better employers and remunerate their workers at a higher level. So not only is there is a virtuous circle here in encouraging macro-economic growth through expanding our exports but also there is a virtuous circle that reaches through the companies to their employees, and thus into the wider society. So any tinkering with this scheme is something that ought to commend itself to the attention of this chamber, which from to time debates these issues of broad national policy.

The government, at the joint request of the Australian Democrats and the Australian Labor Party—I acknowledge the contribution of Senator Stott Despoja, who is not in the chamber but who moved the resolution, supported by me at the time—accepted a proposition from us that there be a review of this scheme. The findings of that review have now been released. The one point on which I had not concluded my remarks concerned the bizarre finding of the scheme that X-rated movies produced in Australia would not attract financial support from the scheme. I do not understand why it is that a moralistic view should be intruded here, because the work that these companies do, whether I approve of it or not, is legal under Australian law, and markets to which they export would require that their product be legally acceptable in those markets. So it seems to me to be an odd discrimination to make. I want to go on the record now as saying that it is not a discrimination that we would make. If their product is legal in Australia and legal in the markets to which they export, they ought not, like any other company, be discriminated against, in our view.

The other recommendation of the report which is more damaging from an economic point of view is the recommendation that a cap of $150 million be imposed on this scheme. My recollection is that, in the year 1994-95, expenditure under this scheme was in the vicinity of $227 million. That meant that more small to medium sized companies accessed the benefit of this scheme than a cap that reduced the expenditure under the scheme to $150 million would allow. An independent assessment—an audit of the scheme—by an econometrician from the University of Wollongong showed a return to the nation of one to 27 and up to one to 36—that is, for every one dollar spent, the return was maximised by 27 or 36.

Question resolved in the affirmative.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Rural and Regional Australia:
Development

Senator TIERNEY (New South Wales) (7.07 p.m.)—I rise tonight to express my belief in the future of small country settlements in Australia. I have found that communities, particularly out in the west of New South Wales, where I visited recently, in terms of
their lifestyle and what they are trying to achieve, are truly inspirational as they grapple with very difficult economic circumstances, climate circumstances and market circumstances to maintain what historically for them has been a country lifestyle.

I want to illustrate this message of hope by telling the Senate about the region of the Macquarie Valley in north-west New South Wales and how it has been able to change and adapt to shifting economic forces and how particularly the Narromine and Warren shires are trying to stay one step ahead. They have formulated a plan which they call the Macquarie 2100 plan. Communities like Narromine need strategies like this if they are to have a future because, over the last 100 years, the countryside has been slowly drained of people, of economic activity and of services. The main beneficiaries of this process over the last 100 years have been not only big cities like Sydney but also some of the smaller regional centres such as Bathurst, Wagga and Dubbo, who have over time drawn people and resources from the surrounding countryside.

A basic question we should ask ourselves in terms of the future development of Australia is: do centres of around 3,000 to 4,000 people have a future or should they perhaps pack up and move to larger centres? That was certainly the thinking of one academic in recent times. Dr Forth from Deakin University told a conference on the future of regional Australia—and he also repeated this on Radio National’s AM program—that towns with a population of under 4,000 had to face up to the harsh economic reality that they are not viable and people should move to areas with better services and facilities. Dr Forth told the AM program that, in towns of falling population, there will be a high proportion of elderly people who are increasingly disadvantaged. They will not be able to access basic services such as health and banking, and these places could become poverty traps.

I do not know whether Dr Forth has actually gone out into rural and regional Australia. Some towns and some centres are certainly doing it tough, but there are vast areas of Australia where small centres of this size that he would like us to shut down are absolutely thriving. Just after he went on the radio to talk about this across Australia, I was out in western New South Wales and I visited Dubbo, which is a very large, thriving centre of over 50,000 people, but I also visited Narromine just up the road which has a population of under 4,000—3,500, to be exact—and this is the exact sort of centre that Dr Forth suggested should shut down in Australia.

When I was talking to the local council, they were not very impressed with his comments. There they were in the thriving Macquarie Valley, which is a great centre of the booming cotton industry in Australia. The town performs a servicing role for that industry and a number of other agricultural industries in nearby smaller towns, and they are doing just fine. They want Dr Forth to know that their town is certainly far from dead. They want to make sure it stays that way. That is why they have formulated this plan—Macquarie 2100—which is a 100-year plan for their future survival in that area, which includes the townships of Nyngan, Warren, Collie, Trangie, Dandaloo, Narromine and the appropriately named Nevertire. All of those towns I have mentioned have populations of under 4,000—they are the type of town that Dr Forth would like to shut down.

The townships are part of the floodplain of the lower Macquarie Valley. The population of that valley, when you put all those towns and the individual settlements together, comes to a little over 10,000 people. There are 1,100 businesses in the area that employ over 4,000 people. The idea behind the Macquarie 2100 plan is for the locals to create a future for themselves and for their children. The underlying principle of the plan is that these communities recognise that they have a primary responsibility for their own wellbeing and that with careful planning they can create sustainable development in that region for at least the next 100 years. They do not want their town to die, they do not want services to leave, they do not want shops to close, and they certainly do not want crime to increase. These people want a safe and secure future for themselves and for
their children, and in Australia they certainly have that right.

They have developed the Macquarie 2100 plan over a number of years, and it is based on the ability of that region to adapt to changing economic circumstances. They see further changes coming and they are putting plans in place to adapt to these changes. Over time the economic focus in the Macquarie Valley has moved from beef and wheat to, more recently, the more intensive and more profitable cotton growing industry. This industry is also starting to slow so, like many agriculturally based communities, the other businesses in the area have to develop alternative strategies to grow and thrive. But when your main agricultural industry starts to move downwards, it does not take long for some of the basic services to start disappearing, and we should plan against this. Services in major towns such as Warren and Narromine certainly have not gone completely, but an agricultural profile by the Centre for Agricultural and Regional Economics found that the Macquarie Valley has been losing employment over the last two decades and that it is not really sharing in the growth of the New South Wales economy. Hence the need for a plan to get some of growth in the Macquarie Valley.

The community have highlighted a range of concerns that they need to address which they have divided into seven basic categories: economic viability, education and employment, health and lifestyle, chemical impacts, riverine and floodplain environment and water quality, salinity, and vegetation and biodiversity. The problems include concerns that they are particularly vulnerable to seasonal market variation for their products, that the number of people employed in all sectors is still dropping at a rate of one per cent a year, that youth unemployment is well above the average for New South Wales, and that the salt load in the Macquarie River is rising at about two per cent a year.

The people in the area have decided that, despite these problems, they have a future and it can be a bright one with good planning, but they have realised that they must act now. After countless hours of studying, researching and interviewing local people, the organisation has developed 32 aims to tackle these problems in the Macquarie Valley. The strategy involves: working towards a sustainable economy through business development; actively improving the availability of and access to quality information, education and training; sustaining and improving the riverine environment, water quality and ground water resource; and minimising the extent of salinity and its impact on the region. The Macquarie 2100 plan is a long-term vision that includes a number of short-term and medium-term aims, and certainly a number of short-term and medium-term projects. I am confident that, with the combination of community groups, councils, government agencies and private companies working together, their goals can be achieved.

The Howard government is very supportive of such partnerships. We were the first government in Australian history to hold an Australian regional summit, which discussed how to empower our rural and regional communities to leverage their own future development. That summit was held in October last year where the Deputy Prime Minister, John Anderson, gave a key address. He emphasised the notion of encouraging coalitions or partnerships between government, business and communities to find the realistic solutions to challenges faced by each region in Australia. The people in the Macquarie Valley are well on their way to achieving this, and I congratulate them for taking such initiative in the Macquarie 2100 plan. There is a need for these programs to be backed by appropriate local, state and federal policies. I believe, with the right assistance, people living in the region of the Macquarie 2100 plan will have a bright future.

Aboriginals: Stolen Generation

Senator HUTCHINS (New South Wales) (7.17 p.m.)—Over recent years this parliament and the broader Australian community have engaged in a strenuous debate about the history and future of Aboriginal affairs. Through the successive court cases of Mabo and Wik, amendments to the Native Title Act and the arrival of the Document of Reconciliation at Corroboree 2000 this year, this
debate has allowed the airing of various opinions of how Australia should perceive and treat its indigenous peoples. Many of these opinions have emanated from the extremities of the political spectrum and have done nothing to examine forms of redress for the stolen generation or to further the achievement of reconciliation.

The debate has progressed, however, with pastoralists, industrialists, legal practitioners and indigenous leaders amongst others making measured and considered contributions. These contributions have naturally led to the discussion of compensation and how any provision of financial assistance should be administered to Aboriginal individuals and communities that have suffered as a result of injustices. Tonight I would like to focus on the opinions of one of the most influential contributors to this debate, the Australian churches, and examine why they should contribute to any financial compensation that is paid to Aboriginals. In doing so, I will pay attention to the past and contemporary actions of three churches—the Catholic, Anglican and Uniting churches—and draw conclusions about past and present practices of Christian paternalism.

Over the past decade, Australian churches have individually and in unison been among the most vocal interest groups to encourage reconciliation. Back in December 1997, 20 church leaders from across New South Wales assembled in the St Mary’s Cathedral under the auspices of the State Ecumenical Council to declare:

With resolve we commit ourselves to reconciliation so that all may share with equity and justice, and live peacefully, in this land that is Australia.

This statement followed the declaration on 29 May 1997 by the Catholic Bishop’s Committee for Aborigines, which declared that the Catholic Church:

... stands in solidarity with the non-Aboriginal people who seek peace and reconciliation now in our land.

Following the Catholic’s lead, the Northern Territory Synod of the Anglican Church endorsed a resolution in June 1997 that:

... acknowledged the deep hurt and trauma suffered by our indigenous brothers and sisters by the unjustified removal of children from their families.

The origins of these statements can be traced back to the release on 26 May 1997 of Bringing them home: The report of the national inquiry into the separation of the Aboriginal and Torres Strait Islander children from their families. The report, compiled by the Human Rights and Equal Opportunity Commission under the chairmanship of Sir Ronald Wilson, a former President of the Uniting Church, contained numerous recommendations, including a national apology to the stolen generations, a national commitment to reconciliation and the provision of compensation to Aboriginals who have suffered injustices.

Whilst it is noted that the removal of Aboriginal children from their natural parents and indigenous communities was in accordance with the law of the time, the report found that the adverse effects on removed children have been and continue to be severe. Much of this suffering dates back to the housing of children in hostels, homes and missions run by church organisations. As the report noted, it was here that many Aboriginal children lost their indigenous identity and culture and were subjected to the worst elements of institutionalisation, physical and sexual abuse, and denigration. The report pointed to the effects of removal on the family, community and subsequent generations left behind, stating:

... the evidence clearly establishes that families and whole communities suffered grievously upon the forcible removal of their children.

As a consequence of their treatment, these people are still suffering from debilitating psychological and physical conditions that are hindering their participation in contemporary Australian society. The churches were quick to support these findings and admit their own culpability, with several offering their own apologies to Aboriginal children who were forcibly removed and placed in their care. In May 1998 the Catholic Church said that Bringing them home recorded:

... the assistance given to the implementation of these [government] policies, through the provision of institutional care, by a variety of agencies including the Catholic Church ...
It went on to:

... ask the victims of the policy of breaking up indigenous families for their forgiveness for any part the Church may have played in causing harm or suffering.

As recently as this year, the Anglican Church stated:

This Synod recognises the pain and suffering endured by Aboriginal people forcibly removed from their families and apologises for any of our Church policies that have ever contributed, in any way, to that hurt.

In addressing the idea of reparations for people adversely affected by forcible removal, *Bringing them home* recommended, amongst other things, measures of rehabilitation and monetary compensation. As the national debate has turned towards addressing compensation, churches have been very quiet on any financial liability on their part. However, they have not totally escaped scrutiny, with the findings of Justice O’Loughlin in Cubillo & Gunner v. The Commonwealth of Australia that were delivered on 11 August this year being of particular interest. In arriving at his findings, Justice O’Loughlin examined the circumstances and available evidence regarding the removal and institutionalisation of Mrs Lorna Cubillo and Mr Peter Gunner in the Northern Territory during the middle part of the last century.

Mrs Lorna Cubillo was taken in 1947 to the Retta Dixon Home for part Aboriginal children in Darwin that was operated by the interdenominational Aborigines Inland Mission of Australia. Mr Gunner was taken from the Utopia Station to the St Mary’s Church of England Hostel for part Aboriginal children in Alice Springs in 1956. At the time the hostel was under the control of the Australian Board of Missions. It is now run by the Anglican Church. In dismissing the applications of Cubillo and Gunner against the Commonwealth, Justice O’Loughlin determined that it could not be substantiated that the Director of Native Affairs, a Commonwealth public servant, had acted against the best interests of Mrs Cubillo or Mr Gunner or the wishes of their parents. However, Justice O’Loughlin did find that a missionary viciously assaulted Mrs Cubillo and that Mr Gunner was a victim of an assault and that they had had Christianity ‘shoved’ down their throats. In not finding against the Commonwealth, Justice O’Loughlin left open the liability of the Christian institutions that housed Mrs Cubillo and Mr Gunner. He noted:

It might be said that the Aborigines Inland Mission owed a general duty of care to Mrs Cubillo and so it might be said that Mrs Cubillo’s case pointed towards there having been a breach of that duty. I can say no more because the mission was not party to these proceedings and has not, therefore, had any opportunity to present an answer to her allegations. The same observation and qualification must be made in respect of Mr Gunner’s rights against the Australian Board of Missions.

Thus, it could be argued that in the cases of Mrs Cubillo and Mr Gunner the churches may have been responsible for their welfare after they were removed, during which time the churches’ legal duty of care to the children was breached. As such, the churches could be responsible for any compensation that any court or tribunal determined to be payable to Mrs Cubillo or Mr Gunner in the future. Any such assessment would be consistent with the admitted culpability implicit in the apologies of the churches already extended to Aboriginal people who have suffered at the hands of the church and the churches’ desire to see the realisation of reconciliation. By indicating that they would be prepared to admit liability in particular cases, support the establishment of a suitable tribunal to determine applications and pay compensation, churches would also avert the protracted legal disputes that have already caused additional grief and financial hardship to Aboriginal people pursuing justice. Such action would also prevent the Commonwealth from incurring further legal debts for the taxpayer following its $10 million defence of the Cubillo and Gunner cases.

The idea of the churches contributing to a compensation fund for members of the stolen generation has been previously supported by leading contributors to public policy debates—most notably in the submission of the Public Interest Advocacy Centre to the Senate’s Legal and Constitutional References Committee inquiry into the stolen generation. Such a fund could cover all individuals,
families, communities and descendants who have suffered as a result of forced removal. Part of its funds could be used in a similar manner to the Healing Fund established by the Uniting Church of Canada that has provided funds for counselling, cultural recovery programs and other worthy projects.

Any estimate of the amount of compensation churches may be liable to pay victims of the stolen generation is highly dependent on the quality of claims, the onus of proof on the applicant and the future policies of state and federal governments. As a guide, however, it is interesting to look at the situation currently unfolding with the Anglican Church in Canada. The church is facing 350 lawsuits from Indians who claim they were abused while interned at Anglican boarding schools. The church’s dire financial situation has led to predictions that it will be bankrupt by next year if these cases follow the trend of the 300 settled civil cases involving the Canadian government. By being proactive in this area, matching their rhetoric with money, Australian churches may be able to avoid some of the financial and personal angst that is now unfolding in other countries. In 1997, the Australian Catholic Bishops Conference declared, ‘If the demands of justice involve compensation, so be it.’ That time has now arrived.

East Timor: Independence

Senator PAYNE (New South Wales) (7.27 p.m.)—Exactly one year ago tonight, in the now well-known Turismo Hotel in Dili, delegation leader Tim Fischer gave me an early mark from dinner in preparation for a 3.00 a.m. departure for the western town of Maliana and the 6.30 a.m. opening of the polling station there. One year later, a lot of water and, tragically, the blood of many East Timorese people has passed under the bridge. The rebuilding process—both physical and psychological—is well under way but many challenges remain. I want to look at some snapshots of the progress tonight.

Independence brings a large number of responsibilities. Health, law and order, education, democratic freedoms and maintaining a healthy economy are just a few of those. In relation to health, the World Health Organisation campaign in East Timor began not long after the arrival of the INTERFET troops. WHO is endeavouring to prevent the spread of malaria, dengue fever and tuberculosis, to identify diseases such as Japanese encephalitis and to serve the needs of children’s, adolescents’ and women’s health. They are currently operating nine clinics and six hospitals in the six districts of East Timor. But there is much to be done—infant mortality rates are unacceptably high, as is the incidence of births attended by inappropriately skilled personnel; and leprosy and sexually transmitted infections are also on the rise.

But there are some encouraging signs of health improvements. The immunisation routines are in place; infection control methods are being implemented for diseases like malaria; measles management is being done by UNICEF; and the identification of childhood nutrition is under way by WHO. In addition, the Korean battalion of the peacekeeping force operates a four-day a month dental clinic for Falintil, providing treatment for non-Falintil local residents as well. The service runs every month until the return of the battalion to Korea.

In relation to education, in October this year UNTAET is aiming to begin preparations for the new school year. It is spending $14 million of the emergency money from the World Bank to build schools and purchase basic supplies. By all reports, the best way to get a smile from a child in Dili at the moment is to ask them for the name of their teacher. UNICEF is providing ‘Edukits’ and recreational kits, teacher training support and construction funds for the rehabilitation of schools. It is also providing food for teachers and students, as well as the really important things like footballs, volleyballs, nets and other recreational materials.

In terms of the economy, following the violence and wanton destruction, major rebuilding projects have been identified. There are six public buildings in Dili which have been listed as taking priority for reconstruction, with the provision of $US4.32 million for that process. In Bacau, the reconstruction of public buildings is also under way. Im-
portantly, of the 11 companies that have been awarded tenders for those projects, nine are Timorese owned. Japan has donated more than $US27 million for the rehabilitation of infrastructure. Funds will be used for the improvement of the water supply system for the Dili region, the rehabilitation of major roadways, the revamping of irrigation, the restoration of the Dili port and the rebuilding of power stations. In Dili, 20 successful local applicants have won approval for small business grants totalling over $300,000 as part of the Small Enterprises project—a program of the World Bank administered Trust Fund for East Timor. Even the first Employment Services Centre has opened in Dili with a staff of 15, with its challenging aim of focusing on and identifying prospective job vacancies in and around Dili.

In relation to the police, the AFP currently provides 80 police personnel to UNTAET. The Police Training College in East Timor was established earlier this year, and the AFP has provided one of its members as a full-time instructor, in addition to training aids, including a drug training package for the whole college. There are already 50 graduates from the college who have been assigned to duties with the UNTAET civilian police. These 38 men and 12 women were trained by UNTAET and are pioneering law enforcement in East Timor. UNTAET’s goal is to have a fully empowered police force, with over 500 officers, operating by June 2001. The aim is to work towards an overall self-governing police force strength of 3,000.

The newly developing civil and political environment has also brought some important new freedoms. In June, the first women’s congress was held in Dili. More than 500 women attended to discuss women’s issues to advance equality. The congress, importantly, also embraced those women marginalised as a result of their being refugees or internally displaced persons. UNIFEM has instituted a project designed to support women who are survivors of violence, through training in counselling skills and techniques, with a focus on violence, against women in conflict situations. UNICEF of course also supports FOKUPERS in their efforts to assist women in violent situations.

There is also significant progress being made towards the establishment of the national council. The people of East Timor will be asked to nominate candidates for 20 of the 33 national council members according to six important requirements: a concern for the long-term public welfare of East Timor; commitment to the principles contained in the oath of office; a capacity to work with others and to reach principled compromise; appropriateness as a representative of the relevant category; good public standing; and, finally, willingness to serve. Details on the selection of the political parties and the religious groups are still being finalised. We have probably all seen the media reports about the congress of the CNRT being held over these last few days. It certainly had its difficult moments, but it has achieved much in a difficult environment.

None of this transition is easy, but with determination and fortitude it will happen. It is hoped that East Timor will be ready for elections as early as autumn 2001, with a possibility of being fully independent from the last quarter of 2001. Clearly, there are enormous challenges ahead for this nation. However, the people of this emerging community are rebuilding all aspects of their lives with the determination that they have displayed over the last 25 years. With the maintenance of this spirit, the road ahead seems significantly less rocky that it did 12 months ago.

By coincidence, this afternoon I spoke in person—and, as is the way of this business of politics, by email—with two people who were with the Australian contingent of CIVPOL in East Timor this time last year, both of them in some extraordinary circumstances. We discussed the thoughts that they and their colleagues have at this time. This one-year anniversary is not just the anniversary of the ballot of the decision of the East Timorese to pursue their independence but also a reminder for me that, for the three months preceding the ballot, all over the country members of the AFP in CIVPOL, unarmed, supported and protected their fellow members of UNAMET and local East
Timorese from the excesses of militia activities. They, as part of CIVPOL, protected polling stations and ballot boxes on 30 August 1999 to ensure the integrity of the ballot and the safety of UN workers, East Timorese and international observers, like me. They are now being awarded Police Overseas Service Medals. Two police have received bravery awards: Agent Paul McEwan and also my old school colleague Sharon McCarthy, who has been awarded the International Policewomen’s Association Medal for Valour. As noted in the media and by the Minister for Justice and Customs, Senator Vanstone, AFP members still await recognition by the UN for their service in East Timor.

I for one believe that without CIVPOL, and without the efforts and commitment of the AFP component of CIVPOL before, during and after the ballot, the fate of the East Timorese and their move to independence would have been very different. Long before September last year when the unfolding drama in East Timor filled our TV screens and radio waves every day and every night, these men and women were doing an extraordinary job for the East Timorese and our nation. One year on, I recognise and commend the strength and determination of those members of the Australian Federal Police and their ongoing contribution to the development of an independent East Timor.

Hill, Ms Jennifer

Senator HOGG (Queensland) (7.36 p.m.)—On Tuesday, 15 August, one day after his first speech, Senator Brandis made his second speech, which attacked Jennifer Hill quite unfairly. But Senator Brandis, being new to this place, got sucked in. Senator Brandis was clearly sent to do the bidding of Mr Lindsay, the Liberal member for Herbert. The allegations against Ms Hill were not new. They have been dealt with previously and dismissed by the police. So why were the allegations dragged out once again? Clearly, Mr Lindsay has seen the polls. Aware of how badly he is travelling in the polls, and given that he is confronted by a local woman with real ability, he felt threatened. So, sitting in the back of this chamber, Mr Lindsay turned up to ensure that Senator Brandis did the demolition job and thereby, hopefully, restored some respectability to his sagging poll performance. It is not often that one sees a sitting member so desperate so far out from an election—or what does Mr Lindsay really know about when the election will be held?

The attempt to discredit Ms Hill is nothing more than a dirty, grubby, cheap political stunt. The old saying is that, if you throw enough mud, some will stick. The attempt to link Ms Hill to Ms Erhman was shabby indeed. Senator Brandis, with his background, should have known better. The allegations against Ms Erhman went to fraud. Ms Erhman was convicted and is now paying the price. The allegations against Ms Hill, as I have said, have already been dismissed. Even Senator Brandis, who I understand is the chair of the Queensland division of the Liberal Party’s Rules and Constitution Committee, should know the difference between fraud against the Commonwealth and internal practices and procedures of a political party. For a person who set an Australian record of 117 days for a casual vacancy to be filled, it would be wise to look at one’s own internal difficulties and to get one’s own house in order before looking at others’ faults and failings. In that respect, I will be only too pleased to assist.

Mr Lindsay is a big boy now. Let him be seen by his electorate for what he really is. Do not carry the torch, Senator Brandis: you could get your fingers burnt. Remember that Ms Hill will be the next member for Herbert and will enjoy the same parliamentary privilege you enjoy. Until then, Ms Hill can rely on privilege resolution 5 of the Parliamentary Privileges Act 1987. But, from the seeming panic of Mr Lindsay, who is the current member, Ms Hill will not have long to wait for the opportunity to avail herself of the privilege afforded by parliament to defend her character. If any person has committed fraud, then they do deserve to be appropriately dealt with. This is certainly not the place to pursue those issues.

Senate adjourned at 7.40 p.m.
DOCUMENTS

Tabling

The following government documents were tabled:


Australian Trade Commission (AUSTRADE)—


Torres Strait Protected Zone Joint Authority—Report for 1998-99.

Tabling

The following documents were tabled by the Clerk:


Civil Aviation Act—Civil Aviation Regulations—Civil Aviation Orders—

- Civil Aviation Amendment Order (No. 8) 2000.
- Exemption No. CASA EX38/2000.

Classification (Publications, Films and Computer Games) Act—

- Guidelines for the Classification of Films and Videotapes (Amendment No. 3).
- National Classification Code (Amendment No. 2).

Customs Act—CEO Instruments of Approval Nos 33-49 of 2000.

Export Control Act—Export Control Orders Regulations—Export Control (Fees) Amendment Orders 2000 (No. 2).


QUESTIONS ON NOTICE

The following answers to questions were circulated:

Natural Heritage Trust: Funding for Tasmania
(Question No. 2110)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 16 March 2000:

(1) Can details be provided of the projects which have been funded from the extra $120 million over 5 years from the Natural Heritage Trust (NHT) promised to Tasmania in exchange for Senator Harradine’s support for the Telstra sale.

(2) (a) How much of the $120 million remains to be expended; and (b) to which programs has it been allocated.

(3) How much has been spent from the NHT in each of the past 3 years on the World Heritage Area Management program in Tasmania.

(4) Is it correct that NHT funding for Tasmania’s World Heritage Area Management program in the 1999-2000 financial year has been cut from $1.8 million to $0.7 million; if not; (a) what are the correct total amounts; and (b) to which programs has funding been allocated.

(5) Has the $5 million NHT money promised for track upgrades in the Tasmanian World Heritage Area been spent; if so, on what projects and when; if not, when will it be spent and on what.

Senator Hill—The answer to the honourable senator’s question is as follows:

(1) The Commonwealth, in recognition of the special circumstances of Tasmania, decided to spend ten percent of the expenditure under the Natural Heritage Trust of Australia Reserve in Tasmania. At the time, this represented a commitment to provide $125 million to Tasmania. Details of approved Natural Heritage Trust projects in Tasmania have been provided to the honourable senator. Further copies are available from the Senate Table Office.

(2) A summary table detailing approved Commonwealth Natural Heritage Trust funding by program, and planned allocation to meet the $125 million commitment, has been provided to the honourable senator. Further copies are available from the Senate Table Office. A total of $85 million has been approved to date. Further approvals in Tasmania will continue to be subject to transparent, rigorous and merit-based assessment of Natural Heritage Trust proposals.

(3) The Commonwealth has provided $4.705 million from the NHT for management of the Tasmanian Wilderness World Heritage Area between 1997-98 to 1999-00.

1997-1998 $2 million
1998-1999 $2.005 million
1999-2000 $0.7 million

(4) It is not correct to say that NHT funding for the Tasmanian Wilderness World Heritage Area program in the 1999-2000 financial year has been cut.

Commonwealth funding from the Natural Heritage Trust (NHT) for the management of the Tasmanian Wilderness is additional to the government’s commitment of more than $5 million per year under an intergovernmental agreement with Tasmania. NHT funding is available for priority management projects in each of the World Heritage properties located in the states. I consider project proposals received from the states on an annual basis, and I approve projects that meet the project selection criteria to a high degree. Tasmanian proposals for funding under the NHT compete on merit with proposals for other World Heritage properties. In 1999-2000 I have approved NHT management projects totalling $700,000 for the Tasmanian Wilderness – significantly more project funding than for any other eligible World Heritage property. Funding has been provided for the Walking Track Strategy ($500,000) and upgrading of the Overland Track ($200,000).

(5) The Walking Track Strategy is a 15-year program which has been recognised by the Commonwealth as a very high priority for management of the Tasmanian Wilderness. The government has contributed $2.4 million to the Strategy from the NHT over the past 3 years. The Strategy is complex and addresses planning, capital works and maintenance, and user quotas and permits.
The Tasmanian Government sought $1 million from the NHT to progress the Strategy in 1999-2000. I was not satisfied that the Strategy had made sufficient progress, particularly in the area of user quotas and permits, to justify Commonwealth funding in excess of $0.5 million this year. I look forward to future progress reports that would justify a higher allocation in future years.

Department of Immigration and Multicultural Affairs: Fringe Benefits Paid
(Question No. 2318)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 6 June 2000:

1. (a) What was the value of fringe benefits tax (FBT) payments made by the department; and (b) what was the level of FBT payments made by its agencies in the 1997-98, 1998-99 and 1999-2000 financial years.

2. What were the incentives paid to departmental officers and employees of agencies that attracted FBT over the above periods.

3. In the above years, what were the compliance costs of calculating the FBT for the department and its agencies.

4. What incentives, other than those attracting FBT, were paid to departmental officers and employees of agencies in the above years.

5. What were the compliance costs associated with the calculation and payment of these non-FBT incentives.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:


   The payments for the Immigration Review Tribunal were $103,816 for 1997-1998; $80,443 for 1998-1999. The payment for the Migration Review Tribunal for 1999-2000 was $38,931.

2. Incentives paid to departmental officers and employees of agencies that attracted FBT were - car fringe benefits (private usage of official cars); meal entertainment fringe benefits (at official functions); expense payment fringe benefits (spouse travel, semi official telephones, Higher Education Contribution Scheme [HECS] and study fee reimbursements, remote area and overseas leave and reunion fares, excess medical expenses, household assistance at overseas posts); living away from home allowance fringe benefits (overseas living allowance); and property fringe benefits (use of recreation accommodation at overseas posts).


3. Incentives, other than those attracting FBT, include performance pay and limited cash (up to $200) and non-cash (eg. afternoon teas) rewards.

4. The compliance costs associated with the calculation and payment of these non FBT incentives are estimated at $600 for 1997-1998; $600 for 1998-1999 and $7,000 for 1999-2000.

Department of Foreign Affairs and Trade: Programs and Grants to the Bass Electorate
(Question No. 2404)

Senator O’Brien asked the Minister representing the Minister for Trade, upon notice, on 26 June 2000:

1. What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.

2. What level of funding provided through these programs and/or grants has been appropriated for the 2000-2001 financial year.
Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Austrade

(1) Programs and grants provided by Austrade to people living in the federal electorate of Gippsland in the 1999-2000 financial year:

Export Market Development Grants (EMDG) - 1 grant was provided totalling $10,700.00
(Please note that this figure ($10,700.00) covers all postcodes in the federal electorate of Gippsland and may overlap slightly with adjoining electorates.)

Export Access Program - This program provided $18,270.00 for assistance to businesses in the federal electorate of Gippsland.

(2) Level of funding provided through these programs and grants that has been appropriated for the 2000-2001 financial year:

Export Market Development Grants - Funding is available to all businesses which meet the Export Market Development Grants eligibility criteria and is not appropriated by electorate. Up to $142.5m is available for all applicants in 1999-2000. Details by electorate for the 2000-2001 financial year will not be available until July 2001.

Export Access Program - The appropriation under the program for the 2000-2001 financial year is $3,576,000.

Export Finance and Insurance Corporation (EFIC)

(1) None

(2) None

Department of Immigration and Multicultural Affairs: Programs and Grants to the Bass Electorate

(Question No. 2413)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 26 June 2000:

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Bass in the 1999-2000 financial year.

(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Department of Immigration and Multicultural Affairs administers the following services to facilitate a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably:

(a) Community Settlement Services Scheme (CSSS) (formerly known as the Grant-In-Aid/Migrant Access Projects Scheme programs),

(b) Migrant Resource Centre/Migrant Service Agency network (MRC),

(c) Integrated Humanitarian Settlement Strategy (IHSS),

(d) Adult Migrant English Program (AMEP),

(e) Translating and Interpreting Service (TIS) and

(f) The Living in Harmony initiative

As the Department does not collect data by electorate, postcodes have been used to identify the electorate of Bass, on advice from the Australian Electoral Commission.

1999-2000

(a) CSSS: Nil.

(b) MRC: MRC of Northern Tasmania (Launceston) funded for $201,975.

(c) IHSS: MRC of Northern Tasmania (Launceston) funded for $72,985.

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(d) AMEP: During 1999-2000 approximate funding of the AMEP in the federal electorate of Bass (Tasmania) has been $28,000.

(e) TIS: Budget Estimates for the provision of TIS nationally was $19.7 million (accrual accounting basis). TIS budget funding was not provided by electorate.

(f) Living in Harmony: Nil.

Total, excluding TIS: $302,960

(2) The level of funding provided through these programs and/or grants for the 2000-01 financial year is:

(a) CSSS: Nil.

(b) MRC: $226,627 (GST inclusive) was appropriated for the MRC of Northern Tasmania (Launceston).

(c) IHSS: Nil.

(d) AMEP: It is not possible to give an estimation of the amount of money that will be used to service the needs of clients in any particular electorate in 2000/2001 since the AMEP is a client driven program. Funding is provided to meet the ESL needs of all eligible clients who enrol in the AMEP.

(e) TIS: Budget Estimates funding for the provision of TIS nationally is $24.24 million (accrual accounting basis). TIS budget funding is not provided by electorate.

(f) Living in Harmony:
Migrant Resource Centre, Northern Tasmania $30,000; and Council for International Student Support (Tasmania) Inc. $34,850.

Total, excluding TIS and AMEP: $115,344.

Department of Immigration and Multicultural Affairs: Programs and Grants to the Kalgoorlie Electorate

(Question No. 2431)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 26 June 2000:

(1) What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Kalgoorlie.

(2) What was the level of funding provided through these programs and/or grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.

(3) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Department of Immigration and Multicultural Affairs administers the following services to facilitate a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably:

(a) Community Settlement Services Scheme (CSSS) (formerly known as the Grant-In-Aid/Migrant Access Projects Scheme programs),

(b) Migrant Resource Centre/Migrant Service Agency network (MRC),

(c) Integrated Humanitarian Settlement Strategy (IHSS),

(d) Adult Migrant English Program (AMEP),

(e) Translating and Interpreting Service (TIS) and

(f) The Living in Harmony initiative

(2) As the Department does not collect data by electorate, postcodes have been used to identify the electorate of Kalgoorlie, on advice from the Australian Electoral Commission.

1996-1997

(a) CSSS: Grants in Aid (GIA) was the name of the program preceding CSSS funding in 1996-1997. Uniting Church Frontier Services was awarded $113,076 under GIA.
(b) MRC: There is no MRC in the federal electorate of Kalgoorlie.
(c) IHSS: Nil.
(d) AMEP: An estimate of $57,000 to service clients in the federal electorate of Kalgoorlie.
(e) TIS: Sub-total running-costs funding for the provision of TIS nationally was $20.6 million (cash accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony: Nil.
Total, excluding TIS: $170,076.

1997-1998
(a) CSSS:
Broome Multicultural Society awarded $22,302; and
Uniting Church Frontier Services awarded $141,320.
(b) MRC: There is no MRC in the federal electorate of Kalgoorlie.
(c) IHSS: Nil.
(d) AMEP: An estimate of $53,000 to service clients in the federal electorate of Kalgoorlie.
(g) TIS: Sub-total running-costs funding for the provision of TIS nationally was $18.5 million (cash accounting basis). TIS budget funding was not provided by electorate.
(e) Living in Harmony: Nil.
Total, excluding TIS: $216,622.

1998-1999
(a) CSSS:
Broome Multicultural Society awarded $22,659; and
Uniting Church Frontier Services awarded $143,580.
(b) MRC: There is no MRC in the federal electorate of Kalgoorlie.
(c) IHSS: Nil.
(d) AMEP: An estimate of $53,000 to service clients in the federal electorate of Kalgoorlie.
(e) TIS: Sub-total running-costs funding for the provision of TIS nationally was $17.3 million (cash accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony:
Kimberley Aboriginal Law and Culture Centre, $20,000;
Kununurra Youth Services Inc. $20,000; and
Uniting Church Frontier Services $30,000.
Total, excluding TIS: $289,239.

1999-2000
(a) CSSS: Uniting Church Frontier Services awarded $159,000
(b) MRC: There is no MRC in the federal electorate of Kalgoorlie.
(c) IHSS: Nil.
(d) AMEP: An estimate of $57,000 to service clients in the federal electorate of Kalgoorlie.
(e) Budget Estimates funding for the provision of TIS nationally was $19.7 million (accrual accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony:
Kimberley Aboriginal Law and Culture Centre $16,000; and
Kununurra Youth Services Inc. $16,000.
Total, excluding TIS: $248,000.

(3) The level of funding provided through these programs and/or grants for the 2000-01 financial year is:
(a) CSSS: Uniting Church Frontier Services appropriated funds $161,000.
(b) MRC: There is no MRC in the federal electorate of Kalgoorlie.

(c) IHSS: Nil.

(d) AMEP: It is not possible to give an estimation of the amount of money that will be used to service the needs of clients in any particular electorate in 2000/2001 since the AMEP is a client driven program. Funding is provided to meet the ESL needs of all eligible clients who enrol in the AMEP.

(e) TIS: Budget Estimates funding for the provision of TIS nationally is $24.24 million (accrual accounting basis). TIS budget funding is not provided by electorate.

(f) Living in Harmony:
Kimberley Aboriginal Law and Culture Centre $4,000;
Kununurra Youth Services Inc. $4,000; and
Uniting Church Frontier Services $30,000.
Total, excluding TIS: $199,000

Department of Foreign Affairs and Trade: Programs and Grants to the Eden-Monaro Electorate

(3) Senator O’Brien asked the Minister representing the Minister for Trade, upon notice, on 26 June 2000:

1. What programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Eden-Monaro.

2. What was the level of funding provided through these programs and/or grants for the 1996-97, 1997-98, 1998-99 and 1999-00 financial years.

3. What level of funding provided through these programs and/or grants has been appropriated for the 2000-2001 financial year.

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Austrade

(1) Programs and grants administered by Austrade to provide assistance to people living in the federal electorate of Eden-Monaro:

Export Market Development Grants - Export Market Development Grants are available to small to medium sized businesses in the Eden-Monaro electorate which meet the eligibility criteria specified in the Export Market Development Grant Act 1997. The grants are designed to assist export marketing efforts through a rebate of up to 50% of eligible export promotional expenditure incurred. More details of the scheme are available on the Austrade web site at www.austrade.gov.au

Export Access Program - The Export Access program is available to businesses in the federal electorate of Eden-Monaro. Under this program, service providers contracted to Austrade provide one-on-one professional marketing advice and guidance to assist eligible businesses to commence exporting on a sustainable basis.

(2) Level of funding provided through these programs and grants:
Export Market Development Grants:
1996-97 - 6 grants were provided totalling $270,156.00
1997-98 - 5 grants were provided totalling $366,234.00
1998-99 - 5 grants were provided totalling $216,303.00
1999-00 - 7 grants were provided totalling $205,439.00

(Please note that these figures cover all postcodes in the federal electorate of Eden-Monaro and may overlap slightly with adjoining electorates.)

Export Access Program - Expenditure in support of businesses in the federal electorate of Eden-Monaro:
1996-97 - no businesses applied for assistance under the Export Access program
1997-98 - $12,000.00
Level of funding provided through these programs and grants that has been appropriated for the 2000-2001 financial year:

**Export Market Development Grants** - Funding is available to all businesses which meet the Export Market Development Grant eligibility criteria and is not appropriated by electorate. Up to $142.5m is available for all applicants in 1999-2000. Details by electorate for the 2000-2001 financial year will not be available until July 2001.

**Export Access Program** - The appropriation under the program for the 2000-2001 financial year is $3,576,000.

**Export Finance and Insurance Corporation (EFIC)**

1. None
2. None
3. None

Department of Immigration and Multicultural Affairs: Programs and Grants to the Eden-Monaro Electorate

(Question No. 2450)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 26 June 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the federal electorate of Eden-Monaro.
2. What was the level of funding provided through these programs and/or grants for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years.
3. What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

1. The Department of Immigration and Multicultural Affairs administers the following services to facilitate a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably:
   a. Community Settlement Services Scheme (CSSS) (formerly known as the Grant-In-Aid/Migrant Access Projects Scheme programs).
   b. Migrant Resource Centre/Migrant Service Agency network (MRC),
   c. Integrated Humanitarian Settlement Strategy (IHSS),
   d. Adult Migrant English Program (AMEP),
   e. Translating and Interpreting Service (TIS) and
   f. The Living in Harmony initiative

2. As the Department does not collect data by electorate, postcodes have been used to identify the electorate of Eden-Monaro, on advice from the Australian Electoral Commission.

   1996-1997
   a. CSSS: Nil.
   b. MRC: Queanbeyan Multilingual Centre funded $23,180 (Queanbeyan Multilingual Centre is paid MRC program funding through the MRC of Canberra).
   c. IHSS: Nil.
   d. AMEP: Approximate funding of $127,000.
   e. TIS: Sub-total funding costs funding for the provision nationally was $20.6 million (cash accounting basis). TIS budget funding was not provided by electorate.
   f. Living in Harmony: Nil.
Total, excluding TIS: $150,180.
1997-1998
(a) CSSS:
  Queanbeyan Multilingual Centre awarded $3,000; and
  Cooma Family Support Service awarded $10,000.
(b) MRC: Queanbeyan Multilingual Centre funded $23,458 (Queanbeyan Multilingual Centre is paid
  MRC program funding through the MRC of Canberra).
(c) IHSS: Nil.
(d) AMEP: Approximate funding of $88,000.
(e) TIS: Sub-total running costs for the provision of TIS nationally was $18.5 million (cash
  accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony: Nil.
  Total, excluding TIS: $124,458.
1998-1999
(a) CSSS: Queanbeyan Multilingual Centre awarded $5,000.
(b) MRC: Queanbeyan Multilingual Centre funded $25,000 (Queanbeyan Multilingual Centre is paid
  MRC program funding through the MRC of Canberra).
(c) IHSS: Nil.
(d) AMEP: Approximate funding of $68,000.
(e) TIS: Sub-total running costs for the provision of TIS nationally was $17.3 million (cash
  accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony: Eden Multicultural Performing Arts Company Inc. $28,050.
  Total, excluding TIS: $126,050.
1999-2000
(a) CSSS: Queanbeyan Multilingual Centre awarded $24,682.
(b) MRC: Queanbeyan Multilingual Centre funded $25,400 (Queanbeyan Multilingual Centre is paid
  MRC program funding through the MRC of Canberra).
(c) IHSS: Nil.
(d) AMEP: Approximate funding of $86,000.
(e) TIS: Budget Estimates funding for the provision of TIS nationally was $19.7 million (accrual
  accounting basis). TIS budget funding was not provided by electorate.
  Total, excluding TIS: $158,522
3 The level of funding provided through these programs and/or grants for the 2000-01 financial
year is:
(a) CSSS: Queanbeyan Multilingual Centre appropriation $24,682.
(b) MRC: Queanbeyan Multilingual Centre appropriation for the period July to September 2000
  $6,350.
(c) IHSS: Nil.
(d) AMEP: It is not possible to give an estimation of the amount of money that will be used to
  service the needs of clients in any particular electorate in 2000/2001 since the AMEP is a client driven
  program. Funding is provided to meet the ESL needs of all eligible clients who enrol in the AMEP.
(e) TIS: Budget Estimates funding for the provision of TIS nationally is $24.24 million (accrual
  accounting basis). TIS budget funding is not provided by electorate.
(f) Living in Harmony: Eden Multicultural Performing Arts Company Inc. $5,610.
  Total, excluding TIS: $36,642.
Department of Foreign Affairs and Trade: Programs and Grants to the Gippsland Electorate  
(Question No. 2459)

Senator O’Brien asked the Minister representing the Minister for Trade, upon notice, on 26 June 2000:

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.

(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-2001 financial year.

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Austrade

(1) Programs and grants provided by Austrade to people living in the federal electorate of Gippsland in the 1999-2000 financial year:

Export Market Development Grants (EMDG) - 1 grant was provided totalling $10,700.00
(Please note that this figure ($10,700.00) covers all postcodes in the federal electorate of Gippsland and may overlap slightly with adjoining electorates.)

Export Access Program - This program provided $18,270.00 for assistance to businesses in the federal electorate of Gippsland.

(2) Level of funding provided through these programs and grants that has been appropriated for the 2000-2001 financial year:

Export Market Development Grants - Funding is available to all businesses which meet the Export Market Development Grants eligibility criteria and is not appropriated by electorate. Up to $142.5m is available for all applicants in 1999-2000. Details by electorate for the 2000-2001 financial year will not be available until July 2001.

Export Access Program - The appropriation under the program for the 2000-2001 financial year is $3,576,000.

Export Finance and Insurance Corporation (EFIC)

(1) None

(2) None

Department of Immigration and Multicultural Affairs: Programs and Grants to the Gippsland Electorate  
(Question No. 2469)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 26 June 2000:

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.

(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Department of Immigration and Multicultural Affairs administers the following services to facilitate a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably:

(a) Community Settlement Services Scheme (CSSS) (formerly known as the Grant-In-Aid/Migrant Access Projects Scheme programs),

(b) Migrant Resource Centre/Migrant Service Agency network (MRC),
As the Department does not collect data by electorate, postcodes have been used to identify the electorate of Gippsland, on advice from the Australian Electoral Commission.

1999-2000
(a) CSSS: Nil.
(b) MRC: Gippsland Migrant Resource Centre was awarded $138,927.
(c) IHSS: Gippsland MRC was awarded $47,070.
(d) AMEP: Approximate funding of $31,000.
(e) TIS: Budget Estimates funding for the provision of TIS nationally was $19.7 million (accrual accounting basis). TIS budget funding was not provided by electorate.
(f) Living in Harmony: Gippsland Regional Council of Adult Community and Further Education funding awarded $24,000.
Total, excluding TIS: $240,997.

(2) The level of funding provided through these programs and/or grants for the 2000-01 financial year is:
(a) CSSS: Nil.
(b) MRC: $155,877 (GST inclusive) has been appropriated for Gippsland MRC.
(c) IHSS: Nil.
(d) AMEP: It is not possible to give an estimation of the amount of money that will be used to service the needs of clients in any particular electorate in 2000/2001 since the AMEP is a client driven program. Funding is provided to meet the ESL needs of all eligible clients who enrol in the AMEP.
(e) TIS: Budget Estimates for the provision of TIS nationally is $24.24 million (accrual accounting basis). TIS budget-funding is not provided by electorate.
(f) Living in Harmony:
Gippsland and East Gippsland Aboriginal Cooperative Ltd $25,000; and
Gippsland Regional Council of Adult Community and Further Education $6,000.
Total, excluding TIS: $186,877

**Defence Facility Operations: Port Wakefield, South Australia**
(Question No. 2483)

**Senator Brown** asked the Minister representing the Minister for Defence, upon notice, on 27 June 2000:
(1) (a) Is testing of defence ammunition and explosives to be consolidated at Port Wakefield, South Australia, including the work currently undertaken at Graytown, Victoria; and (b) how will this change the nature and frequency of operations at Port Wakefield.
(2) Has an environmental impact assessment of the changes been made; if so, can details be provided; if not, why not.

**Senator Newman**—The Minister for Defence has provided the following answers to the honourable senator’s questions:
(1) (a) to (b) The proof and experimental functions of Defence at Port Wakefield, South Australia, and Graytown, Victoria, are being market tested as part of the efficiency measures envisaged in the Defence Reform Program. The evaluation of the tenders is approaching completion but until the decision is finalised it is not possible to comment on how or where the services will be delivered.
(2) In light of the above, no such assessment has been made.

**Department of Foreign Affairs and Trade: Missing Computer Equipment**
(Question No. 2499)
Senator Faulkner asked the Minister representing the Minister for Trade, upon notice, on 29 June 2000:

(1) Since 1 January 1999, have there been any laptop computers lost or stolen from the possession of any officer of the department and/or any agencies within the portfolio; if so: (a) how many have been lost; (b) how many have been stolen; (c) what is the total value of these computers; (d) what is the average replacement value per computer; and (e) have these computers been recovered or replaced.

(2) Have the police been requested to investigate any of these incidents; if so: (a) how many were the subject of police investigation; (b) how many police investigations have been concluded; (c) in how many cases has legal action been commenced; and (d) in how many cases has action been concluded and with what result.

(3) How many of the lost or stolen computers had, on their hard disc drives, or in the form of floppy disc, CD-ROM or any other storage device, departmental documents, content or information other than operating software.

(4) How many of the documents etc. referred to in (3) were classified for security or any other purpose and, if any, what was the security classification involved.

(5) (a) How many of the documents etc. referred to in (3) have been recovered; and (b) how many documents etc. referred to in (4) have been recovered.

(6) What departmental disciplinary or other actions have been taken in regard to the computers referred to in (1) or in relation to the documents etc. referred to in (3) or (4).

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Austrade
(1) Yes.
(a) None
(b) Seven
(c) $40,612.00
(d) $5,256.00
(e) Five laptop computers were replaced. Two further replacement units will be acquired.

(2) All incidents were reported to police. However, Austrade has not been appraised of any on-going investigations.

(3) Five laptop computers had departmental documents, content or information, other than operating software. No data was stored on two laptop computers, other than the operating software.

(4) No documents contained on these stolen laptops held a security classification. However, one document was subject to the provisions of the Privacy Act.

(5) (a) None
(b) None

Export Finance and Insurance Corporation (EFIC)

(1) Yes
(a) None
(b) Two
(c) $10,059
(d) $4,455
(e) One has been replaced, the other is soon to be replaced.

(2) Details of both thefts were reported to the police but no formal investigation was undertaken.
(a) None
(b) Not applicable
(c) None
(d) Not applicable
(3) None. Business data used on these laptops were stored on floppy discs and these discs were carried separately to the laptops.
(4) Not applicable. See reply to (3) above.
(5) (a) Not applicable
(b) Not applicable
(6) Other actions: regarding the laptops referred to in (1) above, insurance proceeds have been received. Suspected service contractors have been permanently removed from servicing the premises.

Department of Foreign Affairs and Trade: Missing Computer Equipment
(Question No. 2518)

Senator Faulkner asked the Minister representing the Minister for Trade, upon notice, on 29 June 2000:

(1) Since 1 January 1999, have there been any desktop computers, or any other item of computer hardware, other than laptop computers, lost or stolen from the possession of any officer of the department and/or any agencies within the portfolio; if so: (a) what and how many have been lost; (b) what and how many have been stolen; (c) what is the total value of these items; (d) what is the normal replacement value per item; and (e) have these computers been recovered or replace.

(2) Have the police been requested to investigate any of these incidents; if so: (a) how many were the subject of police investigation; (b) how many police investigations have been concluded; (c) in how many cases has legal action been commenced; and (d) in how many cases has action been concluded and with what result.

(3) How many of the lost or stolen items had, on their hard disc drives, or in the form of floppy disc, CD-ROM or any other storage device, departmental documents, content or information other than operating software.

(4) How many of the documents etc. referred to in (3) were classified for security or any other purpose and, if any, what was the security classification involved.

(5) (a) How many of the documents etc. referred to in (3) have been recovered; and (b) how many documents etc. referred to in (4) have been recovered.

(6) What departmental disciplinary or other actions have been taken in regard to the items referred to in (1) or in relation to the documents etc. referred to in (3) and (4).

Senator Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Austrade & Export Finance and Insurance Corporation (EFIC)

Neither Austrade nor EFIC have had any desktop computers, or any other item of computer hardware, other than laptop computers, lost or stolen from the possession of any officer since 1 January 1999.

Department of Immigration and Multicultural Affairs: Missing Computer Equipment
(Question No. 2530)

Senator Faulkner asked the Minister representing the Minister for Immigration and Multicultural Affairs, upon notice, on 28 June 2000:

(1) Since 1 January 1999, have there been any desktop computers, or any other item of computer hardware, other than laptop computers, lost or stolen from the possession of any officer of the department and/or any agencies within the portfolio; if so: (a) what and how many have been lost; (b) what and how many have been stolen; (c) what is the total value of these items; (d) what is the normal replacement value per item; and (e) have these computers been recovered or replaced.

(2) Have the police been requested to investigate any of these incidents; if so: (a) how many were the subject of police investigation; (b) how many police investigations have been concluded; (c) in how many cases has legal action been commenced; and (d) in how many cases has action been concluded and with what result.
(3) How many of the lost or stolen items had, on their hard disc drives, or in the form of floppy disc, CD-ROM or any other storage device, departmental documents, content or information other than operating software.

(4) How many of the documents etc. referred to in (3) were classified for security or any other purpose and, if any, what was the security classification involved.

(5) (a) How many of the documents etc. referred to in (3) have been recovered; and (b) how many documents etc. referred to in (4) have been recovered.

(6) What departmental disciplinary or other actions have been taken in regard to the items referred to in (1) or in relation to the documents etc. referred to in (3) and (4).

**Senator Vanstone**—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) (a) None lost.

(b) Two desktop computers, one hard disc drive and one external floppy disk drive stolen.

(c) One desktop computer, one external floppy disk drive and one hard disk drive purchased by the Department, valued at $2894.00. One desktop computer leased under outsourced leasing arrangements for a three year period. The leased desktop computer was stolen before the leasing arrangements had expired. The Department was required to pay out the remaining monthly leasing payments to the value of $3563.40. Total value of stolen items is $6457.40.

(d) The replacement value of the non-leased desktop computer and associated items is $2394.00. The replacement value for the leased desktop computer is $148.46 per month for a three year period, totalling $5344.56.

(e) No equipment recovered. One desktop computer and one hard disc drive replaced. One desktop computer and one external disk drive not replaced.

(2) (a) None.

(b) None.

(c) None.

(d) None.

(3) One desktop computer and one hard disc drive.

(4) None.

(5) (a) None.

(b) None.

(6) No disciplinary action has been taken because the Department’s security staff has been unable to identify the offender(s).

The Department has in place the following security measures:

- Protective Security and Information Technology Security Instructions, which are based on the polices outlined in the Commonwealth Protective Security Manual and relevant Defence Signals Directorate manuals;
- Code of Conduct policies;
- Home Base Work procedures;
- appropriate physical security arrangements for protecting assets; and
- ongoing Code of Conduct and security awareness training, which is a mandatory requirement for all staff to attend.

**Lucas Heights Nuclear Reactor: Agreements**

(Question No. 2534)

**Senator Bolkus** asked the Minister for Industry, Science and Resources, upon notice, on 29 June 2000:

(1) (a) What international governmental agreements would have to be negotiated to allow for the supply of nuclear fuel for the proposed new reactor at Lucas Heights;

(b) what countries might be involved in those agreements;
(c) what countries would have to be involved in governmental agreements to allow for the reprocessing of spent fuel from the reactor; and

(d) what governmental agreements would have to be negotiated to allow for the transfer of the technology to construct the reactor.

(2) With reference to documents, in particular, document 13 (an Australian Nuclear Science and Technology Organisation document) tabled on 26 June 2000 by the Minister pursuant to an order of the Senate of 20 June 2000, which stated that the preferred tenderer for the reactor, INVAP, has ‘put together a consortium who, between them, have all the current experience to provide proven design solution using advanced technologies to meet the demanding requirements of the Australian reactor’:

(a) which companies are involved in the INVAP consortium;
(b) will there be one contract with INVAP, or a series of contracts; and
(c) will international governmental agreements be necessary to allow for the transfer of technology from those third-party companies; if so, what countries will be involved.

(3) (a) What will be the nature and status of the governmental agreements covering fuel supply, spent fuel reprocessing and technology transfer; and
(b) will they be placed before Parliament for discussion.

(4) What companies might be involved in contracts for the supply of spent fuel for the reactor.

(5) Are there any additional agreements or arrangements that might be made to existing agreements and/or contracts in order to permit:

(a) the supply of fuel for the reactor;
(b) the reprocessing of spent fuel from the new reactor;
(c) the transfer of technology for the reactor; and
(d) any associated technology transfer, for example, neutron beams.

(6) Will any agreements have to be negotiated with the International Atomic Energy Agency to allow for:

(a) the transfer and/or purchase of fuel for the reactors;
(b) the reprocessing of spent fuel; and
(c) the reactor and its associated technology.

(7) With reference to document 16 of the return to order tabled on 26 June 2000, which states that ‘If, in the extreme, it should be necessary to utilise silicide fuel beyond a year (and hence beyond that which could be handled via either of the above two routes) INVAP has given a written guarantee to provide an alternative solution consistent with Australia’s requirements, as stipulated in the Request for Tender, using proven technologies’: What technologies and solution has INVAP guaranteed to supply.

Senator Minchin—The answer to the honourable senator’s question is as follows:

(1) (a) I foresee no need for the negotiation of any international governmental agreements for the supply of nuclear fuel for the replacement reactor. Nuclear fuel for the reactor will be supplied pursuant to commercial contracts, as is nuclear fuel for the present HIFAR reactor. As is the case for HIFAR fuel, that supply may be made under the umbrella of existing bilateral safeguards agreements with the United Kingdom, the United States of America and France. The Government of Argentina has advised that no bilateral agreement is required for the supply of fuel under the contract with INVAP.

(b) See the previous answer.

(c) ANSTO’s existing contract with COGEMA for the reprocessing of spent fuel from HIFAR also contains provision for the reprocessing of spent fuel from the replacement reactor. As the Department of Foreign Affairs and Trade has publicly advised, that contract has been concluded pursuant to an exchange of letters between Australia and France as part of their bilateral Nuclear Safeguards Agreement.

A bilateral nuclear safeguards agreement with Argentina will be negotiated against the possibility that spent fuel might be transferred to that country for processing in the circumstances referred to in document 17, headed “Response to an anonymous document provided to ANSTO with claims regarding fuel cycle considerations” and tabled on 26 June 2000 by me pursuant to an order of the Senate of 20 June 2000. The contract with INVAP contains the provisions foreshadowed in that document.
(d) The Government of Argentina has advised that they will not require a bilateral agreement for the transfer of technology to Australia. Therefore, there is no need for any governmental agreements to be negotiated to allow for the transfer of the technology to construct the reactor. It may be noted that the contract with INVAP delivers significant benefits in terms of technology transfer to Australia.

(2) (a) The companies involved with INVAP in the alliance are John Holland Construction & Engineering Pty Ltd and Evans Deakin Industries Limited. These companies will in turn subcontract organisations and experts as appropriate.

(b) There will be a single contract with INVAP.

(c) As ANSTO’s contract is with INVAP, there will be no direct technology transfer from third countries to Australia. Given that, there will be no need for international governmental agreements to allow for the transfer of technology from any third party companies.

(3) (a) See answer to question 1.

(b) All treaty-level agreements are reviewed by the Joint Standing Committee on Treaties and tabled in Parliament. The bilateral nuclear safeguards agreement with Argentina will be a treaty-level agreement.

(4) Because reactors produce spent nuclear fuel, the meaning of this question is not clear. If the question means “What companies might be involved in contracts for the supply of fresh fuel for the reactor?”, INVAP is contracted to supply the first two cores (i.e. the fuel to be used in the operation of the reactor for about the first twelve months) for the reactor. They will purchase that fuel from a recognised supplier. The procurement of subsequent fuel is ANSTO’s responsibility, and will be obtained under normal competitive procurement practices from one of the companies offering proven fuel. Companies presently in the market supplying research reactor fuels include CERCA in France, BWXT in the United States and CNEA in Argentina.

If the question means “What companies might be involved in contracts for the processing of spent fuel from the reactor?”, the current ANSTO contract with COGEMA includes provision for the reprocessing of spent fuel from the replacement reactor. As noted in the response to question 1(c), the contract with INVAP also contains provision for the possible processing of spent fuel from the reactor.

(5) (a) Normal commercial contractual arrangements will apply for the supply of fuel for the reactor. See also answer to question 1(a).

(b) See answer to question 1(c).

(c) The transfer of technology for the purposes of construction of the replacement reactor will be covered by the contract referred to in the answer to question 2(b). See also answer to question 1(d).

(d) The contract referred to in the answer to question 2(b) will cover the transfer of technology for, inter alia, a cold source and neutron beam guides. The only “associated technology” not covered by that contract is beam instrumentation, which will be constructed by ANSTO or procured by way of normal commercial contractual arrangements.

(6) (a) No.

(b) No.

(c) No.

In practice the only circumstances in which the International Atomic Energy Agency (IAEA) is involved in contracts for the supply of materials or technology is in the case of projects carried out under its technical co-operation program. The operation of the reactor will of course be subject to IAEA safeguards inspections under the existing Australia-IAEA Safeguards Agreement and Additional Protocol.

(7) The solution must meet the mandatory tender requirement that it “comply with the commitments given at page 5-28 of the Environmental Impact Statement for the Replacement Research Reactor. In particular, the request for tender (RFT) for the replacement reactor (see the extracts from the RFT document, given as document 8 of the return to order referred to above) specified that the strategies must not involve:

. direct disposal of research reactor spent fuel in Australia, nor

. reprocessing of spent fuel in Australia, nor

. indefinite storage of research reactor spent fuel in Australia.”
As indicated above in the answer to question 1(c), the contract with INVAP contains provision for the possible return of spent fuel to Argentina for processing. The contract provides that any processed fuel to be returned to Australia shall conform with the IAEA criteria for long-lived intermediate level waste. INVAP is not limited under this provision of the contract to the use of any specific technologies.

Killarney Glen: Department of Defence Activities

(Question No. 2553)

Senator Brown asked the Minister representing the Minister for Defence, upon notice, on 30 June 2000:

Has a satisfactory resolution been made to the opposition to the Department’s plans and activities at Killarney Glen, near Canungra in Queensland; if so, what is the resolution; if not: (a) what is unresolved; and (b) what measures are being taken to find a resolution.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:

Yes. The Department of Defence has set in place procedures to allow public entry to Killarney Glen and to enable training and weapon firing to be conducted safely in adjoining sectors of the Canungra training area. The public has been granted, for the first time, legal access to Killarney Glen. A consultative mechanism has been established between the Army Promotion Training Centre staff at Kokoda Barracks and Friends of Back Creek Gorge concerning the management and access arrangements. Access will be permitted when not required for military training activities.