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Tuesday, 3 October 2000

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 2.00 p.m., and read prayers.

REPRESENTATION OF SOUTH AUSTRALIA
The PRESIDENT—I have received the certificate of the appointment by the Governor of South Australia of Geoffrey Frederick Buckland to fill the vacancy caused by the resignation of Senator John Quirke. I table the document.

SENATORS: SWEARING IN
Senator Geoffrey Frederick Buckland made and subscribed the oath of allegiance.

MINISTERIAL ARRANGEMENTS
Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (2.03 p.m.)—I inform the Senate that Senator Robert Hill, the Minister for the Environment and Heritage, and the Minister representing the Prime Minister, the Minister for Trade, the Minister for Foreign Affairs and the Minister for Forestry and Conservation, will be absent from the Senate this week. The minister is attending the Third Informal High-Level Consultations for COP6 of the Framework Convention on Climate Change in the Netherlands. During Senator Hill’s absence, I shall be the Minister representing the Prime Minister, the Minister for Foreign Affairs and the Minister for Trade. Senator Minchin will represent the Minister for the Environment and Heritage and the Minister for Forestry and Conservation.

OLYMPIC GAMES: SYDNEY 2000
Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (2.04 p.m.)—by leave—I move:

That the Senate—

(a) recognises the huge success of the Sydney 2000 Olympic Games, and that the Games demonstrated the great capacity and sophistication of the Australian people;

(b) conveys, on behalf of all Australians, the nation’s pride and congratulations for the performances of all the athletes who represented Australia at these Games;

(c) congratulates the Sydney Organising Committee for the Olympic Games and others responsible for staging such a successful Games;

(d) expresses:

(i) our thanks and gratitude to the more than 46 000 volunteers whose cheerful enthusiasm and commitment ensured that the Olympics were an enjoyable and friendly experience for everyone who attended, and

(ii) our thanks to all officials from Commonwealth departments and agencies who worked to prepare and support the running of the Games, in particular, the men and women of the Australian Defence Force; and

(e) wishes those organising the Paralympics and our Paralympic athletes well for their final preparations, and for the Games which commence on 18 October 2000.

I do not think anyone can deny that the Sydney Olympics were the best ever. We have had Mr Juan Antonio Samaranch confirming that, but I think we all knew that as the games proceeded. From day one it was quite clear that the level of technological sophistication involved in putting together the opening ceremony was something of which we should all be very proud. All of those involved in the preparation and the organisation should be congratulated for ensuring that Australia put itself in the spotlight as a can-do nation. Despite our small population, it is quite clear that we punched above our weight from the word go. A tally of 58 medals is phenomenal by anyone’s measure. We ranked fourth in the overall medal count behind the largest populated sporting nations in the world—the United States, Russia and China.

Senator Schacht—You saw every one of those gold medals, did you?

Senator ALSTON—I certainly saw some of those successes, but I think all Australians who saw them from whatever vantage point took great pride in the fact that we broke world records in the 4 x 100 freestyle relay, the 4 x 200 freestyle relay and with Ian Thorpe’s win in the 400 metres freestyle.
Just as importantly, we also saw a tremendous range and variety of events in which Australians excelled. To have won gold medals in I think 11 different sports is something of which we should be very proud because it means that not only do we have depth and diversity but also that we excel on all fronts. So I think we should be congratulatory of all those involved.

We should particularly thank the 46,000 volunteers. They have received praise from around the world. All the international visitors also regarded their warmth, helpfulness and dedication as an outstanding contribution to making Sydney the friendly games city. Finally, the team managers, administrators, sports science and medicine personnel all emerged winners in ensuring the Sydney games set a fine example of how to encourage the elimination of drugs in sport. Our athletes have proven that Australia, despite its small population base, is very much a nation that can excel on a wide range of fronts. We have successfully demonstrated that we can handle the most complex, demanding and largest sporting event in the world, without any obvious hitches. Of course, the games are not finished. We now move on to the Paralympics, which are due to commence on the 18 October. We expect those games to continue the momentum generated from the 2000 games. On behalf of the government, I wish all Paralympians all the best in achieving their goals and in performing to their personal bests.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (2.08 p.m.)—I associate the opposition with the motion moved by the Acting Leader of the Government in the Senate. I am sure that the Sydney 2000 Olympics have been the most successful Olympic Games ever held. They have been a great tribute to Australia in terms of organisation, sportsmanship and of course the values that we hold most dear. I think Sydney won the right to hold the games because of more than 20 years of hard work by national sporting organisations, individual athletes, private business, government and all those associated with the bid. Of course, our organisational, technological, athletic, operational and people skills were tested to the limit. And, as a result of these games, in those areas Australia really has won a gold medal.

The success of the games was also because of the character of the Australian people, the friendliness, the no nonsense can-do attitude, the ideals and values of tolerance and fairness that are really Australian. The great spirit and dedication shown by our athletes were an inspiration to all of us in this country. It is in inspiration that shows us what can be achieved and how we can achieve that. We want our congratulations to go out to all those athletes—the gracious losers as well as the victors in the games.

The team work of our athletes was exceptional. The way in which the athletes attended each other’s events, cheered them on magnificently, got behind them and comforted them when it was required was a really striking feature of the Sydney Olympics. There was team work all throughout the games. The fantastic efforts of the volunteers in Sydney and the great efforts of the New South Wales government ought to be acknowledged, as well as the officials and all the other administrators who helped these games run so smoothly.

Of course, if we want to maintain the success of the Olympics, we have to maintain our investment. It was great to see the AIS figuring so prominently in our successes at the games. I think that of all the Australian medallists 74 per cent were either current or former AIS scholarship holders; seven of Australia’s gold medallists, eleven of our silver medallists and eleven of our bronze medallists were current or former AIS scholarship holders. On a personal note, I am delighted that I was a member of the government in 1995 that established the funding for the Olympic Athlete Program. I think it is fair to say that that program laid the groundwork for our athletes’ enduring excellence.

I want to add my support to the motion in sending our best wishes to the organisers and the athletes of the Paralympic Games. Those games are very important, and we all look forward to the Paralympics in Sydney in a fortnight’s time. I echo Andrew Gaze’s words of last night in exhorting Australians
to support the Paralympic Games just as they have supported the Olympic Games.

In conclusion, I want to say that we ought to recognise the strong elements of traditional Aboriginal history and culture contained in the outstanding opening ceremony and the underlying thread of reconciliation that ran throughout the games, from Nova Peris-Kneebone as the first torch bearer on Australian soil at Uluru through to Cathy Freeman as the last torch bearer and the one to ignite the cauldron, to the closing ceremony where these same strong statements occurred from musicians Midnight Oil and Yothu Yindi, and many others.

There is unfinished business here for all Australians to embrace. We believe that there are two really important ways we can build on the success of the games. As our wonderful athletes know, success does not just happen; it takes years of investment and effort and forethought. Just as with our health, education, research and development efforts, the government has a crucial role to play and none of us in this building should forget that.

The other thing is that the spirit of unity that we saw displayed at the Olympics is a great vision for the future. What we need to do—and I hope all senators would agree—is take the next step. As our inspirational athlete Cathy Freeman put it so well: let the wheels turn on reconciliation.

Senator LEES (South Australia—Leader of the Australian Democrats) (2.14 p.m.)—I wish to add the Democrats’ support for the motion moved by Senator Alston as Acting Leader of the Government and to make three points. Firstly, I would like to extend the congratulations particularly to those involved in the opening and closing ceremonies, with all that those meant to Australians generally. While I realise it is fairly risky to put individual names into a motion such as this, I think we do have to acknowledge in particular SOCOG chiefs Sandy Holloway, Michael Knight and David Richmond and also AOC chief John Coates. Clearly we understand there are many others involved and that is why it is risky to begin to name people—but there are so many Australians who should be congratulated for their efforts. While we congratulate the athletes, it is also extremely important to congratulate their support bases and to acknowledge the sacrifices that their families have made year after year as they keep up with their training schedules, often at the expense of social engagements. While we are talking about congratulations, as one who experienced the public transport system, I must congratulate the government on an outstanding effort of moving people around in such large numbers and the volunteers for actually keeping people happy while we were waiting in queues for up to an hour to get a train, walking us backwards and forwards, keeping us fit.

This brings me to my second point, which relates to funding. It is an ideal time for the government to announce it will continue its elite athletes program. I do not think it is fair on the athletes, after the outstanding efforts that all of them have made, to put them back into a situation of wondering where their next meal is coming from and literally having to look at changing their employment status. For some of them it means not being able to train full time. Yes, there are some in there who are extremely wealthy; but there are many in there who are struggling to survive and to keep training in their sport. I think it is appropriate that the government announces very soon that it will continue the elite athlete funding program.

Finally, it is also an excellent time for the government to support those 80 per cent plus of Australians who in recent surveys have acknowledged that they would like to do more physical activity themselves—to get people away from in front of their television sets and out doing things. By supporting our school phys ed programs and by supporting community activities and facilities, we can actually get Australians out and doing something. There could never be a better time to see Australians getting fitter generally.

Senator BOSWELL (Queensland—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (2.17 p.m.)—I, too, would like to join in supporting Senator Alston’s motion and to congratulate our 2,000 Olympic competitors, the organisers and most importantly the 47,000 volunteers who came from all over
Australia—whether from the country or the city—and became our true ambassadors for Australia. The volunteers were the public face of Australia for many of our visitors. They demonstrated the Aussie psyche and the spirit of goodwill that went right across the Olympic Games for the 16 days that it continued. As Australians we showed that we could put on a great show. We beamed our success right around the world—not just the 58 medals that we won, but our efficiency and our high technologies. We showed our capabilities in showcasing our success, our wins and our losses, and the moments that made the Olympic Games. There was one moment that I will always remember, when one of the Hockeyroos tried to prevent a goal and dived bodily into the goal trying to reverse the play. To me, that was total commitment.

We are going to reap a lot of benefits of these outstanding successes in the future. Many of those people just saw Sydney, and they enjoyed it. I hope that many of them will come back and not only will visit Sydney and the major capital cities but will get out and see the outback of Australia—go and see the Matilda Highway, where the Labor Party was born in Barcaldine, Longreach where the Hall of Fame is, and go on to Winton and many places like that, Boulia and the Min Min Light, and those places that are what Australia is really about. I believe that we have got to get back to simplicity; that is the only quibble that I have with this motion. There were huge amounts of taxpayers’ dollars poured into this event. Whilst I admired from a distance the opening ceremony, there were two aspects that I thought really deserved to be mentioned therein. One is our convict past, which, unless I missed something, was not included at all. Secondly, people like Mary McKillop deserved some recognition. Young members of her order went out bush in the most difficult circumstances to educate the young girls of the bush who would otherwise not have been educated. This is no reflection on the magnificent spectacle.

I believe, as this motion does, that we should focus on the athletes. They—athletes from all walks of life and from all areas of Australia—need to be focused on and supported very strongly. I am sorry that I did not attend any of the games—I rarely get crook but I was crook for about 2½ weeks—but I do have to say this: the ABC and its commentary deserve a great deal of commendation. I did not see much of Channel 7. Some of their work—the photography and so forth—was extraordinarily good, but from practical experience I would like to mention the work of the ABC commentators. I support strongly paragraphs (2), (3), (4), (5) and (6) of the motion, (6) of course being support for the Paralympics. With the exception of that one word, ‘sophistication’, I support the motion as a whole.
Australian public like nothing else in recent times. One of the things that I would add to this motion is a congratulations to all the people of the world who took part, to everybody from the guy from Lesotho who was leading the marathon and then fell back, to the people whom we didn’t hear of because they came but did not conquer in the sense of grabbing medals, to the East Timorese, who were not listed but were a nation that Australia and all the world took to their hearts in their performances, to those people that the huge crowds clapped and exhorted to the finishing line and to those people who did not even make it.

It was a real celebration of humanity at its best, and it gives me great hope. I am a fellow that looks at the problems that the world has, particularly the dividing lines, and I found it terrific to see those divisions and dividing lines fall away. The Olympics became a real modern celebration of the spirit of the ancient Olympics. It is by being able to see practically how the world can work together that we can put hope back into this generation, which has been deprived of hope by the problems besetting the future. It was a great celebration and congratulations go to everybody who has been involved.

I endorse the wish in this motion that those organising and participating in the Paralympics will have success. I again say to everybody in the world taking part in the Paralympics: have a great time, enjoy the experience. We closest to it will be enjoying the participation we have as spectators and we wish every one of you enormous success. Thank you to everybody who has been involved.

Question resolved in the affirmative.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Business

Senator MURPHY (2.26 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Is the minister aware of criticisms by Mr Paul Drum of the CPA, who has criticised the Australian Taxation Office’s Reply in Five service, saying:

It was supposed to provide responses within five days, but people are lucky to get responses within five weeks, let alone five days as promised.

Isn’t this just another example of the botched implementation of the GST? How many queries have not been answered in the mandated five days? What is the government’s response to the accountants’ statement:

If businesses can’t get the certainty they need in relation to GST-related transactions, they are more likely to be exposed to risk.

Senator KEMP—Thank you, Senator Murphy, for that question. The implementation of the new tax system has gone off extremely well. I think that, in contrast to what Senator Murphy was saying, the community view is that the implementation has proceeded in a comparatively smooth fashion. I think that the Labor Party prediction that the world would end on 1 July was proven to be completely wrong. Senator, in fact, your party, in the run-up to the GST, involved itself—as it always does because you belong to a very negative party, a party without any policies—in constantly attacking the GST. On 1 July we discovered that the Labor Party now supports the GST.

Senator, the people who ended up with egg on their face in relation to the implementation of the GST—let me make this clear—were the Labor Party. It was the Labor Party and Mr Beazley who predicted doom and gloom. Remember that the Labor Party was going to surf to victory at the next election on the GST, and suddenly we found fewer comments on that particular score.

The fact of the matter is that the implementation of the GST has gone particularly well. I think that there is a great deal of credit due to all those involved, including the tax office, the call centres and all of the many thousands of people that were involved, particularly those in business—large and small—who received large amounts of material and got across that material. As a result, the vast majority of reports, Senator, in contrast to what you have been saying, have said that the implementation has gone well. As I said, there is great credit due to people in business because of their application and the interest that they took to make sure that this worked well.
Senator MURPHY—Madam President, I ask a supplementary question. I asked the minister about the 'reply in five' service and criticism of it—not my criticism but rather criticism from the CPA. Perhaps the minister might like to comment on that. When the commissioner said that 'reply in five' meant five days, did he in fact make a mistake and instead mean five weeks, as is now becoming the norm for responses to important GST questions—in some cases, if they are answered at all? What has the government done to ensure that all queries get responded to within five days as originally promised, or was this just another example of a non-core promise?

Senator KEMP—Some of the more complex questions are taking longer than five days to answer as they require more research. I do not think that that is surprising. Many of these queries are of course dealt with by the industry partnerships specifically set up to clarify priority issues for industry. The ATO advises me that the 'reply in five' service is still operating well, and the ATO continues to have up to 350 dedicated staff responding to queries. A number are working overtime and in weekend periods. Of course, there are issues and complex questions that do take longer than the five days, but with the 'reply in five' service, as with all other areas of the tax office, an enormous effort has been made to satisfy the many demands which have been made on that organisation.

Australian Federal Police: Searches

Senator COONAN (2.31 p.m.)—My question is to the Minister for Justice and Customs, Senator Vanstone. Has the minister seen the Sydney Morning Herald article in which it is alleged that the government ‘authorised Federal Police raids’, including one against an opposition staff member? Is there any truth to this allegation, and can the minister advise on any other responses to national security leaks?

Senator VANSTONE—I thank Senator Coonan for the question because it gives me the opportunity to clear the AFP’s name. This story is one that Labor has tried to put about and that is necessarily an outrageous slur on the Australian Federal Police. Labor clearly wants Australians to believe that a government minister authorised the police action concerned. At the time, Mr Laurie Brereton was telling the ABC:

... it is no good ... denying that he and his colleagues do not have their fingerprints all over the outrageous events of last Saturday morning ...

Clearly, Labor has been briefing the gallery, trying to create an impression of direct government involvement in police searches. That is clear from the way Mr Beazley was reported by the ABC as claiming that the AFP ‘were under instructions from the government ministers who initiated the investigations’. The presenter went on:

The federal opposition maintains that the government had to have approved the police investigation and the scope of it—meaning the warrant execution. Let me make this crystal clear: no minister had any influence in the conduct of this investigation. Ministers do not have and should not have that power. No minister authorised, or has the power to authorise, search warrants for the Australian Federal Police. The fact that this story got some legs in the media tells us some very interesting things. It tells us that some in the media, some who should know better—senior journalists who by now you would think would understand the Australian Federal Police Act—will simply print whatever Labor says. An experienced journalist would know that ministers do not have the power to direct police in operational matters.

I think that Labor knows that this is a lie. It is just running a false story in the media to attack the government. As Richo said, ‘Whatever it takes.’ Labor has been in government; it knows how the Australian Federal Police Act works. It knows how the Australian Federal Police work. It knows that ministers do not get involved in operational matters. It knows the minister can only give broad policy directions that are not in relation to operational matters. The suggestion by Labor—and that is what it is—that the Australian Federal Police has taken directional influence inappropriately is an outrageous and premeditated attack on the integrity of the Australian Federal Police. The commissioner was so concerned by the inference of inappropriate involvement that he took the quite extraordinary step of writing
to Mr Brereton expressing his concern at ‘any suggestion or impression that the AFP has in any way acted in a partisan way’.

Mr Kerr’s silence in relation to this matter has been deafening. He is the one who was the justice minister last time. That means one of two things: either he as justice minister did inappropriately interfere in police matters and thinks that is the normal course of events—

Senator Schacht—What? You’re joking, Amanda!

Senator VANSTONE—If you are going to allege that ministers do, what are you going to say—that you do not? If so, if that is what Labor did, if that is what it took, then let Labor tell us which investigations it interfered in. I do not believe for one minute that, if Labor ever tried that, the Federal Police would have allowed it. I believe the reason that Mr Duncan Kerr has gone quiet is that he knows that Labor is running a lie and is therefore deliberately deceiving the community; that is why he has gone doggo on this issue. He cannot bring himself to allow the suggestion that the Federal Police would take instruction. (Time expired)

Senator Cook—You can’t lie your way out of that, Amanda!

The PRESIDENT—You will withdraw that, Senator.

Senator Cook—I withdraw it. Madam President, on a point of order: will you exercise the powers of your office and make the minister withdraw the allegation that the Labor Party lied. That is within the standing orders; will you do that, Madam President?

The PRESIDENT—There is no point of order.

Senator COONAN—Madam President, I have a supplementary question—

Senator Cook—There is a point of order. This is bloody disgraceful.

Senator Alston—There is a point of order and I am taking it. Madam President, not only in defiance of your ruling but in quite an unseemly fashion Senator Cook said, ‘There is a point of order,’ and then proceeded to swear about it. It seems to me that that deserves a rebuke from you. It ought to be made very clear to Senator Cook that that is unacceptable conduct, and I call on you to ask him to withdraw it.

Senator Faulkner—On the point of order, Madam President: you have allowed Senator Vanstone to slur a member of the House of Representatives, in this case Mr Duncan Kerr, for some two minutes during a four-minute answer. I believe that she was out of order. I am surprised that you did not call the minister to order. Senator Cook, under provocation, took I thought a totally appropriate point of order to draw your attention to a matter that I would have hoped you would have recognised in listening to the minister’s answer. The point of order taken by Senator Alston is a nonsense and a cover-up because this minister, Senator Vanstone, has crossed the line. I would ask you, Madam President, in responding to Senator Alston’s point of order which I am speaking to, to carefully check the Hansard record and note what Senator Vanstone has said, note that I believe it is a clear breach of the standing orders and report back to the Senate at a later stage.

The PRESIDENT—I will check the Hansard. I do not believe that Senator Vanstone has spoken badly of any member of the House of Representatives. I certainly did not interpret that she was doing so, listening to the whole of the answer.

Senator Patterson—What about Senator Cook?

The PRESIDENT—Senator Cook I believe knows that he has been behaving in a disorderly fashion.

Senator COONAN—Madam President, I have a supplementary question. The minister has included in her answer information in relation to ministerial powers in respect of operational matters. Are there other responses to national security leaks about which the minister can further inform the Senate?

Senator VANSTONE—Madam President, I welcome your checking the Hansard. I have in fact made it clear that I think Duncan Kerr is silent because he knows Labor is running a lie on this issue. He knows it does not happen—ministers cannot interfere.
But Labor’s mock outrage here is pure hypocrisy. Do you remember, Madam President, Labor’s jail a journo plan? That is what they said should happen to people who released classified information. The jail a journo plan for secondary disclosures was in the aftermath of the Samuels inquiry. That was Labor’s response: not investigate the matter, not go before a magistrate and get a warrant and investigate it, but let us go further than that and let us jail them. Who was in Labor’s cabinet back in 1995 when this matter was considered? Senator Faulkner, Senator Ray, Peter Cook and Nick Bolkus—these are the people that wanted to jail the journos.

The PRESIDENT—Senator Vanstone, if you are going to refer to senators, refer to them correctly.

Senator VANSTONE—Senators Faulkner, Ray, Cook and Bolkus were all in cabinet at the time that Labor’s response was to jail the journos. So the mock outrage and hypocrisy on the matter being investigated really deserves—(Time expired)

Goods and Services Tax: Business Refunds

Senator McLUCAS (2.40 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Can the minister confirm that the ATO did not process all GST refunds due within 14 days of the lodgment of the July business activity statement? How many businesses did not receive their refunds within 14 days? How much was the total amount of refunds due but not paid within the 14 days, and what is the total amount of interest for which the ATO is liable as a result of not paying the GST refunds within 14 days?

Senator KEMP—There is a lot of detail in that particular question, and I will get the answers to you promptly, Senator. I will take the question on notice.

Senator McLUCAS—I thank the minister for taking that on notice. I thought, though, given the commentary in the media in the last couple of weeks, that he would have had some information for us. However, I ask a supplementary question. Does the minister agree that, as the minister responsible for the detailed implementation of the GST, he has failed to ensure that many thousands of businesses received their GST refunds within 14 days, as they were promised? Isn’t it the case that, as a result of many thousands of businesses not receiving their refunds within the designated time, the Howard government has directly put many of them into a perilous cash flow situation?

Senator KEMP—As I said in response to Senator Murphy, the implementation arrangements for the GST have gone particularly well. Of course, there will always be particular issues which arise. There is some detail which has been sought by Senator McLucas and, because of the details required, I will obtain that for her and, as I said, I shall try to get that to her promptly.

Science: Prime Minister’s Prize

Senator TIERNEY (2.42 p.m.)—My question is to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate of the importance of the Prime Minister’s science prize, which was announced today? What is the government doing to support and encourage our leading scientists to develop innovative technologies in Australia? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Tierney and I acknowledge his very strong interest in science and education. This morning the Prime Minister did announce the winners of Australia’s pre-eminent science award, the Prime Minister’s Prize for Science, which is an award recognising excellence and achievement in the field of science and technology by Australian scientists.

Senator Carr—Why are so many going overseas?

The PRESIDENT—Senator Carr, you are shouting, and that is disorderly.

Senator MINCHIN—The PM’s Prize for Science and our two youth prizes, the Malcolm McIntosh prize for achievement in the physical sciences and the minister’s prize for achievement in the life sciences, are an initiative by our government following the I think admittedly low profile of the former Australia Prize. These new prizes acknowledge the instrumental role science plays in the Australian economy by recognising outstanding research being conducted by scien-
tists resident in Australia. The total value of these prizes is some $370,000. I am pleased that Dr Jim Peacock and Dr Liz Dennis, both of the CSIRO, are the recipients of the inaugural Prime Minister's Prize for Science, which is a $300,000 cash prize, for their discoveries in molecular biology and their work in the discovery of the flowering switch gene. The work by Dr Peacock and Dr Dennis is a tremendous example of how scientific research does make a direct contribution to Australia's economic wellbeing. Their discovery of the gene that determines when plants begin flowering has the potential to boost the productivity of the world's crops by billions of dollars a year and increase the nutritional value of those crops. This discovery will provide us with the technology to produce weather resistant crops, which of course is very important to Australian farmers.

I think research like this in the field of biotechnology, something this government strongly supports, will ensure the development of new industries and, very importantly and not to be forgotten, the renewal of existing industries. The two youth prizes recognise the outstanding achievements of young Australian scientists around Australia. Dr Una Morgan is the recipient of the Minister's Prize for Achievement in the Life Sciences for her research into the parasites cryptosporidium, well known in Sydney, and giardia. The recipient of the Malcolm McIntosh Prize for Achievement in the Physical Sciences, which honours Dr Malcolm McIntosh's contribution to science, Dr Brian Schmidt, led an international team that uncovered evidence that the universe is continually expanding at an accelerated rate. These winners, and indeed all those nominated for these prizes, demonstrate both here and overseas that Australia is producing world-class scientific, leading-edge research.

There has been some criticism, indeed coming from the opposition today, about a perceived brain drain. I think it is worth noting that both Dr Peacock and Dr Dennis have stated publicly that their overseas study enriched their approach to their scientific research conducted in Australia. Also of note is that Dr Morgan and Dr Schmidt were both born overseas and have only recently become Australians. They came here to continue their scientific research. They are a fantastic example of our brain gain. The four winners are indicative of many of the scientists who do travel overseas but who come back to Australia to pursue their research, bringing with them the experience they have gained from their studies overseas.

In congratulating these winners I also want to acknowledge the contribution of the CSIRO and the two tertiary institutions involved, Murdoch University and the ANU here in Canberra, in terms of their scientific work and their contribution to our economic development. The government remain very strongly committed to investing in and recognising scientific excellence in this country, and we look forward to releasing our innovation action plan at the end of this year.

**Goods and Services Tax: Business Refunds**

**Senator WEST** (2.47 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware of claims by the ATO that the main reason GST refunds were not paid on time is that taxpayers had not provided their banking details? Can the minister therefore confirm how many businesses failed to provide their banking details? Can the minister also confirm that the actual data input of taxpayer provided banking details and other data has been outsourced, resulting in key data errors which have had to be corrected by ATO staff?

**Senator KEMP**—The outsourcing arrangements have been the subject of many questions in this parliament, not the least of which have been from Senator Lundy. Despite the hours upon hours of research that Senator Lundy and her colleagues have obviously carried out into outsourcing, they have never been able to pinpoint any major problems at all. So the basic assumption underlying the question is, I believe, wrong. The outsourcing arrangements have worked particularly well. I make the point that of course errors are made by people in filing their forms. I quite accept that errors are made. What proportion of those were due to the point that was made by the questioner, I am not sure. I will check on that and provide her with an answer.
Senator WEST—I ask a supplementary question. Given that the ATO claims that GST refunds could not be paid because banking details had not been supplied, why couldn’t the GST refunds have been paid by cheque? Is it not a fact that the ATO’s claim of a lack of taxpayer banking details is nothing more than a furphy in order to help cover up the minister’s continuing incompetence because he is responsible for the detailed implementation of the GST?

Senator KEMP—I thought that was an exceedingly rude supplementary and, might I say, completely unworthy of the Deputy President of this chamber. Let me give the senator some facts. The ATO, according to the advice I have, has issued over 63,000 refunds and has only some 2,850 refund cases on hand that are over 14 days. Over 90 per cent of these are where businesses have failed to supply, as the senator said, correct banking details. The ATO, Senator, you will be pleased to note, is contacting these people to issue their refunds. Overall, the advice I have received is that the business activity statements processing is going well. (Time expired)

Education: Schools Funding

Senator ALLISON (2.50 p.m.)—My question is to the Minister representing the Minister for Education, Training and Youth Affairs. Now that we know that the new SES funding will deliver the biggest gains to the wealthiest private schools, doesn’t this indicate that the model is not needs based? Does your government acknowledge that this funding will further increase the resource gap between public and private schools? The government has a $5 billion surplus. Will you now consider matching the funding increase given to private schools for our needy state education system?

Senator ELLISON—Senator Allison’s question is based on a false foundation in that it assumes that there is favour towards richer schools rather than poorer schools. In fact, that is not the case. What we are looking at here is a fundamentally new way of assessing the funding of the non-government school sector. The ERI system under Labor was failing because it was not accurately reflecting the socioeconomic situation of parents who were sending their children to those schools. What we have is a very wide range of funding, from 13.7 per cent of the average cost of government schooling for an individual student through to 70 per cent of funding from government sources. That is the range that you have. For those schools where parents have more resources, the funding is at that 13.7 per cent end of the scale compared with those schools where parents are needier, where it is 70 per cent of the cost of government schooling for students.

What we have there is a very wide range, and I think the Senate should realise this because we wanted a range to accommodate the band of socioeconomic circumstances that parents find themselves in. We have, for instance—and Senator Allison raises the question of funding—funding for the needier schools of $3,700-odd for a primary school student. At the other end of the scale, this is reduced greatly to just under $700 for a primary school student whose parents are better resourced. You can see the huge difference in the way the government has approached this, because it recognises the differences you will find across Australia in relation to the needs and resources of parents.

We find that those schools with SES scores of less than 100 and Catholic schools educate just under 70 per cent of all non-government students. You have a band of parents choosing to send their children to non-government schools which are definitely at that lower end of the scale on the SES assessment. That comes from ABS statistics dealing with areas defined by income and available resources—household income being a crucial thing.

What we have here is a much fairer formula, a much more transparent formula and one which is much more equitable than the funding formula which existed under Labor. We are looking at the needs of parents, not the question of the school itself, and those parents have chosen to send their children to non-government schools. We believe in choice; we, as a government, believe that parents should have a choice of sending their child to a government or non-government school, and we believe in a strong non-
government schooling sector and a strong government schooling sector in order to give the parents of Australia that viable choice.

Senator ALLISON—Madam President, I ask a supplementary question. Minister, Wesley College receives the biggest increase in Victoria, at over $4 million. How can Wesley be described as a needy school? Minister, does Wesley have more low income students than poor Catholic schools or the many schools that receive no increase at all? The average spent on students in government schools is less than $7,000 a year; how is it that government school students are not more needy than Wesley students, who have more than twice that amount spent on their education? Will you consider using your surplus to put at least a billion dollars into public education?

Senator ELLISON—Wesley College is a large school with over 3,500 students drawn from all over the metropolitan area and, in fact, preliminary analysis shows that it draws its students from the full range of socio-economic areas with over 50 per cent of its students coming from areas with SES scores of 101 to 120. This demonstrates the very point the government makes, and that is that you cannot just say that one school is wealthy as against another. You look at the means of the parents and you look at the socioeconomic status of those parents. That is where this funding formula is much fairer. If category 1 schools do receive additional funding once the SES scores have been calculated, it will be by virtue of the SES status of the areas from where they draw their students. That is a much fairer way of assessing funding.

Goods and Services Tax: Fuel Excise

Senator COOK (2.52 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Is the minister aware of Premier Richard Court’s advice, and will it factor out the GST impact on the next fuel excise increase?

Senator KEMP—The senator referred to political posturing in his question: in relation to political posturing, never have we seen more posturing than on the implementation of the new tax system and now on petrol pricing. The truth of the matter is that, if Labor were in office, with Labor’s policies the price of petrol would be higher. We had this debate on the fuel grants scheme in the last sitting session. It has been stated on this side on many occasions that Labor are proposing to remove that fuel grants scheme and it has never been denied, as far as I am aware.

Senator Sherry—What’s your source for that? What’s your date? What’s the quote? You’re making it up.

Senator KEMP—As I said, as far as I am aware you have had your chance. Having dealt with the issue of political posturing, let me just state that the indexation arrangements for excise were put in place by—guess who—the previous government, the Labor Party. I am not aware that, for example, when there were very sharp rises in prices and inflation under the Labor Party, there was any resiling by the Labor Party from the indexation arrangements. In the indexation arrangements that are carried out every February and August the excises are increased by the consumer price index, which reflects, as we all know, the increase in the cost of living.

There was an implication that the government would, somehow, receive a windfall gain from continued indexation. I have said this before but I will state it again: for every dollar gained through the indexation of excisable products, the government increases outlays linked to the CPI by over $2. This includes pensions, the Newstart allowance, parenting payments and things like rent assistance. The government rejects the notion that was implicit in the question that there is a windfall gain.

The point I am making is that there is political posturing by the Labor Party on petrol prices. Petrol prices reflect, as the Labor Party well knows, the very sharp rises that we have experienced in world prices for fuel...
oil over the last year and a half. The Labor Party knows that. What we are doing, to conclude on the indexation arrangement, is proceeding with the arrangements that were put in place by the Australian Labor Party.

Senator COOK—Madam President, I ask supplementary questions, which I hope the minister will be able to answer. What is the estimated GST contribution to the consumer price indexed fuel excise increase due in February? How much revenue will the federal government gain from this fuel tax windfall?

Senator Knowles—The GST goes to the states, you twit!

Opposition senators interjecting—

The PRESIDENT—Senators on both sides will cease shouting.

Senator KEMP—I have answered the issue in relation to the ‘windfall’. As my colleague Senator Knowles again reminded us, the GST revenues go to the state governments. Any effect will flow through to state governments.

Disability Discrimination Commissioner: Vacancy

Human Rights Commissioner: Vacancy

Racial Discrimination Commissioner: Vacancy

Senator BROWN (3.01 p.m.)—My question is addressed to Senator Vanstone, the Minister representing the Attorney-General. Is it true that the post of Human Rights Commissioner is vacant and has a deputised stand-in? Is it also true that the post of Racial Discrimination Commissioner is vacant and has a deputised stand-in? Perhaps worst of all, is it true that the post of Disability Discrimination Commissioner is vacant and the position has had two deputised stand-ins since 1998, when the post fell vacant at the end of service of the first and only Disability Discrimination Commissioner, Elizabeth Hastings? As the minister knows well, disabled people in Australia face discrimination every day of their lives. How could it be that the very place that signifies care for the disabled in this country is left vacant by the government on the eve of the Paralympics?

Senator VANSTONE—I thank the senator for his question. I do not know the answers to those specific questions. I will put the matter to the Attorney-General and see what he has to say in response to your questions. I make the point that sometimes there is a difference between direct and indirect discrimination. I did not think that feeling was reflected in your question. That needs to be borne in mind, especially in relation to the disabled. I do not know of any Australians who would tolerate for one minute direct discrimination against the disabled. There is, of course, indirect discrimination, which needs to be remedied. I thought that your question did not convey the type of discrimination that is specifically faced by disabled Australians. As to the detail of your questions, I will give it to the Attorney-General and see what he has to say to you.

Senator BROWN—Madam President, I ask a supplementary question. I recognise that disabled Australians face direct and indirect discrimination. The post of Discrimination Commissioner is specifically there to give the disabled an avenue of recourse and appeal. I ask again: is it true that the position of Acting Disability Discrimination Commissioner fell vacant on Friday and that there is nobody to replace them? Is it true that the full appointment of Disability Discrimination Commissioner fell vacant in 1998 and that the government has done nothing to fill that post? What corrective action is the government going to take, on the eve of the Paralympics, to address this dereliction of its obligation to fill that post?

Senator VANSTONE—I took that to be a repetition of the question that was earlier asked, and I give you the same answer.

Australian Federal Police: Searches

Senator FAULKNER (3.04 p.m.)—My question is directed to Senator Vanstone, the Minister for Justice and Customs, and follows an earlier question in question time from Senator Coonan. Can the minister confirm that it continues to be part of formal AFP protocol that any AFP investigation or action involving a member of the federal parliament is the subject of consultation with the Minister for Justice and Customs? If so, when did the minister receive her AFP
briefing or briefings on the execution of a search warrant on the home of the adviser to the shadow minister for foreign affairs? Following her briefing prior to the raid, did she or her office communicate any information received from the AFP to other ministers, their offices or staff?

**Senator VANSTONE**—In relation to Senator Faulkner’s first question as to the expectation that there will be consultation, I have to say that I disagree with that. ‘Consultation’ puts quite the wrong spin on this, which is exactly what your party has been seeking to do. It is generally the case—I would not want to say it is always—that, if an investigation or operation is under way an action or a consequence of which for one reason or another is likely to appear in the papers, then of course the minister would be informed and generally briefed. It amazed me that nobody in the media asked me until the day before I said for the second time that I had had one of these general briefings. It was no secret at all. I note, however, that someone said it was an admission. It is like saying the sky is blue. I would have expected to have a general briefing and had in fact made that clear the day before. So they are not consultations—they are not asking for an okay or a tick—they are simply advising what the AFP chooses to advise as to where it is in an investigation and where it is going.

As to the general briefing or briefings that I had, no, I will not give you the dates of those. I will make some consultations in relation to that. It is possible that, in some circumstances, it would be handy for someone who was a part of an investigation—perhaps not even under investigation themselves—to know when they became of interest to the Australian Federal Police. So I am not going to give you the timing at this point for that reason. But I can say with respect to myself that, following any information coming from the Australian Federal Police, I did not communicate that to anybody outside my office. There would have been two people from my office in on the briefing. I will check with them but I feel very confident that they would not have either. It is nobody else’s business. I am the minister for the Federal Police and I should have a general briefing when things are likely to appear in the paper, but it is not anybody else’s business.

**Senator FAULKNER**—Madam President, I ask a supplementary question. Perhaps the minister might explain how indicating to the Senate the timing of a general briefing or general briefings in relation to such a matter could be considered operational and not a matter properly of public record and public debate. Also, can I just be clear in relation to the third issue I raised—and the minister has in part responded to—that the minister will report back to the Senate as a matter of urgency whether any member of her staff communicated information received at a general briefing or general briefings to other ministers, their offices or staff, or any other individuals.

**Senator Ian Macdonald**—She’s already answered it.

**Senator FAULKNER**—No, she hasn’t. I’ve asked her to report back.

**Senator VANSTONE**—Senator Faulkner has asked me to report back as a matter of urgency. I will very promptly make inquiries with my staff and, if my understanding of what would be the case is incorrect, I will very urgently come back and inform the Senate. But if it is as I think it is, I do not see much point in coming back. So I give that undertaking: I will come back if there is anything other than what I have indicated I believe is the case. I have already answered the second part of your question. I do not think you were listening.

**ATSIC-Army Community Assistance Project**

**Senator CHAPMAN** (3.09 p.m.)—My question is directed to the Minister for Aboriginal and Torres Strait Islander Affairs. Given the Howard government’s strong record of practical reconciliation, will the minister outline the successful contribution that the Australian Army is making to improving the lives of indigenous Australians? Will the minister also inform the Senate of any alternative proposals?

**Senator HERRON**—I thank Senator Chapman for this timely question because it gives me the opportunity to outline the significant success of the government’s $40
million indigenous community infrastructure Army-ATSIC program. In particular, I had the privilege two weeks ago to inspect the significant infrastructure works being done at the remote Aboriginal communities of Milikapiti and Wurankuwu on the remote Tiwi Islands, off the Northern Territory coast. Under the Howard government’s ATSIC-Army Community Assistance Project, Australian soldiers have just completed $5.3 million worth of infrastructure projects that will be of significant benefit to the Tiwi people.

The cornerstone of reconciliation should be a renewed national focus on the sources of Aboriginal and Torres Strait Islander disadvantage, combined with a practical program of measures to address these problems. The ATSIC-Army Community Assistance Project initiative is part of the federal government’s record $2.3 billion worth of spending on indigenous specific programs this financial year. We are focusing on the key areas of health, housing, education, employment and economic empowerment. This practical approach is the only way to lasting improvement in the conditions of indigenous Australians. This program has been an outstanding success since the government first announced it in 1996. I congratulate the Army, the Aboriginal and Torres Strait Islander Commission and the federal Department of Health and Aged Care for their joint effort of practical reconciliation.

Three weeks after helping to rebuild Dili and other East Timorese townships, 120 soldiers from the Army’s 21st Construction Squadron moved to the Tiwi Islands for six months work. Since April, the Brisbane based soldiers, including major work from Sydney’s 21st Construction Regiment Reserves, have upgraded and built new houses, installed better drainage for wet season flooding, sewerage systems and a water tower and have upgraded roads. It is the first time, apparently, that full-time soldiers and reservists have worked together on such a program.

This is where the government’s initiatives are making a real difference—in the homes of the people with the greatest needs. I was very pleased to accept from the Tiwi people certificates of appreciation for the outstanding work being done under this program. Commenting on the work, Matthew Wonaemurri of the Tiwi Land Council said:

The Army has done wonders for the Tiwi Islanders. Seeing the Army in the community doing what they’re best at—its been a good experience for us. We’re learning from them and they’re learning from us.

Stanley Tipungwuti, Wurankuwu Community Council President, and Gibson Farmer, Milikapiti Community Council President, both said:

We are grateful to you and the Australian Army for what this project has achieved, and the Army will always be welcome in our community.

The Army engineers have shown great versatility by adapting from their roles as peacekeepers in East Timor to meeting the needs of fellow Australians in remote areas. They added value to the engineering projects by bringing a medical team to provide community health training and support and by providing a nursing officer, a speech therapist, an environmental health officer and a physical training instructor. In fact, they said to me that one of the skills they have lost to a degree in peacetime is that ability to go into areas like that and do construction. So it was of great advantage to the Army itself.

Of course, this program has had its knockers, but their criticism is drowned out by the goodwill and progress being achieved. This Tiwi project has assisted about 550 residents, but many more remote Aboriginal communities are now benefiting from the construction of capital works such as the provision of water, sewerage and power systems and roads and airstrips, as well as the construction and upgrading of community housing. The Howard government are tackling indigenous disadvantage and we will deliver on our commitment of practical reconciliation.

Goods and Services Tax: Business Refunds

Senator CROSSIN (3.14 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Can the minister confirm that the Australian Taxation Office has been withholding GST refunds against company tax instalments, even when those company tax instalments were not legally due? On what
legal basis was the ATO able to withhold these GST refunds? How many businesses were affected? How much money was improperly withheld by the ATO? How is denying businesses their legitimate GST refunds of any assistance to their cash flow, given that the government repeatedly claims that business cash flows would be a big beneficiary of the GST? Hasn’t the government admitted that this was a mistake, in its weekend announcement suspending the offsetting of GST refunds?

Senator KEMP—I thank Senator Crossin for the question, although I might say that it was asked in a somewhat aggressive fashion.

Senator Alston—Don’t be provoked.

Senator KEMP—I will not be provoked, Senator. Regardless of that, let me provide you with the information. Senator Crossin will be interested to know that currently the law requires that any refunds otherwise payable are to be offset against any other tax debt due. An identified transitional issue has arisen, which Senator Crossin drew our attention to, where a debt has been identified as due but not payable until a later date. The period between the due date and the payable date means that offsetting may lead to payment before the date payable—and I think that was the point being made—an earlier payment than is necessary. The tax office has raised this with the government, which has indicated it will amend the Taxation Administration Act to ensure that this particular outcome does not arise. In the meantime, I advise the Senate that the ATO will hold off any action to offset refunds against such amounts due but not yet payable. If an offset has already been made against these amounts—and this is where the helpful part of Senator Crossin’s question comes in—taxpayers should call the tax office on 132478.

Senator CROSSIN—Madam President, I ask a supplementary question. Wasn’t the deliberate withholding of GST refunds against tax payments that were not even due nothing more than a blatant tax grab by the Howard government? If the government continues to claim that these offsets were proper and legal, isn’t its hypocrisy shown by its deciding to suspend the mechanism only when the business community cottoned on to the scam?

Senator KEMP—That really does show the problem in asking a written supplementary question when you have not actually listened to the answer. Senator, I took you through this very carefully, in some detail, and I explained to you how this particular circumstance arose. I explained it to you very carefully. I explained to you that it was drawn to the government’s attention, and I explained to you the action that the government is taking. So all this nonsense about tax grabs and hypocrisy is just another Labor Party pathetic stunt in an attempt to scare people. I remind you, Senator, that after 1 July the GST happens to be your policy as well. Have you forgotten?

Science and Innovation: Cooperative Research Centre Program

Senator RIDGEWAY (3.18 p.m.)—My question is to the Minister for Industry, Science and Resources, Senator Minchin. Minister, are you aware that the Cooperative Research Centres Association has called for an additional 50 per cent funding over the next four years, recognising that just 12 of the 72 established cooperative research centres have returned $1.5 billion to the Australian economy? Are you further aware of a unprecedented statement issued by the Australian Vice Chancellors Committee also calling on the government to spend another $5 billion over five years to boost industry research and development and scientific research? Given that the government has reaped a $4.9 billion budget windfall, when will this government seriously invest in our nation’s future?

Senator MINCHIN—I thank the senator for his question. I remind the Senate that the federal government, through the 2000-01 budget, has allocated some $4.5 billion to science and innovation, a record amount for this nation. There will always be calls for more and more expenditure, and, as the minister responsible, I would of course welcome the opportunity to spend more money in these areas. As you know, we have just commissioned two very significant reports, which have now come to the government—one by the Chief Scientist on Australia’s science capability and the other on the outcome
of the innovation summit, which this government convened. The Innovation Summit Implementation Group has also reported to the government. Both those reports contain some very interesting and stimulating ways in which the government could further enhance Australia’s capacity in science and innovation, which I think we all acknowledge is extremely important to the future economic prosperity of this country.

The government is actively considering both of those reports and the recommendations made in them. One recommendation is indeed to enhance the funding for the Cooperative Research Centre Program—which is one of the former government’s better initiatives and one that we very warmly received and are continuing to fund. I think it is a great program, particularly because it does emphasise one of the more important aspects, which is collaboration between universities, research institutes, business and government. I think that is something that we need much more of in this country, and we need cultural changes as well as funding changes to achieve that. So we are actively considering ways in which we can responsibly enhance Australia’s already reasonably substantial commitment to its investment in science and innovation.

Senator RIDGEWAY—I thank the minister for his answer. I note the comments of the Chief Scientist, which also suggest further spending, and I ask the minister, by way of a supplementary question: is there any accuracy in a report on page 32 of the Economist magazine of 30 September that the fall in the value of the Australian dollar reflects a continuing belief among financiers and potential investors that Australia has yet to complete the transition from being an old economy, based on natural resources, to a new economy fired by information and other technology? Will the minister take action to ensure that Australia sends the right message across the world by rapidly increasing research and development expenditure?

Senator MINCHIN—I, like many on this side at least, am an avid reader of the Economist and regard it as a pre-eminent journal, but on this matter it is wrong. It is asserted that the value of the dollar is somewhat influenced by perceptions of the Australian economy. As my colleague Senator Alston so accurately and wisely said in, I think, today’s Australian, this is an economy which has embraced information technology almost like no other. The figures speak for themselves and they do not need to be repeated here, but I urge you to read Senator Alston’s very wise words on this matter. Certainly we take up your injunction: it is very important for everybody in this chamber and in the other place to continue to ensure that the rest of the world understands how advanced this economy is and the extent to which it is embracing new technologies and applying them to the industries in which it is pre-eminent—like agriculture, mining, manufacturing and the services sector. (Time expired)

Goods and Services Tax: Fuel Excise

Senator O’BRIEN (3.23 p.m.)—My question is to Senator Alston, the Acting Leader of the Government in the Senate. Is the minister aware that the Prime Minister clearly set out the government’s stance on fuel price rises to ABC Radio National listeners yesterday? Can the minister confirm that the government’s considered position in relation to fuel excise is, to quote the Prime Minister:

Our position in relation to excise is that, if you were to make any impact at all in relation to excise you would have to cut it by five cents. People wouldn’t notice anything less than five cents a litre.

Does the minister agree with the view of the Prime Minister that people would not notice an excise cut of anything less than 5c a litre?

Senator ALSTON—I think what the Prime Minister was at pains to point out was the factual situation, and that is that a 1c cut in the excise would cost in the order of $300 million—in other words, a very substantial sum of money—and, given that petrol prices fluctuate over quite often very short periods of time due to factors beyond our control, it would clearly be of little more than passing comfort to those who might get a 1c or even 2c cut in excise. Of course, this is against the background of the very substantial reductions in fuel prices that have occurred since 1 July. Indeed, the Fuel Sales Grants Scheme,
which paid a grant of 1c or 2c a litre to petrol retailers, will cost some $500 million over four years. Again, I think it is making the point—

Senator Mackay—Where’s petrol gone down?

Senator ALSTON—You might be interested to know that, amongst the industrialised countries in the OECD, Australia still has the fourth lowest petrol prices. Petrol prices have gone up almost overwhelmingly because of upward pressure from crude oil prices—

Senator Crowley interjecting—

The PRESIDENT—Order! There are too many people participating. Senator Alston has the call.

Senator ALSTON—There seems to be some misunderstanding on the other side of the chamber. I thought we started off with the proposition that you would need to have a five per cent reduction for anyone to take any notice of it. I was simply saying that it is quite right to point out that the cost of even a 1c reduction would be some $300 million. That being the case, quite clearly you are talking about very substantial sums of money, and six months or 12 months later who would even be aware of the reason for the current price of petrol? It ought to be quite clear that what the Prime Minister was at pains to point out was that the reason for the increase in fuel prices is beyond the government’s control. It may well be a function of the exchange rate. It is overwhelmingly a function of the increase in crude oil prices.

Senator Bolkus—What about the GST impact, Richard?

Senator ALSTON—The GST came into effect on 1 July. I have already pointed out that the grant of 1c or 2c per litre to petrol retailers came in on 1 July. Petrol is around 10 per cent cheaper for businesses that claim a GST input tax credit on petrol. The government is unable to control the price of crude oil. That ought to be abundantly clear. It also ought to be clear that the strength of the US dollar compared with other countries around the world has a very significant impact and causes the cost to impact relatively more on other countries whose currencies are adversely affected.

The government does not benefit from higher petrol prices. The excise rate remains the same. I hope I do not need to remind the Labor Party that they increased petrol excise by 7.5 per cent per litre as a discretionary budget measure while in office. Five per cent of that was announced in the 1993 tax hike budget. Labor’s 1993 petrol tax hike raised them an extra $5.2 billion. Excise indexation was introduced by the Labor Party. Petrol excise increased under Labor by an average of 5.2 per cent in line with inflation. Under the coalition it has increased by an average of 1.4 per cent. When Labor came to office petrol excise was 6.155c per litre and when they left office it was over 34c per litre. (Time expired)

Senator O’BRIEN—Madam President, I ask a supplementary question. I take it from the minister’s answer that he does agree with the Prime Minister. Given that he represents the Minister for Agriculture, Fisheries and Forestry, I ask him whether he is aware that according to Agforce, the peak rural lobby group in Queensland, the average grain farmer’s fuel bill in that state has increased by $1,000 for every 1c increase in the price of diesel—an increase of $35,000 over the past 12 months? Is the Prime Minister seriously suggesting that farmers would not notice a $1,000 reduction in their annual fuel bill for every 1c cut in the government’s excise on their fuel?

Senator ALSTON—Once again the opposition seem to have very short memories on this matter. In terms of diesel fuel, the cost of diesel fuel for heavy transport has been cut by 24c a litre for vehicles over 20 tonnes. They are eligible for this scheme, as well as vehicles between 4.5 and 20 tonnes travelling in non-metropolitan areas. The grant is also available for alternative fuels like LPG and compressed natural gas. The diesel fuel rebate scheme for off-road diesel usage has been expanded to cover rail and marine transport. I think it ought to be abundantly clear that the only way that you get significant concessions is by fundamental reform of the tax system. We have done as
much as we could possibly be expected to do.

*Senator Mackay interjecting—*

*Senator ALSTON*—You can get out there and give your commitment now. Tell us how much you are prepared to commit in terms of cutting excise. We will tell you what it costs, and then we will see in 12 months what benefit you got from it. *(Time expired)*

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

**ANSWERS TO QUESTIONS WITHOUT NOTICE**

**Australian Federal Police: Searches**

*Senator VANSTONE (South Australia—Minister for Justice and Customs)* (3.30 p.m.)—I indicated to Senator Faulkner during question time that I would expedite inquiries as to whether anyone in my office had discussed any matter in relation to the execution of a warrant against a staffer’s home with anyone else. I said I would not come back if my answer was the same but I would if it was different. Since I now have the answer and I am here, I am happy to put on record that during the remainder of question time I spoke to my chief of staff. He confirmed for me that he has discussed it with no-one outside the office. He has also confirmed that with the other personal staff member who was there and with the Federal Police departmental liaison officer, who is not actually a personal staff member of mine but nonetheless was also in the room at the time. So the bottom line is that the matter has not been discussed by anybody in my office with anybody outside of my office—that is, not in the office on the phone. Do you know what I mean? Absolute.

**National Competition Council: Relocation of Premises**

*Senator KEMP (Victoria—Assistant Treasurer)* (3.30 p.m.)—On 7 September Senator Ray asked me the following question without notice:

Can the minister confirm that the chairman of the national competition commission is insisting on moving his headquarters from the Commonwealth offices in Spring Street, Melbourne, to 303 Collins Street, Melbourne?

Can the minister confirm that this one-kilometre move, at the behest of Mr Graham Samuel, will cost Australian taxpayers $500,000 with little, if any, apparent benefit?

Apart from being closer to Colonial Stadium, what other justification has Mr Samuel given the government for this capricious move?

Could the minister also check whether the National Competition Council has applied its obsession with economic cost benefit analysis to its own move?

Secondly, could he also involve Senator Ron Boswell, who has given Mr Samuel many marvellous character references here in this chamber, to assist him in his inquiries?

The Minister for Financial Services and Regulation has provided the following information in answer to the Honourable Senator’s question:

The National Competition Council will not be moving its headquarters. When its current lease came up for renewal the Council did consider a number of options directed towards achieving the most cost effective means of providing for its accommodation needs. As a result of that investigation the Council will remain in its current premises.

**Goods and Services Tax: Aged Care Monitoring Services**

*Senator KEMP (Victoria—Assistant Treasurer)* (3.31 p.m.)—On Tuesday, 29 August, Senator Forshaw asked me a question about a company called Vitalcall. I have a response to that and I seek leave to incorporate that in *Hansard*.

Leave granted.

*The answer read as follows—*

On Tuesday 29 August 2000, *(Hansard page: 15489)* Senator Forshaw asked me:

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? Is the Minister aware that a similar monitoring service in Victoria called Vitallink 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?

I now seek leave to have this incorporated in Hansard.

The Commissioner of Taxation has advised me that under the Goods and Services Tax Act 1999, the fee for monitoring a medical alert device may be GST-free for elderly Australians living in their own homes if either the supplier receives funding in connection with the supply from the Commonwealth, a State or a Territory, or the monitoring service is being performed by a nurse who is a recognised professional.

In relation to funding, the funding may take the form of a community care subsidy under the Aged Care Act 1997, funding under the Home and Community Care Act 1985 or other Commonwealth, State or Territory funding in connection with the supply.

I would also note that any taxpayer dissatisfied with a private tax ruling can seek a review of the ruling.

PARLIAMENT HOUSE: DIVISION AND QUORUM BELLS

The PRESIDENT (3.31 p.m.)—Before calling motions to take note of answers, I wish to inform senators of a change to the sound of division bells to make it more noticeable if a second division or quorum is called. Until now it has on occasion been difficult for senators and members to distinguish when a second division or quorum is called when bells are already ringing. This has been particularly so in the central areas of the building where there is no difference in volume between bells for the two chambers. From today, a sharp additional sound will be inserted at three-second intervals when a second division or quorum is called and will continue while both division or quorum bells continue. When only one division is being called, the bells will continue to ring as before.

ANSWERS TO QUESTIONS ON NOTICE

Question No. 2856

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.33 p.m.)—Pursuant to standing order 74(5), I ask the Assistant Treasurer, Senator Kemp, for an explanation as to why an answer has not been provided to question on notice No. 2856 which I asked on 28 August 2000.

Senator KEMP (Victoria—Assistant Treasurer) (3.33 p.m.)—Just prior to question time I received notice from Senator Cook’s office that he was going to raise this issue. I have not fully got the explanation, but the preliminary advice I have received is that there is some problem in the actual wording of the question. We are working through that. I will make sure that is tabled as soon as practicable.

Motion (by Senator Cook) agreed to:

That the Senate take note of the explanation.

Question No. 2743

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.34 p.m.)—Pursuant to standing order 74(5), I ask the Minister representing the Minister for Trade, Senator Alston, for an explanation as to why an answer has not been provided to question on notice No. 2743, which I asked on 16 August 2000.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (3.34 p.m.)—Minister Vaile’s office assures me that they expect the answer to be signed off this afternoon and for Senator Cook to receive it at a later hour this day.

Motion (by Senator Cook) agreed to:

That the Senate take note of the minister’s response.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Fuel Excise
Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.35 p.m.)—I move:

That the Senate take note of the answers by the Assistant Treasurer (Senator Kemp) and the Minister for Communications, Information Technology and the Arts (Senator Alston), to questions without notice asked by Senator Cook and Senator O’Brien today, relating to fuel excise.

During question time I put a number of questions to the Assistant Treasurer on what has become the white-hot political issue in Australia: why are Australians paying too much for their petrol? Once again the government ducked, weaved and avoided answering directly any of those questions. This is now a serial offence. The government has refused to come clean about its position on petrol prices in Australia for the last sitting fortnight, for the sitting weeks before that, earlier when we pressed it, and again today. Indeed the government, along with the Australian Democrats, declined to conduct a properly based inquiry into why Australians are paying too much for their petrol? Once again the government ducked, weaved and avoided answering directly any of those questions. This is now a serial offence. The government has refused to come clean about its position on petrol prices in Australia for the last sitting fortnight, for the sitting weeks before that, earlier when we pressed it, and again today.

The government, along with the Australian Democrats, declined to conduct a properly based inquiry into why Australians are paying too much for their petrol? Once again the government ducked, weaved and avoided answering directly any of those questions. This is now a serial offence. The government has refused to come clean about its position on petrol prices in Australia for the last sitting fortnight, for the sitting weeks before that, earlier when we pressed it, and again today.

The government have been falsely proclaiming that there is nothing they can do about it. On 1 July they imposed a GST on petrol—a tax on the already existing tax of excise; a tax on a tax. The questions today were about whether the Premier of Western Australia, who has publicly postured in that state, calling on the federal government to do something, has actually done anything about it. Since the government declined to answer that question, one presumes that what Richard Court has done in Western Australia is for public consumption, given that there is an election due in that state this year or early next year and that the standard requirement of putting any questions in writing to this government has not been undertaken by him. As well, the government have declined to answer the question that the Premier of Western Australia clearly has declared his support for—that is, the removal of the CPI effect based on the GST tax on a tax from the forthcoming adjustment in February of the petrol excise level. Richard Court has called for that. It is clear that he has done nothing about it, other than make public statements. But when asked today what the government would do, again they obfuscated, again they avoided the point.

We still have no answer for the estimated GST contribution to the consumer price indexed fuel excise increase due in February. Again, the minister avoided that question. How much revenue windfall—that is, how much from the taxpayer—will the federal government gain from the fuel tax windfall? They refuse to say the figure. Of course, one can see the political device here. They will not name the amount because as soon as Australians realise how deeply into their pocket the federal government have got their hand over petrol prices, they will rightly demand that that money be given back to them. The government’s estimated revenue windfall in the budget from petrol prices is much less that what they are currently receiving. We know the budget is in a very high surplus, generated in part by this windfall. How much is it? And why won’t you tell Australia how much it is? Why won’t you say that you will give it back so as to afford some relief to ordinary Australians who have to pay the higher costs of petrol prices? It is no good railing against the sheikhs in the Middle East who push up the OPEC barrel price when it was within the competence and ability of this government to hand some of that money back to reduce the burden on ordinary Australians. It is for the reasons that this government will not come clean on that the Australian Labor Party have announced to-
day that we will conduct our own inquiry. We believe that the first thing should be that the Prime Minister be held to account—

(Time expired)

Senator GIBSON (Tasmania) (3.40 p.m.)—I rise to speak on the motion about a tax on fuel. Isn’t it ironic that the Labor Party are calling for a tax on fuel when they are really talking about the scheme that they introduced when they were in power?

Senator Murphy—We didn’t introduce the GST, Brian.

Senator GIBSON—Yes, you were. You were talking about the excise scheme that you introduced. I think you raised the excise from 5c a litre up to 34c a litre when you were in power. That was a big hit on all users of transport in Australia. You did that when you were in power. When this government came to power we offered tax relief by way of tax reform to the Australian community, and you opposed it all the way. The ALP opposed it all the way. We offered tax relief on incomes. We offered relief and reorganisation of the indirect tax system. We offered family tax relief and we offered fuel tax relief, particularly to heavy transport—

Senator Murphy—What about the GST?

Senator GIBSON—The GST was backed off from the excise so that the price of fuel basically stayed the same, and that is what has happened. Everyone in business can get their 6.7c or thereabouts GST back from the price of fuel. Those in the transport business using heavy trucks or those in regional Australia with trucks above 4½ tonnes get the excise back. So transport costs have in fact gone down in real terms, leaving aside the world price changes for oil. Apropos that, everyone is really concerned about world oil prices going up. The price was less than $US12 a barrel 18 months ago; it hit a peak of $US37 a couple of weeks ago. It dropped back to $US30 three days ago, and I noticed it was $US32.4 this morning. So it is a volatile market.

I am sure the Senate would be interested, and the Australian community would be interested, in knowing that there was an interesting article in the Financial Review of three weeks ago quoting Sheik Yamani. Those of us who are old enough will remember Sheik Yamani was the leader of OPEC during the oil crisis in the 1970s. In this article, Sheik Yamani criticises his OPEC colleagues for allowing the world price of oil to go up so high just recently. He reminds them that, by allowing the oil prices to go up, they will allow substitutes to come in—be they gas or other substitutes—and as a consequence they will be shooting themselves in the foot, and that it was a silly program by OPEC to do that and, of course, all the other oil producers will come about. He predicts that the world price will collapse down into the 20s level next year. Let us hope, on behalf of all Australians, that that happens. That is what we have to pray for. Let us hope that Australian producers and other producers around the world lift their production and
drive the price of oil and hence of petrol at the bowser down.

Senator MURPHY (Tasmania) (3.45 p.m.)—What an interesting defence of the government’s GST tax take on petrol! Senator Gibson, for whom I have the greatest respect, I know had great difficulty in putting up that defence. In fact, he only mentioned the GST in response to interjections from me. Apart from that, you would think that the GST never existed. You would think that the government never put a GST on petrol. In fact, that is exactly what the public are dirty on, Senator Gibson. That is exactly what the public are upset about, because this government and its National Party and Democrats coalition partners told the public before the last election, and subsequent to the last election: ‘The GST will not increase the price of fuel’—will not increase the price of fuel, will not affect the price of fuel.

Sure, the government went about a process where they reduced the excise. Sure, excise is a fixed amount of tax on petrol. But they then introduced the GST, which is a tax on petrol. Excise is a tax and GST is a tax on petrol. After they did all their sums, they said: ‘Well, we think that there is a 1.5c per litre savings within the industry,’ as a result of all of these other good things that they have introduced with the GST. They said: ‘Somehow the industry has to deliver 1½c of what we should really deliver in excise reduction. We want them over there to do it.’ When the 1½c a litre did not materialise, because it was never there—that is the reality—they sooled the poor old ACCC out there to try and find it. They sent them out scurrying about looking for 1½c of industry savings. I do not think they are going to find it. I know they are not going to find it.

The government is now here trying to defend the situation. Of course we all know that crude oil prices is a reasonable factor in the price of fuel. We know that, and we know that crude oil prices have gone up. But the government promised the Australian public—and that is why we have to keep reminding them—that the GST would not increase the price of fuel. Well, it has, and I do not know how the government can continue to maintain that it has not. The reality is that the GST goes onto the retail price of petrol, diesel and LPG. That is what the government ought to address itself to if it is not about increasing the price of fuel. It is not a budgetary matter. I listened to the Treasurer today during question time. He said in response to questions, as has the Prime Minister, ‘Well, we can’t give any money back because that will affect the budget outcome.’

You may well have factored into a budget projection what you set the GST on in terms of the strike rate, which was 90c litre, but nothing else. Crude oil prices have gone up and the flow-through effect has followed. But at the end of the day it is the GST that is adding at least 2c to 3c per litre over and above the tax take which would have occurred if you only had excise in place. That is a reality. That is what the government has to confront. That is which the government ought to be looking at. Rather than saying, ‘Well, look, we can’t give anything back,’ you could certainly address the questions insofar as excise is concerned in terms of the GST inspired CPI spike. You have an obligation to deliver a promise—at least one promise.

We carried a motion a few minutes ago about the success of the Olympics. Well, let me tell you the GST has not been the government’s Olympics here. If ever there has been a disaster, if ever there has been anything that has run amok, it has been the introduction of the GST. I heard Senator Alston saying that prices have gone down since July. Well, they may have done in one or two places recently, but outside of that the price of petrol has gone up and it is having a heavy impact on the regions of Australia. The government ought to deliver on its promise. It can deliver on its promise without affecting the budget bottom line, without affecting the surplus, because you do not know what is out there at the moment. (Time expired)

Senator EGGLESTON (Western Australia) (3.50 p.m.)—Senator Murphy was talking about ‘realities’, and perhaps there are a few realities he should hear about, as should the people of Australia listening to this. The first reality that I would like to confront Senator Murphy with is the fact that Australia has the fourth lowest price of petrol
in the world. The only countries that have a lower price than us are Canada, the United States and New Zealand. I was in the United Kingdom the week before last, and the price of fuel there was £1.80 a litre, or $4.68, and the amount of tax charged in European countries, compared with Australia, is much, much higher. In relative terms, fuel is very cheap in Australia. It is very hard to believe that Senator Murphy is really serious when he complains about the fuel price in this country. He talks about GST and the fact that Senator Gibson did not make any reference in what he said to the GST, but the facts of the matter are that the government has taken measures to ensure that the GST need not have affected the price of fuel.

You will recall, Senator Murphy, that on 1 July this year the Commonwealth government reduced the excise applicable to fuel and diesel by 6.7c a litre. This excise reduction, combined with petroleum industry cost reductions of 1.5c per litre, the abolition of the wholesale sales tax and the effective reduction of diesel fuel excise on heavy transport by 24c a litre, means that the price of petrol need not have risen at all to consumers as a result of the GST. We have to ask ourselves: why in fact has it risen? Of course, the reasons underlying the rise in the price of fuel are really out of the hands of this government. The real reasons why prices have gone up are that the price of crude oil has gone up and the Australian government does not control the price of crude oil. We do have a GST on it but, as I have said, compensatory mechanisms have been introduced, so the price of the fuel need not have risen. If it has risen, then the reasons are factors outside the control of the federal government. The price of crude oil is a major one. Maybe there are matters concerning the oil refining industry and the oil companies which need to be looked at, but there are certainly no factors related to the GST introduced by this government as part of the new tax system, which the Labor Party, as we all know, has found works well and in fact endorses—which, one must assume, will never ever change in the future.

The government does not benefit from higher fuel prices. The excise remains the same—that is, the Commonwealth receives no extra excise when the price of petrol is high. However, the states receive any extra GST revenue through higher petrol prices. It is important to note that the coalition, since coming to office in 1996, has not increased petrol excise except for the usual indexation of excise in line with the consumer price index, which the Labor Party introduced.
time that I have left, I would like to focus my comments on the plight of people who live in regional, rural and remote Australia.

Senator Patterson interjecting—

Senator McLUCAS—We all know—and I would like to remind the coalition of this—of the reality of life for people who live outside the capital cities of our nation. It is true that people who live in regional Australia have lower incomes than those who live in the cities. It is also true that they have longer distances to travel than their city cousins. They have higher petrol prices—they have continued to see higher commensurate petrol prices in the last three months—and, of course, they have a much higher reliance on road based transport. I was quite astonished at Senator Gibson’s comments about how he was going to explain how petrol pricing has in fact reduced the costs of transport. That has certainly not been the reality in the state of Queensland. Finally, the reality for people who live in regional and rural Australia is that they have limited access to any type of public transport. As we know, country people are very angry—they are quite rightly angry—that their legitimate concerns about the pricing of petrol have not been listened to by this government. They remember very clearly, during the last election campaign in 1998, the Prime Minister’s words: ‘Petrol prices will not rise as a result of the GST.’ I cannot find one person who lives in regional Australia who believes that is the case. Petrol prices have risen as a result of the GST, and the question that we need to ask is: by how much have they risen in regional Australia?

Senator Eggleston said a moment ago that it was out of the hands of this government. That is not believed by the people who live in regional Australia who know that between 2c and 3c of the increase—more in some areas—has been attributable to the GST. The Labor Party has announced today that it will be conducting an inquiry into petrol pricing. As a senator who represents a regional part of a state, I welcome this very much and I look forward to a full and proper inquiry, one that should be conducted by this parliament and one that we have to take the responsibility of running.

Question resolved in the affirmative.

Education: School Funding

Senator ALLISON (Victoria) (4.00 p.m.)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Ellion), to a question without notice asked by Senator Allison today, relating to funding for public and private schools.

I note that in answer to my question today the minister did not mention ‘needs based’. So far, all of the literature which has come with the legislation associated with this change to funding for non-government schools has been about needs based funding. The minister did say that needier parents would benefit and that they would be at the top end of the so-called wide range of funding, at 70 per cent. But a close look at the list of schools in my home state of Victoria shows that this is not the case at all. In fact, if we run down just part of that list we see: Penleigh and Essendon Grammar School, $4.03 million; Presbyterian Ladies College, $1.8 million; Scotch College, over $1 million; St Leonard’s College, $1.9 million; Peninsula School, $1.6 million; Tintern Anglican Girls Grammar School, $1.7 million; Trinity Grammar School, almost $1 million; and of course Wesley College, the subject of my question, more than $4 million. These figures were released at the end of last week.
and they are the figures that the education committee has been calling for in order to be able to assess the States Grants (Primary and Secondary Education Assistance) Bill 2000, which is clearly going to provide massive increases to non-government schools at the expense of public education overall—which I think we could describe as a watershed in terms of the future of Australia’s commitment to democracy in education and that whole notion of providing equality of opportunity for all citizens.

I have just been through the list of some of the schools that are the big winners in all of this, but let us look at some of what I would regard as the needy schools, such as Plenty Valley Christian School. Plenty will receive no increase at all in funding and yet, compared with many other schools, it is not currently a school with an enormous income from Commonwealth funds. Its primary school receives $2,964. Similarly, Sunbury Christian Community School will receive zero out of this legislation, and the Commonwealth’s contribution to that school is $3,220 per student per year. The Good Shepherd Lutheran Primary School will also receive zero—no money. They too are certainly not in the highest funding category, at $2,734 per capita. Two of the many Jewish schools which are not likely to be advantaged by this legislation are the Yeshiva and Beth Rivkah colleges, which will receive zero. The figure they receive in current support from the Commonwealth is not a high one: it is $2,964 per student in the primary school per annum.

The government cannot justify its claim that this legislation and this new model so lauded as being about the needy are going to benefit those people who most need assistance. Before she left the chamber, Senator Lees said to me, ‘I live in an area where a lot of houses across the road from the beach are very wealthy, but directly behind them are people who are on very low incomes, people who are retired, people who are certainly not in the same category as the people who live on the beach strip.’ That is also the case in my own suburb of Port Melbourne. What is the case there? Once you average out the incomes of those areas and apply a funding model to them, you get enormous distortions. That is what we have seen: huge distortions in funding both for wealthy schools and for schools that are not at all wealthy. It is critical that at this point in time the government look again at this model and consider the situation for government schools. As I pointed out in my question, the average amount spent on students in government schools is under $7,000. You can argue about the actual sum of that average spending but it pales into insignificance when we talk about Wesley, which charges at least $10,000 per student, has other income such as contributions from benefactors and has an enormous capacity to fundraise. One could not possibly regard it as anything but a wealthy school.

The PRESIDENT—Order! The time for this debate has concluded.

Question resolved in the affirmative.

PRIVILEGE

The PRESIDENT (4.06 p.m.)—The Senate will recall that on 13 March 2000 I tabled the judgment of Mr Justice French of the Federal Court in the case of Crane v. Gething and the submission which had been made on behalf of the Senate to the court. In this case, Senator Crane claimed that certain documents seized under search warrant by the Australian Federal Police in his parliamentary offices were immune from seizure because of parliamentary privilege. The submission made on behalf of the Senate was to the effect that documents are immune from seizure under search warrant by virtue of parliamentary privilege if the documents are so closely associated with proceedings in the Senate that they could be said to be for purposes of, or incidental to, those proceedings. The submission indicated that this is a question of law which should be determined by the court by an examination of the documents in question to determine whether any of them meet that criterion.

In his judgment, Mr Justice French held that the question of parliamentary privilege in relation to documents seized under search warrant is not a matter for the court to determine but is a matter to be resolved between the Senate and the executive govern-
ment. He ordered that the documents in question be delivered to the Clerk of the Senate. Another aspect of this judgment was the subject of an appeal, but the appeal was unsuccessful, leaving the order of Mr Justice French to stand.

The order has now been carried out and the documents were received by the Clerk on 29 September 2000. The documents are in one sealed package which has been left sealed and is locked in the Clerk’s safe. It will be for the Senate to determine the disposition of the documents.

Senator ROBERT RAY (Victoria) (4.08 p.m.)—by leave—I move:

That the Senate take note of the statement.

Madam President, the issues that you have referred to here today are quite complex. There is absolutely no definitive view on the protection of documents in the possession of members of parliament in terms of privilege. This matter has been looked at constantly by the Senate Privileges Committee, especially in relation to the O’Chee case. It has been considered in a number of courts around Australia. I must say I have read Justice French’s decision and I think it is soundly based in law. Not all the court decisions in relation to these matters were as soundly based. But we will need to resolve this issue, Madam President, and I suggest there is no alternative but for you to take the initiative at some stage in resolving it. In saying so, I would urge on you on behalf of the opposition to consult closely with the Clerk, who has eminent knowledge in these privileges matters, to seek advice on that. I would also recommend that you adopt the very good procedure you adopted in the O’Chee case and consult with senior senators who have dealt with these matters before—only in terms of guidance, not direction, I hasten to add—in helping you to come to a decision on which way you want to resolve this issue.

The opposition have not had a chance, of course, to evaluate your statement at great length and we have only had a cursory discussion with the government on these matters. Therefore, we cannot come to a definitive view on what the best course of action is at this stage. However, it does raise a very crucial issue of distinction. I do not know what is in the documents, but if the documents are to do with the administration of a senator’s office and life we do not believe they should be exempt from police scrutiny. They certainly were not in the cases of Senators Colston, Crichton-Browne or Woods, or indeed the former member for Parkes. In those cases the police did, as I understand it, seize certain documents and use them for prosecution purposes or potential prosecution. However, not knowing the nature of these documents, it is also possible to say that there may be other documents seized that are covered by privilege—documents that do attend very closely to the performance of a senator and their role in the Senate.

We do not know that, but we do draw the distinction between those documents that are administratively based and those documents that may be wanted to be used as corroborative evidence but are closely attached to the performance of a senator’s duty. That is the nub of the decision that this Senate has to make. It cannot make it as the Senate as a whole. I would suggest. The opposition do not want to look at the documents. Really, Madam President, regretfully I think the buck is going to stop with you on this one in terms of a recommendation that you make to the Senate.

The final thing I have to say is that we have a duty to protect the privileges of this parliament but it can never be taken to protect fraud or criminal activity. I am not implying that that has occurred in this case, but we can never get into a position where we extend privilege to protect that sort of behaviour. So you do have a very difficult task in front of you, Madam President, in deciding on how these documents are to be adjudicated on and what recommendation you make back to the Senate. Our advice in opposition is to please consult the Clerk and, if you deem necessary, as you did in the O’Chee case, several of the senior senators around the chamber who have had experience in these matters.

Question resolved in the affirmative.

CONDOLENCES
Tuesday, 3 October 2000

Lindsay, Mr Robert William Ludovic, OBE
Browne, Mr Peter Grahame
Tonkin, Hon. David Oliver, AO
Trudeau, Rt Hon. Pierre Elliot

The PRESIDENT—It is with deep regret that I inform the Senate of the following deaths:
(a) on 6 September 2000, of Robert William Ludovic Lindsay, OBE, a former member of the House of Representatives for the division of Flinders, Victoria, from 1954 to 1966;
(b) on 11 September 2000, of Peter Grahame Browne, a former member of the House of Representatives for the division of Kalgoorlie, Western Australia, from 1958 to 1961;
(c) on 2 October 2000, of the Hon. David Oliver Tonkin, AO, a former Premier of South Australia from 1979 to 1982; and
(d) on 28 September 2000, of the Rt Hon. Pierre Elliot Trudeau, a former Prime Minister of Canada from 1968 to 1979 and from 1980 to 1984.
I ask honourable senators to stand in silence as a mark of respect to the deceased.

Honourable senators thereupon stood in their places.

DOCUMENTS
Education: SES Scores

The Clerk—Documents, including a covering letter from the Minister for Education, Training and Youth Affairs, Dr Kemp, have been forwarded and are tabled pursuant to the order of the Senate of 7 September 2000 for the production of documents relating to SES scores.

Senator CARR (Victoria) (4.12 p.m.)—by leave—I move:
That the Senate take note of the documents.

There have been three occasions now on which we have sought from the government information about how they intend to spend $22 billion of public money and the distribution methods that they will be using for the spending of that money on schools in this country. On two occasions the government have sought to play games with the parliament. On the second occasion they refused to implement the order of the Senate and only partially responded to our request to provide individual SES scores by name for each of the schools and other details. These were the schools that participated in the 1998 simulation study. The government, of course, claimed that this was confidential material that the parliament could not have. Today, we are provided with some 80 pages of documentation, which I was fortunate enough to see a very short time ago. It will take a little while to establish the extent to which the government have responded to this return to order. It would appear on the surface, though, that the government have backed down and have provided a level of information about the distribution of moneys to the schools, a matter which the Senate Employment, Workplace Relations, Small Business and Education Committee is currently examining in relation to the States Grants (Primary and Secondary Education Assistance) Bill 2000 which is currently before the parliament.

The issue of schools is becoming increasingly important in this country as Australians become increasingly concerned about the failure of this government to respond to the real needs of this community, insofar as it has taken responsibility for developing a new model for the distribution of $22 billion in school funding over the next four years. Concern has been expressed about the total inequity of the arrangements that this government has entered into, arrangements which will see the wealthiest, most powerful and elite schools in this country get a disproportionate share of the public money that is available for school education. The richest 62 schools—as they are currently categorised under the ERI formula—will receive $50 million, but 1,623 schools under the Catholic education system will receive only $100 million. We have a situation where 65 per cent of schools will receive $100 million and 5.6 per cent of the richest, most elite schools in this country will receive $50 million. We have seen documents today that, I suggest, confirm that.

This government will say that it is spending money on government schools as well. This is why this bill will have to pass some time this year. The form of the bill is yet to
be determined, but it will have to pass this year because there is an imperative there for this parliament to ensure that money does flow to all of the schools in this country. But the concerns are being reflected in the fact that this government’s plans will see a drop in the Commonwealth contribution to public education—to government schools—from about 43 per cent of total Commonwealth outlays on schools in 1996 to 34.7 per cent by the year 2004. That is dollar on dollar, program on program. Let us not try to mix it up, jumble it about and use the spin doctor tricks that this minister is so happy to pursue. That is a quite clear comparison of the shift that this government is imposing upon its priorities in terms of the distribution of public moneys. Some examples have come forward in the figures we have seen today.

Concern has been expressed in the past about the estimates that I have made as a result of the preliminary figures that we were able to glean through the Senate estimates process. It has been said that we made some estimates which were incorrect. It was said, for instance, that the figures we had used were wrong. What we see today is that perhaps we were wrong in part insofar as we had underestimated the level of discrimination against people who are attending the poorer schools in this country. The Labor Party remain committed to ensuring that schools are properly resourced, whether they be public schools, which of course are our chief concern, or needy non-government schools.

But what this government seems to suggest is that if you go to wealthy, elite schools you are entitled to a bigger cut of the action than if you go to the local parish school. It goes on to say that, if you go to a government school, you are entitled to even less of the action under its proposals. For schools like Wesley College, which we originally said were going to receive $1.8 million, we now find that the estimates we made were incorrect. This government suggests to us that they will in fact receive $4.7 million. Under the ERI—the current arrangements—in 2001 they would receive $3,840,000. In 2004, under the new arrangements, they will receive $7.8 million. That is a $4.7 million increase.

Kings School in Parramatta, another well-known ‘struggling’, ‘poor’ and ‘depressed’ school, would receive $1.38 million if the ERI were continuing. Under this new arrangement, they will receive $2.946 million. What you have is a $1.5 million increase for that school. Caulfield Grammar will get a $3.8 million increase. It goes on. These are not what you would call struggling school communities. What we have here is a situation where we have a new model being imposed that will see Haileybury College in Melbourne get $3.1 million extra, Penleigh and Essendon Grammar get $4 million, Caulfield get $3.8 million, as I said, and Ivanhoe Grammar get $2.5 million. You will see claims being made that there will be an opportunity here to reduce the fees for some of these elite schools that are currently charging in excess of $11,000 a year. How many battlers are able to pay fees of $11,000 a year per child?

What this proposal essentially suggests is that we can measure neighbourhoods, not people. It effectively means that no matter what the mix of any particular suburb, we should measure the suburb students come from—not the wealth of the parents, the assets and income of the schools or the capacity of the schools to attract donations. The private income of the school would be ignored. So when Scotch College attracts a $1 million donation for a library from Mr Pratt we should ignore that. How many government schools are able to attract a $1 million donation to improve their library? It is a very worthy cause, no doubt, but at least you ought to be able to consider the full range of factors. That is exactly the position that the Catholic Education Commission has put to this Senate. They have argued consistently, and I quote:

A combination of measures—

I emphasise ‘combination of measures’—of the needs should be used. These include recurrent and capital resources, geographic spread, the necessity to provide a wide range of central services and the socio-economic status of the population served by the schools.
There are other schools such as Addas Israel in Melbourne, to take the other extreme. It is a relatively small Orthodox Jewish community school the members of which, for religious reasons, are required to live around the synagogues in Caulfield—an extremely wealthy suburb in Melbourne. The school population itself happens to be quite poor, if you look at measures such as health cards and those sorts of things. That school is receiving, in fact, a disadvantage under this arrangement, because relatively poor people who live in Caulfield, a wealthy suburb, will be measured by this arrangement as if they were all wealthy. This whole scheme is predicated on one fundamental flaw: by its very nature, it does not recognise that people who go to private schools are from a minority in any suburb, be it Brunswick or any other suburb. No matter what conditions there are in the suburb in which people from private schools live, they tend to be atypical of the suburb at large. It strikes me that it is not surprising therefore that these sorts of discrepancies arise within the formula.

Professor Richard Teece and various other educational experts have drawn to our attention that the claims we have been making are accurate and sensitive to the real issues. I quote:

The government’s proposals are, in fact, a betrayal of need and a vote for privilege.

We have seen editorials in the Age and in the Australian and a very wide-ranging number of newspaper letters to the editor indicating a growing community concern about this simple proposition: this government proposal will see $157 going to each Catholic school student but $908 going to each student in an elite category 1 school. (Time expired)

Question resolved in the affirmative.

PETITIONS

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

World Heritage Area: Great Barrier Reef

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

The Petition of the undersigned shows strong disappointment in the Australian Government’s inadequate protection of the Great Barrier Reef World Heritage Area from the destructive practices of prawn trawling. Prawn trawling destroys up to 10 tonnes of other reef life for every one tonne of prawns while clearfelling the sea floor. There are 11 million square kilometres of Australia’s ocean territory; the reef represents just 350,000 square kilometres.

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

by Senator Bartlett (from 40 citizens)

Mandatory Sentencing Laws

To the Honourable Speaker, members of the House Of Representatives, the Honourable President and members of the Senate assembled in Parliament.

We the undersigned condemn the Liberal Government for its failure to intervene and scrap the unjust and racist Mandatory Sentencing laws of the Northern Territory and Western Australia. These laws fly in the face of the recommendations of the Royal Commission into Black Deaths in Custody. They do not take into account the facts of the current offence, individual circumstances, or the application of judicial discretion. Mandatory Sentencing laws are also in clear contravention of article 14 of the International Covenant on Civil and Political Rights to which Australia is a signatory. They must be repealed immediately.

by Senator Ridgeway (from 821 citizens)

Petitions received.

NOTICES

Presentation

Senator COONAN (New South Wales) (4.22 p.m.)—On behalf of the Standing Committee on Regulations and Ordinances, I give notice that on the next day of sitting I shall withdraw 10 notices of disallowance, the full terms of which have been circulated in the chamber and I now hand to the Clerk.

The list read as follows—

Two sitting days after today:


Six sitting days after today:

Business of the Senate — Notice of Motion No 2 Child Support (Assessment) (Overseas-related Maintenance Obligations) Regulations 2000, as
Business of the Senate — Notice of Motion No 3

Business of the Senate — Notices of Motion No 4

Ten sitting days after today:

Business of the Senate — Notice of Motion No.1

Business of the Senate — Notice of Motion No. 2

Business of the Senate — Notice of Motion No. 3

Business of the Senate — Notice of Motion No. 4

Business of the Senate — Notice of Motion No. 9

Senator COONAN—I seek leave to incorporate in Hansard the committee’s correspondence concerning these instruments.

Leave granted.

The correspondence read as follows—

Senator the Hon Grant Tambling

Parliamentary Secretary to the Minister for Health and Aged Care
Parliament House
CANBERRA ACT 2600

Dear Parliamentary Secretary

Thank you for your letter dated 17 July 2000 concerning the Therapeutic Goods Amendment Regulations 2000 (No.2), Statutory Rules 2000 No.48. The Committee considered your response at its meeting today and agreed that it met most of its concerns.

However, in your response you advised that the power of delegation in regulation 5Q(5A) is ‘necessary to stop an offending advertisement as quickly as possible after the Panel has upheld a complaint about it’. There is nothing in the Regulation itself to indicate that the power of delegation is limited to such situations. The Committee therefore reiterates its concern with the appropriateness of permitting the Secretary to delegate the power to withdraw approval of an advertisement to the Chairperson of the Complaints Resolution Panel when it is the Panel that recommends to the Secretary the withdrawal of approval.

The Committee also notes that the Therapeutic Goods Administration will monitor the changes to the Regulations, and the performance of the Complaints Resolution Panel, during a transition period. The Committee would appreciate further information about the length of time of this transition period. It would also appreciate information on the mechanism for monitoring performance.

The Regulations are subject to a notice of motion to disallow which is set down to be resolved on 5 October 2000. The Committee would therefore appreciate your response as soon as possible but before this date to allow it to finalise its consideration of these Regulations.

Yours sincerely
Helen Coonan
Chair

Senator Helen Coonan
Chair Standing Committee on Regulations and Ordinances
Australian Senate
Parliament House
CANBERRA ACT 2600

Dear Senator Coonan

Thank you for your letter dated 17 August 2000 in which you raised further issues relating to a provision in the Therapeutic Goods Amendment Regulations (No.2) 2000, No.48. The Committee remains concerned about the operation of
The Complaints Resolution Panel is established under Part 6 of the Regulations, as part of its regulatory functions. It is considered appropriate that the Chairperson of the Panel be delegated the power to withdraw an approval for an advertisement following the recommendation of the Panel to take this course of action. The Panel is required to follow strict procedures before arriving at any decision to recommend the withdrawal of an approval for an advertisement. These procedures are set out in regulations 42Y (quorum), 42Z (voting), 42ZB (disclosure of interest), and 42ZCAC to 42ZCAE (procedures for dealing with complaints) and 42ZCAJ (active court proceedings).

The Committee also enquired about how the changes to the Regulations will be monitored, including the performance of the Panel during a transition period. The Therapeutic Goods Administration (TGA) has an observer on the Complaints Resolution Panel and also has a member sitting on the Therapeutic Goods Advertising Council. The application of the new Therapeutic Goods Advertising Code and the implementation of that Code by the Panel will be continuously monitored during the transition period while the industry and the Panel familiarise themselves with the new Code. There is no fixed transition period before this occurs, but the TGA will have an ongoing role in monitoring the performance of the Panel, and the operation of the Regulations, as part of its regulatory functions.

I trust the information and reasons provided above meets with the requirements of the Committee.

Yours sincerely

GRANT TAMBLING

Child Support (Registration and Collection) (Overseas-related Maintenance Obligations) Regulations 2000, Statutory Rules 2000 No.80
22 June 2000
The Hon Lawrence Anthony MP
Minister for Community Services
Parliament House
CANBERRA ACT 2600

Tuesday, 3 October 2000  SENATE  17689
Dear Minister

I refer to the following instruments:

Child Support (Assessment) (Overseas-related Maintenance Obligations) Regulations 2000, Statutory Rules 2000 No. 79; and


Statutory Rules 2000 No. 79

These Regulations prescribe, in relation to those countries with which Australia has maintenance enforcement arrangements, matters relevant to the recognition and enforcement of child support and spousal maintenance liabilities. The Committee has concerns with this instrument.

First, the enabling Act for these Regulations — the Child Support (Assessment) Act 1989 — is modified, to a greater or lesser extent, by regulations 6, 7, 10, 11 and 15 of these Regulations. While this is permitted by paragraph 163B(3)(b) of the enabling Act — a fact which is recorded in a Note to regulation 3 of these Regulations — the Committee considers that the modifications made to the Act by this instrument are so extensive as to suggest that the relevant changes ought to be made by primary legislation.

Secondly, subregulation 25(2) limits the discretion of the Registrar, in making an administrative assessment of the child support payable by a person, to assuming that the person’s income is no more than 2.5 times a figure based on average weekly earnings in Australia for that period. Although it appears from the enabling Act that this formula is used as a basis for assessing child support liability for persons in Australia, the Explanatory Statement does not indicate why it is considered still relevant for persons living overseas.

Thirdly, although the Explanatory Statement concludes by saying that “[d]etails of the Regulations are set out in the Attachment”, no Attachment was provided.

Statutory Rules 2000 No. 80

These Regulations prescribe, in relation to those countries with which Australia has maintenance enforcement arrangements, matters relevant to the recognition and enforcement of child support and spousal maintenance liabilities. The Committee has several concerns with this instrument.

Although the Explanatory Statement concludes with the observation that “Details of the Regulations are set out in the Attachment”, no Attachment accompanied the Explanatory Statement.

The enabling Act for these Regulations — the Child Support (Registration and Collection) Act 1988 — is modified, to a greater or lesser extent, by regulations 24, 25, 26 and 29 of these Regulations. The Committee also considers that the modifications made to the Act by this instrument are so extensive as to suggest that the relevant changes ought to be made by primary legislation.

It is difficult to see how subsection 24A(1) of the enabling Act, subregulation 10(4) of these Regulations, and subregulation 10(3), are to be read consistently with one another. Subsection 24A(1) provides that where the Registrar makes a child support assessment under which a registrable maintenance liability arises, the Registrar must immediately register the liability...

However, subregulation 24(4) appears to require the Registrar merely to fulfil his or her obligation of registration as soon as practicable after it arose. While subregulation 10(3), when read with paragraph 10(1)(a), provides that if the Registrar fails to fulfil the obligations imposed by subsection 24(1) of the Act within 90 days after the obligation arose, he or she is taken to have refused to comply with it.

It is also difficult to understand how subsection 25(2) of the enabling Act is to be read with subregulation 12(1). Subsection 25(2) obliges the Registrar to register a registrable maintenance liability within 28 days of receiving a duly completed approved form, whereas subregulation 12(1) requires the Registrar to register a registrable maintenance liability within 90 days of receiving an application for registration.

The Committee would be grateful for your advice as soon as possible but before 17 August 2000 when disallowance action may be initiated.

Yours sincerely

Helen Coonan
Chair

25 July 2000

Senator Helen Coonan
Chair

In relation to both Statutory Rules referred to above, you make the comment that “the modifications to the Act … are so extensive as to suggest that the relevant changes ought to be made by primary legislation”. I share your concern in this regard and advise that it is intended that the relevant primary legislation be amended. In fact, it was originally proposed that the matters currently provided for by the Regulations be achieved by amendments being made to the primary legislation. With this in mind, the assistance of the office of Parliamentary Counsel was sought to draft the Child Support Legislation Amendment Act 2000 (the Amendment Act) which was intended to contain the required amendments. However, due to existing drafting priorities, that Office advised that it was not able to undertake the relevant amendments in time to meet the 1 July 2000 deadline (which arose as a result of the agreement between our Prime Minister and the Prime Minister of New Zealand for the Agreement between the two countries to have a commencement date of 1 July 2000). As a result, the Amendment Act merely provided for regulations to be made. Regulations were then prepared to prescribe the matters necessary for the implementation of the new arrangements. It is intended that the primary legislation be amended as soon as practicable to incorporate matters currently provided for by these Regulations.

You also make the point that, in relation to both Statutory Rules, no Attachments were provided, despite the fact that the respective Explanatory Statements concluded that “details of the Regulations are set out in the Attachment”.

I regret that the attachment to the explanatory statement for the Amendment Regulations was not provided when those Regulations were tabled. I am advised that this was due to processing errors in the Departments preparing the regulations and that the attachment to the statement has now been tabled.


Section 58 of the Child Support (Assessment) Act 1988 (the Act) is concerned with certain situations where a person’s taxable income is not readily ascertainable. In the relevant circumstances, section 58 provides for the Registrar to determine an amount that the Registrar considers appropriate. That discretion is constrained by the limitation that that amount cannot exceed 2.5 times the yearly equivalent of the relevant AWE amount for the period. In broad terms, regulation 25 mirrors that provision for the purposes of Australia’s overseas maintenance arrangements. You have enquired about the relevance of the stated limitation in the circumstances contemplated by regulation 25.

It was recognised that it would be appropriate, as well as consistent with the Act, for a limit to be set on the amount that could be determined for the purposes of regulation 25. However, given that there are approximately 80 countries specified as ‘reciprocating jurisdictions’ in Schedule 2 of the Child Support (Registration and Collection) (Overseas-related Maintenance Obligations) Regulations 2000, certain matters (such as different average earnings and the cost of living) meant the method for establishing a relevant, appropriate upper limit was not amenable to simple resolution. In these circumstances, it was decided that an Australian standard, consistent with the current approach provided for under the Act, was most appropriate.

I also make the point that it is anticipated that, in practice, payers overseas will provide the Registrar with information concerning their income which will enable appropriate assessments to be calculated. The regulations ensure that the rights of appeal and objection currently contained in the Act will be available in cases where the new arrangements apply.

Child Support (Registration and Collection) (Overseas-related Maintenance Obligations) Regulations 2000, Statutory Rules 2000 No 80

I note your comments concerning the inconsistency between certain provisions of the primary legislation and some of the regulations. This approach is authorised by section 124A of the Child Support (Registration and Collection) Act 1988 (the Act) which was inserted by the Child Support Legislation Amendment Act 2000. Although the subject matter of certain provisions of the Act and the regulations may be identical, the regulations provide for Australia’s international maintenance obligations which involve arrangements and circumstances which are not identical to those that are contemplated by the provisions of the Act. To effectively provide for those obligations, it was necessary for the effect and operation of the regulations to differ in some material respects from the provisions of the Act.

I discuss below the particular inconsistencies you highlight.
Sections 24, 24A and 37A of Child Support (Registration and Collection) Act 1988 and subregulations 10(3) and (4)

Sections 24 and 24A of the Act are concerned with different subject matters and require those matters to be undertaken in different time frames. Section 24 allows the Registrar 28 days to undertake the relevant action while section 24A requires him to act immediately. With that in mind, it would seem appropriate that subregulation 10(3), which deals with the effect of section 24, and subregulation 10(4), which deals with the effect of section 24A, also provide for time frames that are different.

Subsection 24A(1) provides that where Registrar makes an assessment under which a registrable maintenance liability arises, the Registrar must immediately register that liability by entering particulars. Subregulation 10(4) provides that, for overseas cases, this action must be done as soon as practicable. I am advised that certain overseas jurisdictions would not be willing to enforce an assessment unless the payer has been notified of the existence of the assessment and has had time to object to it. Accordingly, subregulation 10(4) provides for flexibility with respect to registration so that any desirable prior action can be undertaken.

Similar matters are relevant when considering the inconsistency between section 37A (which deals with amendments to assessments) and subregulation 10(4).

Section 25 of Child Support (Registration and Collection) Act 1988 and subregulation 12(1)

Section 25 provides that, where a payee applies to have a registrable maintenance liability registered, the Registrar is to register that liability within 28 days. That period allows the Registrar to make further inquiries if required. As it is anticipated that similar matters may take longer to finalise when dealing with overseas matters, subregulation 12(1) allows the Registrar 80 days to register a liability when registration relates to international arrangements.

I hope these comments are of assistance.

Yours sincerely

Larry Anthony

Minister for Community Services

Family Law Amendment Regulations 2000 (No.2), Statutory Rules 2000 No.81
22 June 2000
The Hon Daryl Williams AM QC MP
Attorney-General
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Family Law Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 81 that allow Australian courts to enforce overseas maintenance orders, or to make maintenance orders for the benefit of persons living in countries with which Australia is entering new international spousal maintenance agreements.

Although the Explanatory Statement concludes with the observation that “Details of the Regulations are set out in the Attachment”, no Attachment accompanied the Explanatory Statement.

The new definition of Secretary substituted by item 2 of the Schedule to these Regulations permits the Secretary of the Attorney-General’s Department to authorise “a person” to carry out functions under the Regulations. There appears to be no limit to the width of this power of delegation, by reference to such matters as qualifications, or the holding of a particular office or employment in the Public Service. In the absence of an item-by-item explanation of the amendments made by this instrument, it is impossible to determine the reason for such a wide power of delegation.

Subregulation 28(2) – inserted by item 10 of the Schedule – and subregulation 28C(2) – inserted by item 11 of the Schedule – oblige the Secretary of the Attorney-General’s Department to make an application calling on a respondent to a petition to show cause why various orders should not be confirmed. However, neither subregulation puts any time limit either on the Secretary’s obligation to make the application, or within which the respondent to the notice must show cause.

New regulation 30, substituted by item 13 of the Schedule, deals with proceedings for the enforcement of some types of overseas maintenance liabilities. Subregulation 30(3) provides

The Act, these Regulations and the Rules of Court, so far as they are applicable, and with such modifications as are necessary, apply in relation to the proceedings.

It is not clear from the context whether it is intended that modifications may be made to the Act and to the Regulations, as well as to the Rules of Court. If the purpose of this subregulation is to permit, inter alia, the modification of the Act, it is suggested that this is beyond the regulation-making power in section 125 of the Family Law Act 1975. Even if the intention of the subregulation is to permit modification of the Rules of Court only, it does not specify by whom the modification may be made, nor who is to decide whether such modification is necessary.
New subregulation 39(2), substituted by item 22 of the Schedule, requires the Secretary of the Attorney-General’s Department to apply to a court for confirmation of any provisional order made overseas and transmitted to the Secretary. Subregulation 39(3) obliges the Secretary to serve a copy of that application on the respondent to the order. However, neither subregulations imposes any time limit within which the Secretary must carry out these obligations.

The Committee would be grateful for your advice on these matters as soon as possible but before 17 August 2000 when disallowance action may be initiated.

Yours sincerely

Helen Coonan
Chair

Senator H Coonan
Chair Senate Standing Committee on Regulations and Ordinances
Parliament House
Canberra ACT 2000

Dear Senator Coonan

Thank you for your letter of 22 June 2000 concerning the Family Law Amendment Regulations 2000 (No.2).

I regret that the attachment to the explanatory statement for the Amendment Regulations was not provided when the Amendment Regulations were tabled. I understand that the same problem occurred with child support regulations tabled at the same time. I am advised that this was due to a processing error during the transmission of the documents from the Department of Family and Community Services, through the Executive Council Secretariat, to the Office of Legislative Drafting in my Department. I understand that all the attachments to the statements will be tabled as soon as possible in the Spring sittings of Parliament.

Your letter notes that the Amendment Regulations permit the Secretary of the Attorney-General’s Department to authorise any person to carry out his functions under the Regulations. You suggest that the power of authorisation should be limited by reference to matters such as qualifications or the holding of office in the Public Service. I am advised that this issue was carefully considered in the preparation of the Amendment Regulations. While some of the Secretary’s functions will be carried out by officers of my Department, functions such as the representation of overseas maintenance claimants in court proceedings will be carried out by persons who are not Commonwealth public servants (for example, officers of State and Territory legal aid bodies or by private legal practitioners). Other functions, such as serving process on behalf of overseas courts, will be carried out by persons who cannot be identified by reference to the holding of particular qualifications (for example, process servers). Thus I do not think it would be practicable to limit the authorisation power in the way suggested in your letter. I also mention for your information that the Secretary will in future be involved in only a small number of overseas maintenance cases, as the Child Support Agency is taking over the bulk of this work. For this reason I do not expect that there will be many authorisations by the Secretary.

The Committee also raises the question why new sub-regulations 28(2), 28C(2) and 39(2) do not set time limits for the Secretary to institute proceedings on behalf of overseas maintenance applicants or for respondents in Australia to show cause why they should not be ordered to pay maintenance. I am advised that these new provisions do not alter the procedures which applied under the former regulations for the establishment of maintenance orders for the benefit of overseas claimants, other than to transfer responsibility for initiating proceedings from court staff to the Secretary. In practice applications from overseas applicants are usually incomplete and considerable time is often spent in obtaining additional evidence from applicants before it is appropriate for proceedings to be commenced. A requirement for proceedings to be commenced within a set period would therefore be impractical. I am also advised that it is not necessary for the regulations to specify a time limit for a respondent to show cause in response to proceedings as this is determined by the applicable rules of court once proceedings have been initiated.

Your letter refers to the fact that the Amendment Regulations refer to the Family Law Act 1975 applying with such modifications as are necessary in proceedings under the Amendment Regulations. In so far as the Amendment Regulations may contain provisions which are inconsistent with the Act, this is authorised by section 124A of the Act which was inserted by the Child Support Legislation Amendment Act 2000. In this regard I refer the Committee to the following statement made by my colleague Senator Newman, the Minister for Family and Community Services, during debate on the Amendment Act in the Senate on 10 April 2000:

“This bill we are debating tonight was intended to include the measures that are now going to be tabled as regulations. But as most senators would
recognise, there has been huge demands on the Office of Parliamentary Counsel over the last few months with the pressure of legislation and they were unable to complete the work in time for a 1 July start-up for these measures. The problem was caused by an agreement between our Prime Minister and the New Zealand Prime Minister. They had agreed that the new arrangements would start up on 1 July. In order to honour that commitment, Australia is bringing forward some of the details by way of regulation....they will also be brought into legislation later..... I think that is not an unreasonable way of proceeding in what is a very tight time frame not for the government but for the legislative draftsman and also for Australia's reputation in making agreements with heads of other governments."

I hope that the Committee will find the above information helpful in its consideration of the Amendment Regulations.

Yours sincerely
Daryl Williams

A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No.4), Statutory Rules 2000 No.110
A New Tax System (Wine Equalisation Tax) Regulations 2000, Statutory Rules 2000 No.113
17 August 2000
Senator the Hon Rod Kemp
Assistant Treasurer
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to:
A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 4), Statutory Rules 2000 No.110,
A New Tax System (Goods and Services Tax Transition) Regulations 2000, Statutory Rules 2000 No.111, and

Yours sincerely
Helen Coonan
Chair

3 AUG 2000
Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan
Thank you for your letter of 17 August 2000 regarding the following Regulations:

In relation to Statutory Rules 2000 No. 110 the Committee raised two issues.
The first concerned new subregulation 168-5.12. You asked whether it would be appropriate to include information in the subregulation concerning reconsideration of decisions in relation to tourist refunds.

While understanding the reasons for suggesting this approach, on balance I am not sure that it is appropriate in this case. The power to re-consider a tourist refund claim arises under the general operation of the law (in particular section 168-5 of the A New Tax System (Goods and Services Tax) Act 1999), rather than under any specific power to review decisions in relation to tourist refunds, and there is no legislative requirement as to the methodology for any such re-consideration. Given the lack of specific legislative authority, a cross-reference in the Regulations may be somewhat confusing, and any other explanation would be long and complex.

However, to make sure that tourists are aware of their rights in this regard, when a Customs officer denies a claim for a refund, the officer gives the tourist a “Rejection notice”, which sets out the reasons why the claim has not been paid, and provides contact details for having the claim reconsidered (postal address, e-mail address and telephone number). This process is effective in providing information about the reconsideration process to those people who most need access to that information.

The second issue concerned subregulations 168-5.15 - 168-5.17. The presumption by the Committee that payments can be affected by currency fluctuations is correct, but this can work both ways. While some claimants may be disadvantaged by currency fluctuations, other claimants may benefit. The problem is that the only way to completely eliminate the effect of currency fluctuations is to pay the refunds on the day that the goods are acquired, which, of course, is not really possible with a mailback system. The complexity of any process designed to compensate even partially for negative currency fluctuations would be prohibitive.

In relation to Statutory Rules 2000 No. 111, the Committee was concerned about the time for payment of special petroleum credits.
A pre-determined time for payments was not set because this is a “one off” scheme, and it was expected that most claims would be lodged and paid early. As it happens, I am advised that approximately 90% of all claims will have been paid by September 30 2000. The Australian Taxation Office has said that it does not anticipate any difficulty in paying the remaining claims (approximately two hundred claims will be outstanding after September 30) within a reasonable time frame.

The Committee also asked why the date of 8 July 1999 was chosen in subregulation 7(4) of Statutory Rules 2000 No 111. The date was selected because it is the date of Royal Assent to A New Tax System (Goods and Services Tax) Act 1999.

In relation to Statutory Rules 2000 No. 113, the Committee asked why the rate of 29% was chosen. The reference to 29% in the regulations is because wine equalisation tax is levied at the rate of 29% of the wholesale or notional wholesale value of wine. The formula “29% of half of the GST inclusive price paid by the purchaser for the wine” is used to calculate the amount of wine tax included in the retail price of wine.

As to why the rate of wine equalisation tax is 29%, the aim was to levy the tax which replaced the 41% wholesale sales tax and only increased the price of a four-litre cask of wine by the estimated general price increase associated with indirect tax reform.

Please contact Julia Neville on 02 6277 7360 in my office if the Committee has any further questions.

Yours Sincerely

ROD KEMP
New subregulation 11(5) states that an agreement under subregulation (2) can only be entered into if the Secretary or authorised person is satisfied that the payment of levy “can be verified other than by requiring the agent to issue a receipt”. The Explanatory Statement advises that alternative methods of verification may be approved but provides no information on these methods. The Committee would therefore appreciate clarification on what methods may be used.

The Committee notes that new regulation 19 provides for review of a decision by the Secretary or an authorised person to either refuse an exemption for a collection agent or collection sub-agent to issue a receipt, or refuse to refund a levy payment. New subregulation 19(3) specifies that the Secretary must reconsider the original application “within 45 days” after receiving an application. The Committee would appreciate your advice on the reason for this long time period.

The Committee would be grateful for your advice as soon as possible but before 31 August 2000 when disallowance action may be initiated.

Yours sincerely
Helen Coonan
Chair
Senator Helen Coonan
Chair
Standing Committee on Regulations
And Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Coonan

Thank you for your letter of 17 August 2000 regarding the Dairy Adjustment Levy Collection Regulations 2000 (DALCR).

Regulation 11 provides that collection agents or sub-agents do not need to issue receipts for levy payments if they obtain an exemption from the Secretary or an authorised person. The exemption can only be granted if Levies and Revenue Service (LRS) acting as the authorised agency within my department can be satisfied that levy payments can be verified by alternative means. As most company arrangements are unique, LRS must assess the accounting arrangements of each company requiring an exemption from issuing receipts.

I am advised that LRS will consider granting an exemption in circumstances when it is not the usual practice for a collection agent or sub-agent to issue a receipt for payment of a milk invoice, and payment of the levy can be independently verified by LRS via some other means. This exemption will usually be granted if the company is willing to allow LRS to examine sales system records, and access to invoicing and internal reporting systems. If LRS are satisfied that an audit of these systems is sufficient to verify payment of the levy an exemption is granted.

I am informed that most of the major processors have been successful in obtaining an exemption by allowing LRS access to their records.

Regulation 19 provides for review of a decision by the Secretary or an authorised person to refuse an exemption for a collection agent or a collection sub-agent to issue a receipt or refuse to refund a levy payment.

The levy collection arrangements were modelled on provisions in the Primary Industries Levies and Charges Collection Act 1991 (PILCC) in order to streamline the administration associated with the collection of the Dairy Adjustment Levy and other dairy levies already collected by milk processors. Regulation 19 of the DALCR has been modelled on Section 28 of the PILCC Act which provides for review of relevant decisions. It is important that the treatment of collection agents for the Dairy Adjustment Levy and the dairy producer levies be as consistent as possible and hence the period for receiving notice of an appeal of 28 days and the 45 day period for review are the same for both types of levies.

The milk processing industry, which will be the collection agents, was consulted extensively in the development of these regulations. The collection agents are familiar with the review process for producer levies and indicated they would prefer the review process for the Dairy Adjustment Levy to be the same.

I trust this information will assist the work of your Committee.

Yours sincerely
WARREN TRUSS

Income Tax Amendment Regulations 2000 (No.4), Statutory Rules 2000 No.117
17 August 2000
Senator the Hon Rod Kemp
Assistant Treasurer
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Income Tax Amendment Regulations 2000 (No. 4), Statutory Rules 2000 No. 117, that exempt from income tax the pay and allowances earned by members of the Defence Force deployed on the United Nations Transitional Administration East Timor.
The Committee notes that the Amendments introduce an exemption which is to apply after 19 February 2000. The Explanatory Statement does not refer to the retrospective effect of the Amendments, nor to the operation of section 48(2) of the Acts Interpretation Act 1901 in this regard. Whilst there does not appear to be any disadvantage or liability resulting from this retrospecitvity, the Committee considers that an assurance that no person other than the Commonwealth has been disadvantaged should nevertheless be dealt with in the Explanatory Statement.

The Committee would also appreciate your advice on when the certificate issued by the Chief of the Defence Force under subsection 23AD(1) of the Act was issued.

The Committee would be grateful for your advice as soon as possible to enable it to finalise its consideration of this matter.

Yours sincerely
Helen Coonan
Chair

Sep 2000
Senator Coonan
Chair
Senator Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan

Thank you for your letter of 17 August 2000 regarding two issues the Standing Committee has with the Explanatory Statement that accompanied the Income Tax Assessment Regulations 2000 (No 4), Statutory Rules 2000 No 117.

Firstly, I confirm that the amendments to exempt from income tax the pay and allowances of Defence Force personnel deployed on the United Nations Transitional Administration in East Timor (gazetted on 15 June 2000), will have retrospective effect from the date of deployment being after 19 February 2000. Subsection 48(2) of the Acts Interpretation Act 1901 operates to allow retrospective effect where the rights of a person are not disadvantaged, or liabilities are not imposed. I confirm that the amendments would not disadvantage or impose a liability upon any person to which this retrospective applies.

Secondly, the Committee queried the date on which the certificate issued by the Chief of Defence under Subsection 23AD(1) of the Income Tax Assessment Act 1936 was issued. I advise that this date was 17 February 2000.

Yours sincerely
Rod Kemp
Telstra Corporation Regulations 2000, Statutory Rules 2000 No.103
17 August 2000
Senator the Hon Richard Alston
Minister for Communications, Information Technology
and the Arts
Parliament House
CANBERRA ACT 2600
Dear Minister

I refer to the Telstra Corporation Regulations 2000, Statutory Rules 2000 No. 103, that specify the class of persons within the “inner extended zones” in remote Australia for the purposes of the enabling Act.

Regulation 3 defines ‘charging precinct’ and ‘extended charging zone’ by reference to section 16 of the Telstra Public Switched Telephone Service Standard Form of Agreement. The Committee would appreciate your advice as to why these definitions are not included in the Regulations so as to ensure that the scope of the Regulations is sufficiently clear to the public.

The Committee would be grateful for your advice as soon as possible but before 31 August 2000 when disallowance action may be initiated.

Yours sincerely
Helen Coonan
Chair

29 August 2000
Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan

I refer to your letter of 17 August 2000 concerning the Telstra Corporation Regulations 2000 (SR No. 103 of 2000), that specify the class of persons located in an ‘inner extended zone’ in remote Australia for the purposes of paragraph 54(1)(b)(iii) of the Telstra Corporation Act 1991.

Regulation 3 defines ‘inner extended zone’ to mean a charging precinct that forms part of an extended charging zone. ‘Charging precinct’ and ‘extended charging zone’ are defined by reference to section 16 of the Telstra Public Switched Telephone Service Standard Form of Agreement (Telstra PSTN SFOA).
You have sought advice as to why these definitions are not included in the Regulations so as to ensure that the scope of the Regulations is sufficiently clear to the public.

The Regulations take advantage of section 49A of the Acts Interpretation Act 1901 which allows for matter to be prescribed by reference to other instruments as in force at a particular time. This approach was taken to enable extensive technical details relating to extended charging zones and charging precincts to be incorporated by reference rather than having to be set out in the Regulations. A similar approach was adopted in regulation 9 of the Telecommunications (Remote Area Rebate) Regulations. 1998 (SR No. 339 of 1998) which defines ‘remote area call’ by reference to the definition of a pastoral call in Telstra’s PSTN SFOA as in force at 1 January 1998.

‘Extended charging zone’ is defined in section 16 of the Telstra PSTN SFOA to mean an allocated group of telephone numbers, for call charging purposes, in remote regions of Australia as listed in Attachment 6 to that document. Attachment 6 is some 112 pages in length. It includes details for relevant areas, including extended charging zones, of exchange codes, adjoining zones, the relevant district, charge points (map co-ordinates) and community access details.

‘Charging precinct’ is defined in section 16 of the Telstra PSTN SFOA to mean an allocated group of telephone numbers for call charging purposes, as listed in Attachment 7 to that document. Attachment 7 is a 5 page document containing technical details of the relevant area, Exchange code and zones, including extended zones.

I trust this will satisfactorily address the Committee’s concerns.

Yours sincerely

RICHARD ALSTON
Minister for Communications, Information Technology and the Arts

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

That there be laid on the table by the Minister representing the Minister for the Environment and Heritage (Senator Minchin), no later than immediately after motions to take note of answers on 5 October 2000, a report by KPMG for the Australian Greenhouse Office on the Derby Tidal Energy Project, dated August 2000.

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

That the Senate—

(a) notes:

(i) the formation of Greenfleet, a not for profit organisation that aims to offset the environmental impact of passenger car use by planting native trees to offset carbon dioxide emissions and to promote fuel efficiency technologies,

(ii) that consumers can render their cars ‘carbon neutral’ by subscribing $30 a year to Greenfleet to plant trees in an area of environmental concern, such as the Murray-Darling Basin, the Snowy River catchment area and the Ovens River catchment, and

(iii) that each year the average Australian car uses 1920 litres of fuel, travels 16,000 kilometres and emits 4.33 tonnes of carbon dioxide;
(b) welcomes:
(i) the appointment to the Greenfleet board of directors of Dr Brian Robinson, formerly head of the Victorian Environment Protection Authority, Dr Graeme Pearman, head of Commonwealth Scientific Industrial and Research Organisation atmospheric research and Professor Allan Rodger, former director of sustainability at Deakin University, and
(ii) the introduction of Greenfleet as an affordable, empowering tool for consumers to help the environment;
(c) congratulates Greenfleet on its projects to date, which include production of a guide to auto parts recycling; tree planting in Victoria’s Killawarra Ironbark Forest using volunteer labour, helping to restore the habitat of the endangered regent honeyeater; and the Avon Richardson catchment project to re-vegetate this area in north western Victoria, which suffers from salinity, soil erosion, loss of topsoil and poor water quality; and
(d) urges the Government to subscribe to Greenfleet to offset emissions arising from Commonwealth fleet cars.

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

That there be laid on the table by the Minister representing the Treasurer, no later than immediately after question time 19 sitting days after today, the following documents:

(a) the Segment Accountability reports for the 2 years up to and including 30 June 2000 provided to the Deputy Commissioner of the Large Business and International (LB&I) business line biannually or at any other time from the following LB&I divisions:
   (i) Media and Communication,
   (ii) Banking and Finance,
   (iii) Insurance and Superannuation,
   (iv) High Wealth Individuals,
   (v) Capital Gains Tax,
   (vi) International, and
   (vii) Strategic Intelligence Analysis;
(b) the governance reports provided by the Deputy Commissioner of LB&I to the Commissioner and/or second Commis-
General business notice of motion no. 698 standing in the name of Senator Stott Despoja for today, relating to alternative meetings to the World Economic Forum, postponed till 5 October 2000.


General business notice of motion no. 622 standing in the name of Senator Harris for today, proposing an order for the production of documents by the Minister representing the Minister for Transport and Regional Services (Senator Ian Macdonald), postponed till 5 October 2000.

Business of the Senate notice of motion no. 1 standing in the name of Senator O’Brien for today, relating to the reference of a matter to the Rural and Regional Affairs and Transport References Committee, postponed till 4 October 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 12 October 2000.

BUDGET
Consideration by Economics Legislation Committee

Answers to Questions on Notice
Motion (by Senator O’Brien, at the request of Senator Murphy) agreed to:
That the Senate notes:
(a) with continuing concern, the failure of the Assistant Treasurer (Senator Kemp) and the Department of the Treasury to provide all answers to questions taken on notice at the most recent Treasury estimates hearings;
(b) despite commitments given by the Chair of the Economics Legislation Committee (Senator Gibson) that all answers to questions would be provided within 30 days, the total and wilful failure of the Minister and the department to ensure that Senator Gibson’s commitment was honoured; and
that, in the absence of commitments given by the chair being met, it is increasingly difficult for the spirit of cooperation and goodwill to exist between committee members

COMMITTEES

Environment, Communications, Information Technology and the Arts References Committee

Extension of Time
Motion (by Senator Allison) agreed to:
That the time for the presentation of reports of the Environment, Communications, Information Technology and the Arts References Committee be extended as follows:
(a) global warming and the Convention on Climate Change (Implementation) Bill 1999—to 12 October 2000; and
(b) telecommunications and electromagnetic emissions—to the Thursday of the fourth sitting week in 2001.

Finance and Public Administration Legislation Committee

Meeting
Motion (by Senator Coonan, at the request of Senator Mason)—by leave—agreed to:
That the Finance and Public Administration Legislation Committee be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on Wednesday 4 October 2000 from 10 a.m. to 11 a.m. in relation to its inquiry on portfolio budget statements.

DOCUMENTS
Department of the Senate: Report for 1999-2000

The DEPUTY PRESIDENT—In accordance with the provisions of the Parliamentary Service Act 1999, I present the annual report of the Department of the Senate for 1999-2000.

Ordered that the report be printed.

Auditor-General’s Reports
Report No. 12 of 2000-01

The DEPUTY PRESIDENT—In accordance with the provisions of the Auditor-

Immigration: Kosovar Refugees

The DEPUTY PRESIDENT—I present a response from the Minister for Immigration and Multicultural Affairs (Mr Ruddock) to a resolution of the Senate of 22 June 2000 concerning Kosovar refugees.

Olympic and Paralympic Games

The DEPUTY PRESIDENT—I present responses from the Premier of Victoria, Mr Bracks, and the Premier of New South Wales, Mr Carr, to a resolution of the Senate of 14 August 2000 concerning transport for the Olympic and Paralympic Games.

Cassowary Habitat

The DEPUTY PRESIDENT—I present a response from the Premier of Queensland, Mr Beattie, to a resolution of the Senate of 7 September 2000 concerning land clearing and threatened species.

Auditor-General’s Reports

Reports Nos 10 and 11 of 2000-01

The DEPUTY PRESIDENT—Pursuant to standing order 166, I present the following three reports of the Auditor-General which were presented to the Temporary Chairman of Committees, Senator Hogg, on 15 September 2000 and the Deputy President on 29 September 2000: Performance audit—AQIS cost-recovery systems: Australian Quarantine and Inspection Service; Performance audit—Knowledge system equipment acquisition projects in Defence; Department of Defence; and Australian National Audit Office—Report for 1999-2000. In accordance with the terms of the standing order, publication of the documents was authorised.

COMMITTEES

Corporations and Securities Committee

Report

Senator CHAPMAN (South Australia) (4.32 p.m.)—I present the report of the Parliamentary Joint Statutory Committee on Corporations and Securities, entitled ‘Shadow ledgers and the provision of bank statements to customers’, together with the Hansard record of the committee’s proceedings and documents presented to the committee.

Ordered that the report be printed.

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

Leave granted.

Senator CHAPMAN—I move:

That the Senate take note of the report.

In June this year, I drew the attention of the Joint Statutory Committee on Corporations and Securities to serious allegations about practices of the Commonwealth Bank in its commercial dealings with a group of rural and regional customers. The committee unanimously decided to hold a special hearing in relation to the allegations and invited all the principal players to give evidence. This report follows the committee’s investigations into the matter, both at the hearing and in subsequent action taken by the committee.

There were four main allegations made against the Commonwealth Bank. These were that the bank: firstly, failed to inform rural customers that their debts had been written off; secondly, used a ‘shadow ledger’ system to improperly claim tax benefits; thirdly, wrote off loans as bad debts while still receiving interest payments to service those debts; and, fourthly, refused to issue account statements to customers. The committee heard as witnesses three of the principal complainants, Mr Bruce Ford, Ms Wendy Murray and Mr Bernie Madigan; three senior representatives of the Commonwealth Bank; a deputy commissioner and an assistant commissioner of the Australian Taxation Office; and the Queensland Regional Director of the Australian Competition and Consumer Commission. The committee is most grateful to all of those witnesses for the valuable evidence they gave.

Although this was not a formal inquiry, the committee received 17 submissions. In particular, submissions were received from all of the witnesses and from the Financial Services Consumer Policy Centre, the main
support body for the complainants. Four of these groups made supplementary submissions to expand on matters raised at the hearing. The committee is confident that the witnesses, the submissions and the supplementary material gave a thorough perspective on the issues and enabled it to arrive at appropriate conclusions and recommendations.

May I say as chairman of the committee that it was very pleasing to note that there was virtually unanimous agreement among committee members about the findings and recommendations contained within this report, with only one paragraph of the report indicating a difference between government members and opposition and Democrat members. I will speak to this issue a little later. However, in relation to the allegations and concerns placed in front of the committee, members were unanimous in their views: that taking into account all of the evidence in relation to the cases before it, the Commonwealth Bank did not make wrongful use of shadow ledgers and that the failure to produce bank statements did not constitute unlawful behaviour; that the ATO should address shadow ledgers in a tax ruling which provides that, after a bank classifies a loan as non-accrual, any interest received thereafter will not be derived for income tax purposes until it is received; that the ATO is satisfied by the findings of the bank’s independent auditors that activity on the shadow ledger accounts is in accordance with accounting and taxation requirements; that the Commonwealth Bank exacerbated an already difficult situation for some customers who were in default of their loan obligations, making it difficult for them to budget, to refinance loans and to submit taxation returns; that the bank’s explanation that identification did not provide bank statements because it did not want to inflame a dispute is poor banking practice, that the bank subjected customers to unreasonable confusion in relation to shadow ledgers; that the management practices of the Commonwealth Bank were seriously flawed in terms of best practice customer relations, even if the number of customers affected was small; that the need for the committee to take action indicates a failure by the bank to resolve internally some types of disputes with customers. The committee is disappointed that the positive commitment of the bank to provide regular and full statements to customers in default on their loans did not eventuate until the committee initiated its investigations; however, this positive outcome does demonstrate the benefit and effectiveness of parliamentary committees investigating issues. The committee also was unanimous that deficient practices in the treatment of shadow ledger accounts are not limited to the Commonwealth Bank but are industry wide.

On the basis of these findings, the committee has made the following recommendations: that all banks commit to providing statements to customers who are in default on their loans in all circumstances short of litigation; as a matter of principle, such statements should include the amount that the bank believes the customer owes under the terms and conditions of the loan and should not reflect any write-downs made by the bank for accounting or taxation purposes; in addition, all banks, if they do not do so already, should inform customers of the consequences which result when a loan gets into difficulties; and finally, in order to meet any outstanding public concern about admitted administrative errors in relation to the accounts of Mr Bruce Ford, the Commonwealth Bank should confirm that the taxation treatment of these accounts was correct.

The committee will refer the first three of these recommendations to the independent consultant undertaking the review of the banking code of practice, and we certainly recommend and will seek to have those three recommendations included in the code. The committee will monitor the review of the banking code of practice to ensure that its recommendations are indeed implemented and that they become binding on banks through common law obligations. I also hope that the Commonwealth Bank, in considering our requests, will move quickly to act upon them. I have faith that the bank will respond positively to our recommendations, given that they have already given an undertaking to provide full statements to customers in default, once the committee moved to have an interest in this particular issue.
Finally, let me address the one paragraph of the report where there was not complete agreement between all members of the committee. While all committee members were in agreement that the Commonwealth Bank should extend mediation to any customers who still have concerns about the way their accounts were handled by the bank, Labor and Democrat members of the committee felt that the Commonwealth Bank should appoint an independent mediator and have this advertised in the national press. Government members feel this is not appropriate. Indeed, in all cases presented to the committee the Commonwealth offered mediation services to disaffected customers, which, in the major case before the committee, was refused by the customer. Thus, government members of the committee believe that the bank has acted in good faith in terms of its offer of mediation and that this dispute resolution process needs to be given an opportunity to work before the committee asks the bank and its customers to undertake alternative mechanisms.

In making our recommendations, government members are particularly cognisant of the need for the committee not to overstep its jurisdiction in these matters and to make recommendations that are enforceable. I conclude by saying that I believe this was certainly a matter of importance to the rural and regional customers who were affected by the issue of shadow ledgers and, in particular, by the previous non-provision of bank statements to those customers when their loans fell into default. The committee concluded that the Commonwealth Bank’s behaviour during that period was acceptable, and we believe our inquiry into the matter has therefore been beneficial in meeting the needs of those customers. Finally, I thank the committee secretary, David Creed, and the committee staff for their professional and tireless assistance in this matter. I commend this report to all honourable senators.

Senator CONROY (Victoria) (4.41 p.m.)—I would also like to add my thanks to the committee secretariat for their work on this and I would like to comment on the report entitled ‘Shadow ledgers’ and the provision of bank statements to customers, which was produced by the Parliamentary Joint Statutory Committee on Corporations and Securities and which Senator Chapman has just tabled. The report is the result of a hearing that the Parliamentary Joint Statutory Committee on Corporations and Securities held on 16 August 2000 into allegations that the Commonwealth Bank of Australia had refused to provide customers with bank statements and had improperly used shadow ledger accounts to claim tax benefits.

The joint parliamentary committee received submissions from individual consumers, the Financial Services Consumer Policy Centre, the Commonwealth Bank of Australia, the ACCC and the Australian Taxation Office. The committee concluded that the Commonwealth Bank had, by not automatically issuing account statements to some customers who were in default on their loan obligations, exacerbated an already difficult situation for these customers, making it difficult for them to budget, re-finance loans and submit taxation returns. The committee concluded that the Commonwealth Bank’s practice of not providing customers with bank statements was poor banking practice, unreasonable and seriously flawed. It is of serious concern that a parliamentary committee has come to the conclusion that the Commonwealth Bank’s practices were seriously flawed. While the Commonwealth Bank committed to the parliamentary inquiry that it would provide statements to customers who requested them, it is of serious concern that it took a parliamentary committee to inquire into this issue before the bank committed to changing its practices.

I would like to briefly discuss a number of issues that the committee examined. Let me firstly deal with the issue of shadow ledger accounts. The Commonwealth Bank advised the committee that its shadow ledger accounts had been audited by the bank’s internal auditors, who confirmed that activity on those accounts was in accordance with accounting requirements and taxation requirements. I also note that the Australian Taxation Office drew the committee’s attention to specific tax rulings that cover bad and doubtful debts. In particular, tax ruling 94/32 allows that, for non-accrual loans, any interest
accruing from the time of write-off will not be derived for income tax purposes until it is actually received.

On the basis of the ATO’s rulings and the audit of the Commonwealth Bank’s accounts, it appears that shadow ledger accounts are a legitimate accounting function. However, while shadow ledgers may be a legitimate accounting function, it is not possible, from the evidence presented to the hearing, to make a judgment as to whether the Commonwealth Bank have operated their shadow ledger accounts properly. In particular, I refer to evidence presented at the hearing by Mr Bruce Ford and Ms Wendy Murray in respect of their company, Traztea Services Pty Ltd. The committee heard that moneys paid into Traztea Services accounts were not reflected in their statements. An amount of $404,809.06 was paid into Traztea Services accounts and yet the bank statements accounted for only $355,416.16. I can understand why a customer of the bank would be suspicious when amounts of money appear to simply disappear. Given that the bank acknowledged to the committee that there were errors in the processing of transactions to Traztea Services Pty Ltd’s accounts, I ask that the bank confirm that the taxation treatment of the moneys was in fact correct.

Let me now turn to the issue of bank statements. The Financial Services Consumer Policy Centre submitted to the joint parliamentary committee that the refusal of the bank to provide bank statements to customers had meant that some customers had been unable to complete tax returns and some found it difficult to budget and carry on business normally. Many experienced refinancing problems and some faced insolvency.

The refusal to provide bank statements is not a trivial matter. The basis of a relationship between a bank and its customers is one of trust. In order for a customer to deposit their savings with a bank, the customer must trust that the bank will keep their money safe. Could you imagine a situation where a customer went into a bank and asked for the bank balance, only to be told, ‘No, we won’t tell you’? Would anybody in this chamber accept that? And yet this is the basis of the allegation against the Commonwealth Bank. When customers who were in default on their loans requested bank statements so that they could determine their financial position, the bank refused to provide them. At the hearing, Mr Michael Ullmer, Group General Manager from the Commonwealth Bank, acknowledged that the bank had refused to provide bank statements to some customers. He stated:

... when dealing with an impaired loan, the relationship between the bank and the borrower may be vexatious. The borrower may dispute the amount owed and the Commonwealth Bank may cease to issue further statements as in the past there has been little purpose in providing information that the customer may perceive as incorrect and may further inflame the dispute that may well be in place between the customer and the bank.

He went on to say:

In dealing with business customers, we are aware of a small number of instances where officers of the Commonwealth Bank Group have refused to issue statements on request to borrowers who are in default of their loan obligations.

I find it hard to accept the bank’s rationale that they did not provide bank statements to some customers because they did not want to inflame an already vexatious situation. Indeed, I would have thought that the refusal to provide bank statements would inflame a dispute with a customer. I wrote to the Commonwealth Bank and specifically asked whether they had refused to provide bank statements to customers with bad debts in March of this year. On 23 March, the bank responded in writing. They stated:

There is not a standard time at which the Bank would decide not to provide statements to a customer on a regular basis. It may for instance decide not to issue regular statements if the debt is subject to legal proceedings and the only change to the amount owing is the accrual of interest and or the costs of recovery action. In these circumstances, issuing a statement is seen as unnecessary, as the customer has either decided to not repay or is unable to repay the debt. However, if at any time a customer who has not been issued regular statements requires a statement, this will be issued.

That is what the Commonwealth Bank said to me in my capacity as a senator. The bank’s
original advice to me that they do provide statements when requested has now been contradicted by the bank’s own submission to the joint parliamentary committee. The Financial Services Consumer Policy Centre stated in its submission to the hearing:
The facts seem clear—it is a formal bank policy not to send statements once a shadow ledger is opened. The bank deny this but they have been inconsistent on this issue.

Their evidence stated that at a particular point in time they delete the address of the customer involved and substitute the manager of the branch. They actually admitted to the committee that, without telling the customer—without advising them in any way—the customer’s address is deleted and the bank branch’s address is substituted. So when the bank produces their statements, they send the statement to themselves. This is the evidence given by the bank to the committee.

The Commonwealth Bank drew the committee’s attention to the uniform credit code, which provides that a credit provider does not have to provide bank statements where a loan is in default and where no further amount has been debited or credited to the account during the statement period. While the uniform credit code applies only to consumer credit and not to small businesses, there is no doubt that we need to examine a situation where the law actually tolerates the withholding of bank statements to customers who are in default on their loans. Customers must have a legal entitlement to receive bank statements, even when their loans are in default. The government must seek to amend the uniform credit code to ensure that there is a legal obligation for banks to provide statements to all customers. I am also aware that the Australian Banking Association is currently conducting a review of the banking code of practice. The banking industry must amend the code of practice to ensure that the code provides an entitlement for consumers to receive bank statements in all situations.

The government now has an opportunity to address the issues that have been raised in the joint parliamentary committee’s report. The government must seek to amend the uniform credit code and must ask the ABA to amend the banking code of practice. There is no doubt that this committee’s report will be a test of whether the government takes seriously the banks’ meeting of their social obligations. We hope it will not let consumers down. In view of the time, I seek leave to table the last couple of pages of my speech.

Leave not granted.

Senator MURRAY (Western Australia) (4.51 p.m.)—The remarks made by Senator Chapman, the chair of the Parliamentary Joint Statutory Committee on Corporations and Securities, and by Senator Conroy have covered the field very well. So I do not propose to deal with the issue in as much detail as they have, but I do want to make a few points which I do not think have been made to date. Before I do that I wish to thank Senator Chapman, the chair of the committee. Senator Chapman has, in my experience, always dealt with these matters in a practical and consultative manner. The interaction between him, Senator Conroy—who acted as the shadow Labor spokesperson on this matter—and me, has produced a very good report. In my view this report is a victory for the small man. It is a report that is strongly critical of a banking practice which, it seemed, was long overdue in terms of being corrected. On a large committee like the corporations and securities committee, where we see strong opinions expressed by individuals and strong positions taken by political parties on that committee, the regular resolution of these matters, to come to a considered and uniform view, is probably indicative of some of the best features of our parliamentary system. Senator Chapman, I think you deserve some personal congratulations for your approach in that matter.

Senator Chapman has also brought forward some recommendations on behalf of the committee which, as Senator Conroy rightly points out, put an obligation on government to take particular note and particular action and to try to enforce better standards from banks in these practices. I have used the term ‘banks’, and people would have noted in the speeches made by Senators Chapman and Conroy that it was only the Commonwealth Bank which was identified in these issues. We do, however, as a committee sus-
pect and believe that these practices are across all banks and that all banks should pay attention to the very vigorous criticisms very rightly put down by the committee. Banks in this country often run up against a very fierce wall of criticism about their attitudes and behaviour—and here is another instance where it was deserved. A bank that was sympathetic to its customers would not have behaved in this manner.

Banks have immense resources and very deep pockets and can affront their customers in ways which are, frankly, terrifying for people, particularly when they are at the end of their financial rope—in other words, when they are in financial difficulties or are in default. The little people—little men and women, figuratively speaking—up against the Goliath of the big bank deserve parliamentary support and congratulations for fighting for attention with respect to what has undoubtedly been bad banking practice and bank customer relations. Those witnesses who appeared before us have had a long and bitter battle to get recognition of their problem and their needs. The persons concerned, in contrast to the banks, have had to put an inordinate amount of their own time and resources to get this problem recognised. That is why I said earlier that I thought the outcome of the committee’s consideration is indeed a victory for the small people in these relationships who, hopefully, as a result of their campaign will now see better banking practices established for other customers in that situation.

Absolutely key to the whole matter is the right of any customer in a financial relationship to know exactly what their full obligation is. Customers in these situations may be at the end of their financial rope and there is always the danger of them being found to be trading whilst insolvent, either technically or in actuality, which is one of the most serious things that can happen to any commercial entity. If you do not know what your maximum liability is to the bank you could easily slip into that circumstance. The committee has said that, at all appropriate times and as regularly as possible, a customer is entitled to know what the bank considers customers’ maximum liability is to the bank. Without that they cannot proceed in a businesslike fashion to deal with their debt, their refinancing needs, their budgets, their tax returns and their other financial relationships. That is a particularly important aspect that has emerged.

It is possible that the witnesses to the hearings may feel aggrieved that a finding has not been made by the committee that the actions by the banks were illegal. It is important to note that as a result of the full consideration of the shadow ledger issue it has been determined by the committee that there is no evidence of illegality in the issues we examined and in the evidence that was put before us. The issue became one of propriety and of due care, if you like, towards customers. The aspect of a second set of books being managed by the banks—an internal set of books, if you like—sounded very murky in the original description of the matter to individual senators and to the committee, but it turned out to be less alarming than it was originally. Most of all, our criticisms relate to the communication with customers, the information that was put before customers and the way in which banks should deal with their customers. I would hope that all banks would see it proper to read the committee’s report and to write to the committee and to the responsible minister advising them of what proactive action they have taken with regard to that report and what improvements they intend to make to their own internal practices. As I said at the commencement of my remarks, the field has been covered quite fully by Senators Chapman and Conroy, so I will not speak further for the sake of speaking.

Question resolved in the affirmative.

BUDGET 2000-01

Consideration by Legislation Committees

Additional Information

Senator McGAURAN (Victoria) (5.00 p.m.)—On behalf of the respective chairs I present additional information received by the Environment, Communications, Information Technology and the Arts Legislation Committee, the Foreign Affairs, Defence and Trade Legislation Committee, and the Legal and Constitutional Legislation Committee re-
lating to hearings on budget estimates for 2000-01.

**ASSENT TO LAWS**

Messages from His Excellency the Governor-General were reported informing the Senate that he had assented to the following laws:

- Copyright Amendment (Digital Agenda) Bill 2000
- Classification (Publications, Films and Computer Games) Amendment Bill 1998
- Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 2000
- Defence Legislation Amendment (Flexible Career Practices) Bill 2000
- Taxation Laws Amendment Bill (No. 11) 1999
- Excise Amendment (Compliance Improvement) Bill 2000
- Customs Tariff Amendment Bill (No. 3) 2000
- Trade Marks Amendment (Madrid Protocol) Bill 2000
- Retirement Assistance for Farmers Scheme Extension Bill 2000
- Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000
- Therapeutic Goods Amendment Bill (No. 3) 2000

**BILLS RETURNED FROM THE HOUSE OF REPRESENTATIVES**

Message received from the House of Representatives agreeing to the amendments made by the Senate to the following bill:

- Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000

**FAMILY LAW AMENDMENT BILL 2000**

The Family Law Amendment Bill 2000 gives effect to a number of the Government’s election promises on families and family law, marking it as an important step in the process to reform the Family Law Act 1975.

The Government recognises the extraordinary stress that is placed on people experiencing relationship difficulties and is committed to assisting people to maintain stable, healthy relationships. When people do experience relationship difficulties, however, the government is committed to assisting them to resolve those difficulties with a minimum of stress and as fairly as possible.

The bill will help separating couples achieve greater financial equity and certainty by implementing a number of recommendations contained in the 1992 Report of the Joint Select Committee.
The bill has two broad aims.

The first aim, given effect by amendments in Schedule 1 of the bill, is to streamline and enhance the enforcement of parenting orders by the introduction of a new three stage parenting order compliance regime.

The second aim is given effect by amendments in Schedules 2 and 3, which provide for the introduction of binding financial agreements and enable the commencements of private arbitration of disputes about property. The object of the amendments in Schedules 2 and 3 is to provide greater choice for parties in property settlements to provide a more efficient and less costly means of dispute resolution in property matters than that which is currently available through the Family Court.

Turning to the amendments in Schedule 1, the bill will address an area of significant public concern, the enforcement of parenting orders.

Under the current law, in many cases, contact order compliance, in particular, is seen as being optional. When the Court makes an order about the parenting of a child, it must be observed. However, Family Court orders are different to other court orders in two important respects. First, they must balance the emotional distress that often accompanies relationship breakdown. Second, the opportunity for the breach of a parenting order providing for contact comes about on each occasion of contact.

Because of the unique nature of parenting orders, a new three stage parenting compliance regime will be introduced covering prevention, remedial measures and ultimately sanctions. The three-tiered approach in this bill was recommended by the Family Law Council in June 1998. That recommendation followed the Council’s detailed study of enforcement cases and broad ranging community consultation on alternatives for improving compliance with parenting orders, particularly contact orders.

The Government is committed to encouraging parents who separate to consider carefully the needs of their children and to put in place workable parenting arrangements that promote the best interests of their children. The first stage of the parenting compliance regime will therefore be preventative. The aim of the first stage will be to ensure that parents are aware of their parenting obligations, the responsibilities imposed by any orders and the consequences if they fail to observe the orders. The bill will achieve this by requiring courts to include in parenting orders a range of standard clauses to this effect.

This stage is also intended to improve the communication between parents. The court or a legal practitioner who is representing a party will therefore supplement the information in the standard clauses by further explaining the effect of the parenting order. This information will be required to be given in language that the person receiving the explanation is likely to understand. People who make registrable parenting plans will also be able to obtain an explanation of what they are agreeing to and the consequences of failure to comply with the agreement.

The second stage of the parenting compliance regime will contain remedial measures.

When a breach of an order occurs for the first time, the court will be able to send parents to a range of post-separation parenting programs as well as making an order to compensate for lost contact. The aim of the educative programs will be to help parents resolve issues of conflict about the parenting of their children, and to this end, in the case of the parent who contravened the parenting order and the other parent to attend a program. Parents will be required to attend such programs provided that they are available within a reasonable distance from the person’s place of residence or work. The Attorney-General will compile, each year, a list of the programs that will satisfy the requirements.

When the court requires a person to attend one of the listed programs, the court will also be required to provide information to the program provider, including the details of the person ordered to attend. In some cases, the program provider will be required to notify the court of the person’s suitability for attendance and any absence. These cases will be where the person has failed to attend the program as ordered, or the person has been deemed unsuitable to attend, or to continue to attend, the program. When the court is notified of a failure in the program, the court may then make further orders concerning the person’s attendance at a program.

The third stage of the parenting compliance regime will contain sanctions for serious initial breaches or subsequent breaches. At this stage the court will have a discretion on a second or subsequent breach to order the party to attend another post-separation parenting program if the court is satisfied that it is more appropriate for that contravention to be dealt with under stage 2.

Where there are persistent breaches, or where the first breach is particularly serious, the court will be able to impose a range of sanctions including
community service orders, fines, bonds or, ultimately, imprisonment.

For the court to impose one of the range of sanctions available in the third stage of the parenting compliance regime, the person must previously have been ordered to attend a post-separation parenting program or, alternatively, the court must have ordered compensatory contact. These requirements will not apply if a post-separation parenting program was not reasonably available or the court considered that it was not appropriate for the person to attend such a program or considered that it was not appropriate to order compensatory contact.

Community service orders will be a valuable alternative sentencing option under the new three-tiered parenting compliance regime. Such orders offer a valuable alternative sentencing option for the court to consider. The bill includes imprisonment as a sanction available for the non-payment of court ordered maintenance where the contravention was intentional or fraudulent. The Joint Select Committee recommended, in 1992, that imprisonment should be an option in such cases. The bill makes it clear that imprisonment is not available in respect of child support assessments under the Child Support (Assessment) Act 1989.

The bill defines the meaning of contravene an order with the emphasis being on the intent of the parent in failing to comply with the parenting order, or that of another person who assists a parent to contravene a parenting order.

The changes to the parenting compliance regime for children’s matters will apply to orders made before as well as after the commencement of the bill, and will apply regardless of whether the contravention occurred before or after the commencement.

I now turn to the amendments contained in Schedule 2 to the bill. These amendments will enable binding financial agreements to be made before or during marriage, or after separation.

Currently, under the Act, people can make pre-nuptial agreements about their property. However, the use of these agreements has been limited because the agreements are not binding. Despite the existence of an agreement, the court has been able to exercise its discretion over any of the property dealt with in the agreement.

The settlement of the financial affairs following separation has remained basically unchanged since the Act commenced in 1976. However, the Australian community - and its attitude to marriage - has undergone substantial change during that time. The changes in this bill will attempt to bring the Act into line with prevailing community attitudes and needs.

Binding financial agreements will be of particular benefit to people who are entering subsequent marriages as well as to people on the land and those who own family businesses.

The aim of introducing binding financial agreements is to encourage people to agree about how their matrimonial property should be distributed in the event of, or following, separation. Agreements will allow people to have greater control and choice over their own affairs in the event of marital breakdown. Financial agreements will be able to deal with all or any of the parties’ property and financial resources and also maintenance. An agreement may cover how property would be divided or how maintenance would be paid. Particular assets, such as rural properties, would be able to be preserved.

People will be encouraged, but not required, to make financial agreements. For these agreements to be binding, each party will be required to obtain independent legal advice before concluding their agreement. The provider of the advice will certify, on the agreement, that the advice has been given. Requiring parties to obtain independent advice will mean that couples will be aware of the implications of the agreements that they are entering into and will not unknowingly enter an agreement that is not in their best interests.

Because parties will have obtained prior advice, the court will only be able to set aside an agreement in certain limited circumstances reflecting the contractual nature of the agreement. For example where there is fraud (including non-disclosure of a material matter), where the agreement is void, voidable or unenforceable, where it is impractical to enforce the agreement and, most importantly, where there are material changes in circumstances relating to the care, welfare and development of a child such that a party to the agreement would suffer hardship.

Schedule 3 of the bill contains provisions to increase the range of non-judicial dispute resolution services.

The Government has already increased family and relationship counselling and mediation by providing additional primary dispute resolution services through community based counselling and mediation services and through conferencing in legal aid commissions to assist families to resolve disputes. The Government’s aim is to ensure that wherever possible, where people cannot resolve their relationship difficulties, they are able to avoid costly legal fees and emotionally debilitating court proceedings and resolve their marital,
separation and parenting disputes sensibly and respectfully.

The amendments in Schedule 3 to the bill also promote these aims by introducing a workable scheme of private arbitration that will allow qualified arbitrators to settle disputes and make enforceable decisions about the distribution of property on marriage breakdown. The amendments will mean that if people are unable to agree about property on marriage breakdown, they will be able to use the services of arbitrators rather than needing to resort to a court to resolve the dispute. Therefore, people who utilise the services of arbitrators will have access to a less expensive and quicker option to resolve their dispute.

Where the parties choose, some aspects of their property may be arbitrated: for example, parties may choose to have complex issues, such as superannuation, arbitrated, with the remainder being settled either by financial agreement or by court order. Even where proceedings have commenced in the Family Court, the court may, with the consent of the parties involved, order that particular issues be arbitrated. Similarly, the bill will permit an arbitrator, prior to making their arbitral award, to refer a question of law to a single judge.

Decisions of the arbitrator will be subject to review on questions of law by the Family Court and the Federal Magistrates Service. Confining the review of arbitral awards to questions of law will ensure the finality of arbitral resolutions.

Arbitrators, in order to be eligible to perform arbitrations under the Act, will be required to satisfy prescribed qualifications and experience criteria. People will be able to choose an arbitrator easily from a list of arbitrators who meet the required criteria maintained by the Law Council of Australia.

Finally, the bill will make a number of other amendments to the Act designed to assist the smooth functioning of the court, to facilitate transfer of proceedings between courts, to make minor changes to child maintenance orders, to extend the application of location and recovery provisions of the Act to international child abduction cases, to limit the application of the separate representative provisions in international child abduction cases and to provide the court with broader powers to make Rules of Court about enforcing property and financial orders.

These changes are intended to benefit persons involved in family law matters. This bill will not only improve the procedural efficiency with which matters can be dealt with by the courts, it will also open up a new range of choices for separating parties to resolve their disputes with dignity. This bill is an important step in minimising the distress and trauma that arises when families break down.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (DEBT RECOVERY) BILL 2000

This Bill gives effect to one of the measures announced in the Government’s 1999-2000 Budget. The changes made by the Bill will clarify, simplify and strengthen the debt recovery processes of the Department of Family and Community Services as well as those of the Department of Veterans’ Affairs.

Under the current provisions of the Social Security Act 1991 and the Veterans’ Entitlements Act 1986, the Commonwealth’s right to recover excess payments is unclear in some circumstances. This uncertainty means fewer debts are recovered than would be the case if the provisions were more transparent in their operation. The changes introduced by this Bill will ensure that, when a person receives a social security payment, a family assistance payment or a Veterans’ Affairs payment that exceeds the amount that should have been paid, the excess amount is a debt and is recoverable.

At present, an interest scheme exists under which a debtor may incur an interest charge because the debtor is making no attempt to repay the debt. A loophole exists in that scheme which effectively allows some debtors to avoid the liability to pay interest even though they are not making payments in respect of the debt. The changes made by this Bill close that loophole.

The Bill also provides for an administrative charge to be payable where a person becomes liable to pay interest. The administrative charge is intended to encourage debtors to enter arrangements for repayment. The charge also recognises the cost incurred by the Commonwealth in recovering debts in those circumstances where people fail to voluntarily enter arrangements to repay.

The Bill also provides for the recovery of payments directly from financial institutions where payments have been made incorrectly. This is the most efficient and cost effective method of recovery for incorrect payments of this nature.

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (PRIVATE TRUSTS AND PRIVATE COMPANIES - INTEGRITY OF MEANS TESTING) BILL 2000
This bill gives effect to the measure announced in the 2000-2001 Budget, which is intended to restore equity and integrity to the social security and veterans' affairs means tests.

Under current social security and veterans' affairs legislation, assets held in private trusts and private companies generally cannot be assessed under the social security means test. This means that individuals can use private trusts or private companies to hold and control assets outside the bounds of the current means test.

People who arrange their affairs this way are therefore often treated more favourably under the means test than a person holding similar levels of assets directly. Thus well-off or even quite wealthy people can receive income support payments.

This isn't how the community expects the income support system to operate. It is also at odds with the principle that people with similar levels of private resources should receive similar levels of payment. This measure is about providing a level playing field for all social security customers, no matter how they choose to hold their assets or income.

This measure has been prompted by the increased use of private trusts and private company structures to gain social security and veterans' affairs entitlements. A primary aim of the measure is to forestall the continued growth in the use of this strategy. Because assets held in these structures currently may be exempt from the means test they are often the strategies behind advertisements in the personal investment pages of newspapers which ask “Would you like a pension?” or state “How to maximise your social security entitlements”.

The measure seeks to avoid a loss of public confidence in the system, which could be expected if well-off and even wealthy people are receiving taxpayer-funded income support when they have the means to support themselves.

The proposed new means test treatment is seen by the Government as helping to ensure an affordable, sustainable social security and veterans' affairs systems through continued targeting of benefits to those most in need.

The proportion of income support recipients affected would be very small: less than 1 per cent of all income support recipients. In total, it is estimated that only some 35,000 existing Centrelink customers (including 14,000 partnered parenting payees and 11,000 age pensioners) and 2,500 Veterans' Affairs customers would be affected. Of these, about half would have their payments reduced and half cancelled under the proposed rule changes. Even though only a relatively small number of customers will be affected by this measure the Government anticipates there will be significant savings for the taxpayer of more than $100 million per year from the commencement of the measure on 1 January 2002.

Those who are affected would be those with considerable resources with which to support themselves. This is because of the 'free areas' and 'taper' ranges allowed under the income and assets tests. The largest proportion of the savings is expected to occur through the application of the assets test. It does not come into play until significant assets are available. For example, a homeowner couple can currently have $407,000 in assets excluding their home before losing all entitlement. Non-homeowners have even more generous allowable levels of assets.

The Government’s proposal to alter the means test treatment of private trusts and private companies in no way signifies any discrimination against these legal forms of holding investments and conducting business. It is designed to ensure that income support entitlements are based upon a person’s level of resources, not on the way in which he/she holds those resources.

Only trusts and companies of a small and private nature will be the subject of this measure. Customers' holdings of shares or units in publicly listed companies or unit trusts (with more than 50 members) that they own in their own name will not be affected by this measure, as their value is already included in assessments for social security.

The fundamental change being proposed under this measure is that when a private trust or private company is recognised as a designated private trust or company, the assets and income of these private trusts and private companies may be attributed to a person who controls or has contributed to these structures. Two alternative tests will be applied:

- First, there is the “control test”. It is clear that often the controller of a structure can be considered to be the de facto owner of the structure's assets where he or she can use the assets for his or her own purpose or benefit. This test will also make it possible to determine who is the ultimate, or actual, controller of a structure. It is possible for the actual controller of a structure to be different to the apparent controller. This test will make reference to the concept of an “associate”. An “associate” is a person who may, because of their relationship with the actual controller, assist this controller with maintaining control of the structure. The relationship between
the controller and an associate is broader than just a family relationship.

- Secondly, there is the “source test”. This test is designed to identify the ultimate source of assets in a structure. It may be that this source needs to be traced back through several intermediaries. It is recognised that, generally, a person transferring assets to an interposed structure does so either because the assets will continue to be used for that person’s benefit, or will be used for their family’s benefit. If a person claims that assets transferred to a trust or company were gifted to that entity then the person will need to demonstrate that a genuine gift has occurred. This may be difficult to establish where the person retained an involvement with that structure. The source test will only apply to contributions made to structures after 7.30pm on the 9th of May 2000.

Once it has been established that a person passes the control or source tests the facts of that person’s case will be examined closely, with a view to working out whether, and to what extent, the assets will continue to be used for that person’s benefit, or will be used for their family’s benefit. If a person claims that assets transferred to a trust or company were gifted to that entity then the person will need to demonstrate that a genuine gift has occurred. This may be difficult to establish where the person retained an involvement with that structure. The source test will only apply to contributions made to structures after 7.30pm on the 9th of May 2000.

It is proposed that the measure will affect entitlements from 1 January 2002. However, it will be necessary to collect information from social security and veterans’ affairs customers prior to this date, so that both Departments will be in a position to determine entitlements from 1 January 2002.

Where a person is attributed with assets or income of a private trust or private company as a result of this measure, the person will still, where practicable, be able to access existing means test concessions that would be available to a customer who held the same level of assets or income in their own right.

In recognition of the importance of succession planning issues to the rural community this measure contains a special concession for farmers who hold their farming property in a family trust. Under certain conditions a farmer may pass their farming business on to a younger family member and still retain some powers in regard to the trust deed, without the assets or income of the trust being assessed against the retiring farmer under the means test. This concession will be available where the retiring farmer, and their spouse, owns or controls primary production assets of less than $750,000 and has income of less than the family tax benefits threshold, being approximately $28,200. Both of these amounts are subject to indexation.

This concession is offered to help an older farmer retain some control over the farm that they have built up and worked so hard on during their lifetime. The retiring farmer will be able to retain a power of veto over the sale of the farm, together with a power to appoint a new trustee in the event of the death or invalidity of a current trustee. Even though the retired farmer will no longer be able to exercise day to day control over the farming business, he or she will be able to access a social security pension, and ensure the farm remains in the family.

Maintaining the integrity of the means test is essential if Australia is to continue to have an effectively targeted, needs-based and sustainable safety net system that supports the most vulnerable and those in genuine need.

At present people operating private trusts or private companies are often treated more favourably under the current means test arrangements than are individuals, sole traders or people in partnerships, of otherwise similar means.

This is inequitable and inconsistent with the objectives of the income support system, which are to provide a “safety net” for those who cannot adequately support themselves, and to encourage self-provision by those who can.

These practices already involve substantial costs to the social security and veterans’ affairs budgets and the taxpayer. These costs are likely to rise, as increasing numbers of Australians retire with substantial superannuation wealth to invest in order to secure a retirement income, and are advised by an increasingly competitive financial advice industry.

Unless the Social Security Act 1991 and the Veterans’ Entitlements Act 1986 are amended to address these practices, the taxpayers’ burden will increase further and the integrity of our social security and veterans’ affairs systems and the support it has in the community will be undermined.

WORKPLACE RELATIONS LEGISLATION AMENDMENT (TERMINATION OF EMPLOYMENT) BILL 2000

The Coalition’s 1998 workplace relations election policy More Jobs, Better Pay contained commit-
ments to further legislative reform in our second term of office.

These commitments were reflected in four pieces of legislation already introduced by the Government since October 1998, dealing with small business unfair dismissal exemptions, superannuation, youth wages and multiple reform issues in the Workplace Relations Legislation Amendment (More Jobs, Better Pay Bill) 1999.

That bill was passed by the House of Representatives on 14 October 1999 but subsequently blocked by the combined opposition of the Labor Party and the Australian Democrats in the Senate.

Since opposing the More Jobs Better Pay Bill 1999 last November, the Democrats have publicly indicated that they prefer to deal with the contents of that bill on an issue by issue basis, not as an omnibus piece of legislation.

In a speech to the ACT Industrial Relations Society on 6 April 2000 Democrats spokesman Senator Murray said, and I quote, “In my view only technical bills should be general and broad ranging. Policy Bills should be specific. It is far better for a reformist government to deal with one issue at a time on a specific and limited basis.”

And again, in the course of the inquiry by the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee into the bill, the Senator said, “It seems to me the Act can be conveniently broken up into major sectors….I find these kind of omnibus bills result in a lot of negativity and it is very difficult to progress them.”

Taking these sentiments into account, the Government has sought to accommodate the preferences of the Australian Democrats by proceeding, other than on technical issues, with an issue by issue consideration of policy matters arising from the More Jobs Better Pay Bill 1999.

The first of these issue by issue bills was a bill dealing with pattern bargaining and related matters which passed the House on 1 June 2000, but which is now also being opposed in the Senate by the Labor Party and, so far, by the Democrats.

The Government is now in a position to introduce further single issue bills drawn from the More Jobs Better Pay Bill 1999.

This bill proposes amendments to the termination of employment provisions of the Workplace Relations Act 1996. The current provisions in the Act are based on the concept of a ‘fair go all round’. This bill is designed to maintain the fair balance between the rights of employees and employers while addressing some of the procedural problems that have become evident during the operation of the Act. The bill contains a range of provisions designed to reinforce disincentives to speculative and unmeritorious unfair dismissal claims, introduce greater rigour into the processing by the Australian Industrial Relations Commission of unfair dismissal claims, and to remove unnecessary procedural burdens that unfair dismissal applications place on employers.

In the Australian Democrats Minority Report of the Senate inquiry into the More Jobs, Better Pay Bill, Senator Murray stated that “[t]he Democrats have consistently opposed removing the right to access unfair dismissal provisions, but have always supported improvements to process.”

In a speech to the Victorian Employers’ Chamber of Commerce and Industry on 27 October 1999, Senator Lees stated, “I think that there are still some problems in the way that unfair dismissal applications are dealt with by the Commission.” She then went on to say, “But there is some scope at least, to simplify the Commission’s proceedings to prevent employers being forced to pay ‘hush’ money to litigious but unworthy employees.”

Discouraging abuses of the process and unmeritorious and speculative claims

In the Australian Democrats Minority report into the Workplace Relations Amendment (Unfair Dismissals) Bill 1998, Senator Murray acknowledged that some parties to termination of employment applications engage in “deliberate time wasting” and impose “cost pressure…for tactical reasons”.

This phenomenon is also recognised by the Australian Industrial Relations Commission. In a recent decision involving an application for costs against a legal practitioner whose conduct had resulted in the other side incurring costs unnecessarily, the Commission suggested that a reconsideration of the limits currently imposed by the current costs provisions may be in the interests of justice.

Senator Murray further highlighted the problem in his speech to the Industrial Relations Society of New South Wales, on 19 May 2000, where he said:

“…we acknowledge that the unfair dismissal laws are to some degree being abused with speculative claims by employees, sometimes encouraged by lawyers on contingency fees. I have constantly stated the Democrats view that it is necessary to reform process and cost issues in unfair dismissal cases. I think this is an area of law that does need some further refinement to ensure the laws do provide the
This bill proposes to make amendments that will ensure that the laws do provide the ‘fair go all round’. In response to these concerns, the costs provisions of the Act will be amended to allow the AIRC to make orders for costs against parties in respect of a wider range of proceedings, and in relation to a wider range of conduct.

In the Senate Minority Report into the Workplace Relations Amendment (Unfair Dismissals) Bill, Senator Murray also made the following recommendations:

“(b) if either party, in the opinion of the Commission, is abusing the process, deliberately wasting time or deliberately applying cost pressures, the Commission should be given the power to award costs against that party’s legal practitioners, or those advising the applicant or respondent, which should specifically be precluded from recovery from the client; and

“(d) the Commission must have regard to disciplining any legal firm whose ethical approach is coloured by commercial predation.”

Unfortunately, conferring power on the Commission to award costs against third parties is probably beyond the Commonwealth’s constitutional power. Hence, to give effect to the spirit of Senator Murray’s recommendations, the bill proposes to insert a new series of provisions, which will contain a prohibition on advisers from encouraging people from instituting or pursuing speculative or unmeritorious unfair dismissal claims. Where an adviser contravenes this prohibition, a respondent to an unfair dismissal claim will be able to apply to the Federal Court for a penalty against that adviser.

The bill gives the Commission the discretion to require an applicant who is seeking a remedy in respect of termination of employment to provide security for costs. This will also serve as a disincentive to unmeritorious or speculative claims.

The amendments also address the role of legal representatives and advisors by enabling the Commission to ascertain whether they are engaged on a costs or contingency arrangement. This is in response to another of Senator Murray’s recommendations in his report into the Workplace Relations Amendment (Unfair Dismissals) Bill 1998, where he stated that, “…cases being conducted on a ‘no win, no fee, contingency’ basis should be made a matter of public record”.

**Streamlining the process**

A number of amendments in the bill are designed to improve the efficiency of the process for conciliating and arbitrating claims.

To help ensure the efficient processing of claims, the bill confirms the Commission may hear applications by the respondent to have an application dismissed for want of jurisdiction at any time. It also confers express power on the Commission to dismiss an application where the applicant fails to attend a hearing. The bill also includes amendments to clarify the circumstances in which out of time applications should be accepted.

To improve the effectiveness of the conciliation process and reduce the number of unmeritorious cases which proceed to arbitration, the bill also includes amendments to the requirements for the issuing of conciliation certificates. These proposals, which have been amended to take into account concerns expressed by the Australian Democrats, place an onus on the Commission to make a finding at the conciliation stage and prevent unfair dismissal applications from proceeding to arbitration where the Commission is satisfied that the applicant does not have a substantial prospect of success. This will enable parties to have a clearer view of the merits of the case so it will be more likely that applications are resolved early, either by settlement between the parties or by being dismissed by the conciliator, and before large costs are incurred.

**Taking the needs of employers into account**

Unfair dismissal claims can be a particular burden upon certain types of businesses, especially small businesses, and in certain circumstances. The bill contains a number of provisions to assist in reducing such special burdens.

Crucial amongst these is the proposal to require the Commission when determining whether a termination was harsh, unjust or reasonable to have regard to the size of an employer’s operations and the degree to which this would be likely to affect the procedures followed by the employer. This would enable the Commission, for example where a respondent employer is a business which is too small to have a separate human resources function, to determine that different procedures may be reasonable for such a small business compared to larger businesses with greater resources, specialised personnel and greater capacity for more formal procedures. These provisions would not deny employees of smaller businesses a fair go, but would recognise that expectations as to administrative processes need not be the same in smaller businesses as they are in larger businesses.
Termination on the ground of operational requirements presents a particular situation in which it is inappropriate for there to be scope for unfair dismissal claims to be made. Such situations of redundancy are difficult for employers and employees alike and if an employer establishes that terminations were genuinely required for operational reasons, the employer should not then be required to justify the fairness of those terminations in the Commission. It will not prevent, however, employees making applications in regard to unlawful termination in such circumstances.

Establishing certainty in jurisdiction

The bill also proposes amendments to ensure certainty in jurisdiction. The Act is designed to ensure that “Federal award employees” who were not employed by an employer within the constitutional reach of the unfair dismissal provisions of the Act are still able to apply for a State unfair dismissal remedy. The unintended effect of these amendments has been to enable forum-shopping between federal and State jurisdictions. This undermines the authority of the legislation, results in inconsistency of treatment and creates considerable uncertainty for employers concerning their obligations. Amendments in the bill will remove the scope for forum-shopping by potential applicants.

Similar uncertainty for employers and scope for double jeopardy situations can arise under the current provisions, which enable an employee to bring multiple actions under the Workplace Relations Act in respect of the same termination. The bill proposes to ensure that only a single application can be made in respect of a dismissal, ensuring that once an employee has had his or her ‘day in court’ then that settles the matter conclusively.

Two other amendments in the bill aimed at ensuring certainty in jurisdiction will make it clear firstly, that independent contractors do not have a remedy for termination of employment, consistent with the original intent of the Workplace Relations Act and secondly, that the demotion of an employee does not constitute termination of employment where that demotion does not result in a significant reduction in remuneration and the employee continues to work for that employer.

In addition, the bill proposes amendments to preclude the Commission and the Federal Court from taking certain non-economic factors into account in determining compensation in lieu of reinstatement.

The bill also proposes to make a number of minor and technical amendments.

In introducing this bill I am clearly indicating that the Government is determined to proceed on an issue in respect of which there appears to be Democrat support. The Government is prepared to consider amendments to refine the detail of the procedures proposed by the bill, if it is the detail that is the barrier to the bill’s passage through the Parliament.

This bill will build on the objects of the 1996 reforms and improve the process of dealing with termination of employment claims in the interests of employers, employees and small business.

Of course this matter has already been before a Senate committee. However, the government would welcome further Senate scrutiny provided that such a committee will review the bill in order to achieve a scheme that truly ensures a ‘fair go all round’.

The right of the Coalition to implement its workplace relations mandate, subject to constructive Senate review, is a principle that has been acknowledged by the Democrats – and one that they should now act upon.

On 15th June 1996 the then Leader of the Australian Democrats (now Labor shadow Minister Kernot) said on the issue of workplace relations, and I quote:

“The Democrats accept that the Government has been elected to govern and that it has its right to present its legislative program to the Parliament for consideration. But the Democrats have been elected to do a job, and that is to closely scrutinise legislation to ensure that it is fair, and workable and the best solution to an identified problem.”

“…the Democrats have no intention of being obstructionist in this Senate. As we have done for 15 years of holding balance of power, we will carefully review legislation, suggesting ways to make it work better if possible.”

Adopting a just say ‘no’ attitude to this bill would be inconsistent with not only the proper role of the Senate as a House of Review, but also breach the principle under which the Democrats themselves marked out their past approach to these issues, at least until 1997.

Debate (on motion by Senator Denman) adjourned.

Ordered that the bills be listed on the Notice Paper as separate orders of the day.

RENEWABLE ENERGY (ELECTRICITY) BILL 2000
RENEWABLE ENERGY (ELECTRICITY) (CHARGE) BILL 2000
Consideration resumed from 28 August.

In Committee

(Quorum formed)

RENEWABLE ENERGY (ELECTRICITY) BILL 2000

The bill.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (5.07 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill. I understand that the memorandum has been circulated in the chamber.

The TEMPORARY CHAIRMAN (Senator Murphy)—The first amendment on the running sheet is that of Senator Brown.

Senator BROWN (Tasmania) (5.07 p.m.)—The Renewable Energy (Electricity) Bill 2000 is an important piece of legislation which fails to do what its objects set out but the objectives of which should be far clearer, which is what this amendment from the Australian Greens is about. Right up-front the objects of the act that come from this bill should be very explicit: to reduce emissions of greenhouse gases and to ensure that renewable energy sources are ecologically sustainable. My amendments will add those to the objects laid down in the government’s bill, that is, to encourage the additional generation of electricity from renewable resources, to reduce emissions of greenhouse gases and to ensure that renewable energy sources are ecologically sustainable.

Chair, you will remember from the earlier Senate debate on this legislation that the government is acquainted with how far short of the mark this piece of legislation falls. The legislation is meant to be the key piece of legislation that the government’s reaction to the Kyoto protocol, which put the world on notice about the impact of greenhouse gases. You will recall that in Kyoto a couple of years ago, the Australian government got away with having the most lax standards accorded this nation of any other nation in the world, with perhaps the exception of Iceland, and notwithstanding Saudi Arabia and Russia; that is, Australians, who are under this government the biggest polluters of greenhouse gases per head of population in the world, should be allowed not only to not reduce that pollution level by the year 2010 but to increase it by an extraordinary 10 per cent over 1990 levels by 2010.

The rest of the world acceded to that because the government put the case on behalf of the coal industry in Australia, which was part of the delegation of this government to Kyoto and was calling the shots for the minister for the environment, Senator Hill, that we needed to pollute more, notwithstanding the fact that the earth is warming—and I do not think anybody in this chamber is going to dispute that—and that that has massive economic, social and environmental consequences for everybody and our fellow creatures on this planet in the coming century. Moreover, even if we were to stop increasing pollution and keep it at 1990 levels, the process of environmental and economic and social consequences will continue for three or four centuries through the impact of the pollution that has already occurred. Sea rise levels are predicted to continue that long, even if we stop further pollution now.

Notwithstanding all that, this government has buried its head in the sand. It has buried its head in the sand because it is not a government of future generations; it is not a government that even pays lip-service to the environment; and it is not a government that responds to the huge environmental intelligence and concern there is amongst 19 million Australians. It is a government that responds to sectional interests and big corporations, not least the coal and aluminium industries, whose profit line, they believe, will be affected by doing the right thing. Rather than being able to fall within the extraordinary laxity of the deal that the rest of the world gave to Australia at Kyoto—that is, a 10 per cent increase on 1990 levels of greenhouse gases by 2010—this government, through failing to bring into this place any legislation with teeth in it and to have Australia act responsibly and, in particular, to have Australian industry act responsibly, has allowed a phenomenal blow-out. The minister for the environment—who is not here for this important piece of legislation because he
is off to try to have the rest of the world haul off on Australia as we move to the next round of global warming talks in The Hague next month—has told us that by 1988 Australia was already 18 per cent over 1990 levels, that is, 80 per cent over the level which we committed ourselves to be at so far as increased greenhouse gases were concerned 10 years from now.

The Australian government has set up the Australian Greenhouse Office, and beats its chest about that. When you look at what the Australian Greenhouse Office is doing—which is all based on self-regulation, particularly with industries which do not want to bite the bullet as far as global warming is concerned and which use the perennial excuse that other developing countries are yet to be drafted into this global responsibility for reducing greenhouse gases—it has no teeth, no stick. All it has got is carrot: money to give out to the big polluting industries. When one analyses that performance, one sees why the Australian government is such a failure. Let me make that difference and that distinction. Australians want to tackle this issue; the Australian government does not. Australians are environmentalists; the Australian government is not. Australians are concerned about the next generation and the legacy of damage which is being built into this failure to tackle global warming; but the government is not. What we have before us is a piece of legislation which is timid, to say the best, and a complete abrogation of government duty, to put a fair spin on it.

We have the Australian government moving to ensure that between now and 2010 Australian new energy will include two per cent provided from renewable sources—from greenhouse friendly resources like wind power, solar power and so on. How does the target of this bill, which is two per cent, sit in comparison with similar countries elsewhere around the world? Let me point out that the government even welshed on that between the announcement of this legislation and it getting into this chamber, so that the target is now one per cent. The government said, ‘We’ll make it two per cent of electricity production as of the start of this legislation,’ knowing that, on current projections, we will have doubled our power consumption by the year 2010. In other words, it becomes one per cent of the target year, 2010.

Let us compare that with overseas. The average worldwide target for renewable energy by the year 2010 is 7.4 per cent. Worldwide it is 7.4 per cent; for Australia it is one per cent. Japan is also at one per cent. Luxembourg and the United States, however, are at four per cent. Austria is at five per cent. Belgium and France are at six per cent. Portugal is at seven per cent, and let us remember Portugal is one of the worst performers in Europe. Germany is at eight per cent. The European Union overall is the same, at eight per cent. The Netherlands, Italy and the United Kingdom are at nine per cent. Remember that Australia is at one per cent. Ireland and Finland are at 10 per cent. Sweden is at 11 per cent renewables as its target by the year 2010, Greece at 12 per cent, and Denmark at 20.3 per cent and moving towards a target of 100 per cent renewable energy by the middle of the century. This bill has no target beyond 2010. It is at one per cent compared with Denmark’s 20 per cent in the same time frame. Remember, this is the action of the government that has it incumbent upon it to be the best performer in the world because so far Australia is the worst performer in the world—not because Australians do not want us to perform well but because the big resource extractive industries and power consumers refuse to take their responsibilities and have influence on this government to ensure it does not do anything to cut across them and make sure they carry out their responsibilities.

With that awesomely poor performance before us at the outset, I think we should amend the government’s objectives by adding these specific objectives to this legislation: it ought to reduce the emissions of greenhouse gases that it is aimed to reduce—that is what the legislation is about; it is not just about promoting renewable energies—and it ought to ensure that renewable energy sources are ecologically sustainable.

Chair, I know that you will agree with me that that ought to be an aim in this legislation, but in this debate we are going to see the government trying to defend the indefen-
sible. The target of this legislation is to promote green energy, but when it gets to this matter of green energy we find that this bill is a fraud. We find that this bill has at its core deliberate deceit by the Howard government. For example, it allows electricity coming from large dams, which, as we all know, can have a huge impact on the environment, to be classified within this ‘renewable’ definition. We do this in the absence of the government—I will guarantee this—being able to provide any figures about the contribution to global warming of large dams. This is a matter of international debate. The Australian Greenhouse Office does not seem to have the figures on it, so I know the minister will not. Besides the direct impact of large dams suffocating environments—and they are nearly always wilderness environments and wildlife habitat in Australia, and the experience of the Franklin Dam makes me recall all this—the damming of large rivers and waterways has a very considerable long-term impact on global warming, because the suffocated vegetation rots over the subsequent decades, producing methane, one of the most potent greenhouse gases of the lot. If you have ever walked beside the inundated precincts of Lake Pedder in Tasmania, and I suspect you have, Chair, you would have seen bubbles rising to the surface. That is not platypuses; that is rotting vegetation releasing methane, which is going into the atmosphere and which is contributing to global warming. But you will not find that the Bacon government in Tasmania has any information on that or wants to know about it. It does not want to have that on Tasmania’s inventory. You cannot get figures from Australian authorities on that sort of matter.

The second matter is even more a patent disgrace by this government in that it includes in this ‘green energy’ the facility for burning wild forests in Australia—for having them woodchipped, the woodchips put into furnaces, the furnaces producing electricity and that called ‘renewable energy’, when it is not. Those forests are not renewable. The wildlife habitat is not renewable. The environment is not renewable. This is an appalling tribute to the power of the logging industry in this country, desperate for new markets, and I will be talking about it as this debate proceeds. I move Greens amendment No. (1):

(1) Clause 3, page 2 (lines 5 and 6), omit the first paragraph of the object/outline, substitute:

The objects of this Act are:

(a) to encourage the additional generation of electricity from renewable sources; and

(b) to reduce emissions of greenhouse gases; and

(c) to ensure that renewable energy sources are ecologically sustainable.

This amendment includes two additional sentences to the definitional clause. I will move on to the other Greens amendments at a later time.

Senator BOLKUS (South Australia) (5.23 p.m.)—Greens amendment No. 1 goes to the objects of the act. This amendment by Senator Brown goes to the government’s stated objective in this legislation. While it is one objective that we may share, as Senator Forshaw said when we were last debating this legislation, we do not really have much confidence in the government’s measures actually achieving what they are setting out to achieve. This legislation is probably the one important aspect of the government’s armoury in respect of climate change. As Senator Brown quite accurately said, much of what they have done so far has been ineffective and has not succeeded. But we think this legislation, flawed as it may be, should be passed by the Senate. We believe that, in order to try to target the legislation and make it more effective, Senator Brown’s amendment No. 1 is one that not only we but also the government should live with. It states very clearly what the objectives are, what the objective of the legislation should be, and as such we do not believe the government should have any problem with it. Basically, what Senator Brown has done is reflect in his amendment the government’s rhetoric about the importance of this measure. As a consequence, if they believe in what they say, they should also be supporting this amendment.

Senator ALLISON (Victoria) (5.24 p.m.)—I indicate that the Democrats will be supporting this amendment. As has been said previously, this is a straightforward amend-
ment which goes beyond the government’s object in the bill, which was simply to encourage additional generation from renewable sources. Surely we are on about a bit more than just encouraging generation from renewable sources; indeed, we are on about reducing emissions of greenhouse gases and ensuring that renewable energy sources are ecologically sustainable. I indicate that this should be what the legislation is about and that the Democrats will support it.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (5.25 p.m.)—I state for the record that the coalition is of course committed to its Kyoto undertakings. In fact, of all the international examples cited by Senator Brown in his contribution and of the many that I have briefed myself on in preparation for this debate, Australia actually stands out in the world as one of the few that has actually got to the final stages of passing legislation through its national parliament, its federal parliament, to enforce a well thought out and principled policy position. For example, the European Union, Senator Brown, as you would know—through you, Mr Temporary Chairman—has a range of wish lists—on a wing and a prayer sort of stuff. Most of the other jurisdictions have got nowhere near contemplating legislation, let alone getting it into their Senates.

Senator Brown suggested that Australia was behind the pack internationally in terms of generating electricity from renewable resources, when in fact he should know—if he does not already—that Australia already produces in excess of 10 per cent from renewable sources. In fact, we anticipate that will increase nationally to something like 12.7 per cent or potentially better as a result of these sorts of measures. He stated a figure in the realm of seven point something per cent as the international benchmark. Australia is therefore on that growth path approaching nearly double the international average in terms of developing renewables.

The government is committed, in the very practical, sensible and achievable way within this bill, to increasing the share of energy production in this country from renewable resources. This is a practical and achievable demonstration of our will to do that. The renewable energy sector in Australia, I am informed, is incredibly keen to ensure that this legislation is passed. The government has committed itself to reviewing the progress and effectiveness of these measures as part of this legislative package. One of the reasons that we oppose the broadening of the objectives and outline statement, as suggested by Senator Brown in his amendment, is that in fact the whole range of measures, the whole range of programs, across the whole of government that are put in place to address the greenhouse gas issue seek to achieve the sorts of broad objects that Senator Brown is talking about. This particular bill, this particular piece of legislation, in fact seeks to achieve exactly what the objects at clause 3 say; that is, ‘to encourage the additional generation of electricity from renewable sources’. If you want legislation to be part of a whole range of policies, an integrated program to achieve these aims, then you ensure that the legislation that you are passing is accurate, does not send mixed signals and in fact achieves the policy outcomes that you are seeking to achieve. We are seeking to do that through the creation of these certificates to generate additional electricity from renewable sources—and this is part of the policy package.

This is not the bill—as Senator Brown should know better than just about anybody else in this country—that seeks to be the beginning, the middle and the end of the Australian government’s and the Australian community’s response to the undertakings that we made in good faith at Kyoto. We made undertakings that we believed we could fulfil. We made them with goodwill, and a great mark of the goodwill of this government and its responsibilities internationally is that we are in this parliament right now passing a piece of legislation that will be binding upon not only the electricity industry but also the renewable energy sector.

It is not an easy policy road to navigate, but it is one that we as a government have sought to navigate. I think Senator Brown’s cheap political shots at this government—the first government that has taken seriously the
international greenhouse challenge, with the first piece of legislation that in a practical way addresses that challenge—are nothing but that: a cheap political stunt. But that is his platform; there is nothing else he stands on. He opposed the investment of over $1 billion in the environment through the Telstra sale proceeds, and he made an absolute fool of himself in doing that. He has to continue his cheap political stunts, garnering the handful of extreme-left votes in his home state of Tasmania. He has to get up here and filibuster and make a big fellow of himself on these sorts of issues, otherwise he stands for nothing.

Senator Brown, get up here and add your greenhouse gas emissions to the Senate chamber, emissions which will drift up into the ether. You will achieve very little, as you have done over the whole of your political campaign, the whole of your political life. Here is a realistic measure that can actually affect the global environment and which will see renewable electricity increased in Australia from about 10.7 per cent now to 12.7 per cent and higher as a result of this measure. You can slow it up, you can filibuster it, you can have your little games in this place—get your cheap headlines on page 3 of the local papers and get yourself into Socialist International, beat up cars and play your games—but let us just get this bill passed. Let us strike a blow for the environment and not just for your cheap political outcomes and your purposes; they are a joke.

Senator Brown, Tasmania (5.31 p.m.)—You might spot a government that is already in trouble over this legislation. I do not intend to get personal because this matter is too important, but a government in trouble will always do that. However, as we are on the definition at the outset here, I ask Senator Campbell what the government’s definition of renewable energy—that is the title of the bill—is.

The TEMPORARY CHAIRMAN (Senator Murphy)—The question is that the amendment be agreed to.

Senator Brown—I have asked the base question here. The government wants this legislation to move along. This is the Renewable Energy (Electricity) Bill 2000, but there is no definition of renewable energy in it. The government has already taken me on for wanting to expand the intentions of this legislation and the objectives. We will move on to some definitions in a moment, but I think the committee deserves to have the government’s explicit definition of renewable energy. So I again ask the minister to tell us what the government means by ‘renewable energy’.

The TEMPORARY CHAIRMAN—The question before the chair is that the amendment be agreed to. I am not sure that I can direct the parliamentary secretary to respond to your question.

Senator Brown—I know that I do not get another say, but isn’t the government’s attitude at the outset telling?

The TEMPORARY CHAIRMAN—Senator Brown, you are right: you do not get another opportunity to speak. The question is that the amendment be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—We now move to Australian Greens amendments Nos 1A, 1B, 1C, 1D and 1E on clause 5.

Senator Brown (Tasmania) (5.33 p.m.)—I would like to move No. 1A separately, if I may.

The TEMPORARY CHAIRMAN—You may move No. 1A separately.

Senator Brown—I move Australian Greens amendment No. 1A:

(1A) Clause 5, page 3 (after line 22), after the definition of document, insert:

ecologically sustainable means that an action is consistent with the following principles:

(a) it enhances individual and community well-being and welfare by following a path of economic development that safeguards the welfare of future generations; and

(b) it provides for equity within and between generations; and

(c) it protects biological diversity and maintains essential processes and life-support systems;

(d) it does not rely on lack of full scientific certainty as a reason for postponing use of a measure to prevent
I move this amendment separately because we now move on to definitions, and I think we are going to find the government refusing to say what it means. This legislation is not honest legislation in that it talks about renewable energy but does not end up being about renewable energy. It ends up including extraordinarily environmentally destructive measures as renewable green energy. This includes chopping down, woodchipping and burning wild forests in Australia to provide energy and calling that renewable. I am certainly not going to treat the government lightly on that matter as this debate unfolds.

I have a number of definitional additions in my amendments. I will address one in particular, which is the matter of the term ‘ecologically sustainable’. Renewable energy is energy which comes from ecologically sustainable resources, the sun being the basic resource. Whether you are looking at solar power or wind power, it is the sun that drives the earth’s systems which produce the winds. It is the sun which is the inexhaustible source of not only wind and solar power but even hydro power. I am not going to divert at this time to say that energy efficiency is better than all these forms of power—that is, saving energy which currently is being wasted. If we had good saving mechanisms, we could as a nation save 30 per cent of the electricity currently being used and divert it to new uses. We would not need any new power schemes at all, even solar energy or wind power. Efficient energy is the best form of energy, but that is ignored altogether by this piece of legislation.

We then move to the question: what does the government mean by ‘renewable’? This has to be defined under the title. Renewable energy comes from ecologically sustainable resources. ‘Ecologically sustainable’ cannot be allowed to mean anything that anybody wants to make of it. That is why I have brought an extra definition into this legislation on behalf of the Australian Greens. It is a very important definition because it is germane to important amendments which I believe the committee may well pass as we move through this debate, because they are commonsense amendments. After the definition of ‘document’, which you will see on page 3 of the bill, through this amendment I seek to insert a definition for ‘ecologically sustainable’:

**ecologically sustainable** means that an action is consistent with the following principles:

(a) it enhances individual and community well-being and welfare by following a path of economic development that safeguards the welfare of future generations; and

(b) it provides for equity within and between generations—

that means it really makes sure that we do not disadvantage the next generation—

(c) it protects biological diversity—

wildlife, plant life—

and maintains essential processes and life-support systems—

that is, the ecosystems on which our native animals and plants depend—

(d) it does not rely on lack of full scientific certainty as a reason for postponing use of a measure to prevent damage to the environment where there is a threat of serious or irreversible environmental damage.

In other words, the precautionary principle comes into play: you do not pursue an action which threatens the environment until you know that that threat has been lifted, that the environment is safe. The government uses this sort of terminology all the time, because it is part of international parlance now.

I do agree with Senator Campbell from the government when he said that it is important that legislation be clear and state what it means. It is important that we have definitions for terms like this which otherwise become very rubbery and are wide open to abuse. So I recommend and I commend to the committee this new and very pivotal definition of ‘ecologically sustainable’ as set down in Australian Greens amendment No. 1A.

Amendment agreed to.

Senator BROWN (Tasmania) (5.39 p.m.)—I intend to now move amendments
Nos 1B, 1C, 1D, 1E, 3, 4, 5, 7, 14 and 15 together. These are very important amendments. They involve a number of definitions.

Senator Allison—Mr Temporary Chair, I indicate that the Democrats will not be supporting all of those amendments.

Senator Brown—I thank Senator Allison for that. I would be very happy to regroup these to facilitate putting separately those which the Democrats might wish to treat with a yes and those that they might want to treat with a no.

The TEMPORARY CHAIRMAN (Senator Murphy)—I can put them separately from the chair if Senator Allison or indeed Senator Bolkus wish any of them to be put separately.

Senator BROWN—I will move amendments 1B, 1C, 1D and 1E together and then I will move the others later. I move:

(1B) Clause 5, page 3 (after line 29), after the definition of government body, insert:

Green Power Product means a product that enables power consumers voluntarily to make a financial contribution to the development of Green Power electricity generation in accordance with the program known as the National Green Power Accreditation Program.

(1C) Clause 5, page 4 (after line 5), after the definition of identification code, insert:

independent person, in relation to a public environmental assessment, means a person who:

(a) in the Minister’s opinion possesses appropriate qualifications to undertake the assessment; and

(b) is not employed by the Commonwealth or a Commonwealth authority and has not, since the commencement of this Act, provided services to the Commonwealth or a Commonwealth authority under or in connection with a contract.

(1D) Clause 5, page 4 (after line 14), after the definition of National Electricity Code, insert:

native vegetation means vegetation that is indigenous to the land, local government area, Territory or State in question.

(1E) Clause 5, page 5 (after line 8), after the definition of protected information, insert:

public environmental assessment means an assessment carried out in accordance with the procedures set out in Schedule 1 by an independent person appointed by the Minister for the purpose.

The first thing is the definition of green power product so that it means a product that enables power consumers to voluntarily make a financial contribution to the development of green power electricity generation in accordance with the program known as the National Green Power Accreditation Program. The second definition is that an independent person in relation to a public environmental assessment means a person who, in the minister’s opinion, possesses appropriate qualifications to undertake the assessment, is not employed by the Commonwealth or a Commonwealth authority and has not, since the commencement of the act, provided services to the Commonwealth or a Commonwealth authority under or in connection with a contract. That is pretty clear. It is seeking true independence. Amendment No. 1D would put in a definition for native vegetation. That means vegetation that is indigenous to the land, local government area, territory or state in question. Amendment No. 1E has a definition of public environmental assessment. That means an assessment carried out in accordance with the procedures set out in schedule 1 by an independent person appointed by the minister for that purpose.

These definitions are explicit, but I want to again come back to the definition of native vegetation. It is very important that we get the parameters clear for one of the core objections to this legislation, and that is that native vegetation should not be a subject for producing so-called renewable green power, firstly because it cannot be. You cannot renew native vegetation, put it through a furnace and turn it into energy, because by definition you are destroying it, you are destroying wildlife habitats and, whether you put plantations or whatever in afterwards, as you know, Mr Temporary Chairman, once native vegetation is knocked down, clear-
felled or cut down then it is no longer a natural ecosystem. It is important that we know exactly what we are dealing with when we get to these crucial amendments down the line and try to cut across the intention by the government in this legislation to allow woodchips from native vegetation to be burnt in furnaces and turned into electricity, which then would be accredited as green power. It is an unthinkable thing to do to the Australian public. There are people out there paying premiums to get green power now. They want to do the best they can by the environment. They are happy to pay quite large amounts extra on their power bills to get renewable energy, to get energy from existing hydro systems, but more particularly they are after wind power systems and solar power systems. New South Wales is a leader in this field and has to be congratulated for it. Australians are prepared in their tens of thousands to pay extra on their energy bills for the privilege of getting clean green power, and along comes the government in this piece of legislation and says, ‘We will allow the burning of native forests to be classified as clean green.’ That is inexcusable duplicity towards the Australian people.

I note already that we are having difficulty getting answers to definitions from the representative of the minister in this debate. I say again that it is very unfortunate that the Minister for the Environment and Heritage is not here for such an important piece of legislation. I do give notice that I will be asking the government to explain that incoherent core to its argument for this legislation. The government might say, ‘This is Senator Brown on a hobbyhorse about the environment.’ I see it as far more serious than that. I think the government will expedite this committee’s debate if it will simply explain how it could be that the burning of native vegetation and forests can be classified as renewable energy with a view to selling it as green power.

Senator BOLKUS (South Australia) (5.46 p.m.)—The opposition do not support the amendments because for us there are consequential and other amendments which we will not be supporting, but we do understand Senator Brown’s concerns. Having said that, I also rise to ask the parliamentary secretary handling this legislation to address Senator Brown’s question. There is widespread concern about native vegetation and whether it will be impacted upon either directly or indirectly by this legislation. I think the question that Senator Brown asks is one that really needs to be addressed in full by the government.

Senator BROWN (Tasmania) (5.47 p.m.)—I again ask the parliamentary secretary if he will answer that question.

Senator Ian Campbell—Yes, I was taking advice.

Senator BROWN—He is taking advice, so I would be happy to give him a little bit more time to do that. I express a bit of alarm, as far as I am concerned, at this juncture that Senator Bolkus has just bought into the debate and, if I am hearing correctly, indicated that the opposition may well support the government on the burning of woodchips being classified as green power. I hope that is not the case.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (5.48 p.m.)—I am happy to respond. I did brief myself fairly extensively on this bill before I came in and I did read about the issue of the use of remnants of forestry, not necessarily only from native forests but also from plantations and other sources. Both from my briefing and from my experience I know that there are a number of options for what you can do with what is left over from forestry activities. I think I heard Senator Brown referring to what happens to forests that get stuck under the water where a river has been dammed. You obviously see things degenerate and bubble up. Of course the remnants of forests that have been logged degenerate and cause all sorts of by-products. You can use them for a range of different things. Personally, I get lots of bits of old wood and turn them into pieces of furniture. That is one thing, but I doubt that you could use all of the remnants of forestry for beautifully handcrafted pieces of furniture like the ones I make. You would have to cover the world from end to end with handcrafted furniture.
I am aware, for example, that remnants of forestry are used to create energy. The policy is, in terms of those classified and approved eligible renewable energy sources, that as they relate to bioenergy they would only be able to be from forestry practices that were approved under the existing legislative framework, including the RFA processes. So they would have to have been approved under all appropriate federal, state and local planning regimes and legislation.

Senator BROWN (Tasmania) (5.50 p.m.)—So we have the first admission from the government that this piece of legislation will involve the burning of components of native forests in Australia which will then be classified as green power and sold to the Australian public. The government response is that this is covered by RFAs and other sets of acronyms for actions already past. Let me tell you exactly what that means. Prime Minister Howard, who has never visited the Tasmanian wild forests and who has assiduously refused repeated requests for him to do so, so that he is informed on the ground of his actions, flew to Tasmania—in 1998 and signed the RFA that the parliamentary secretary just referred to, which is the regional forest agreement. That is an agreement between the federal and state governments, taken up by the Bacon Labor government in Tasmania at the moment, hand in hand with the Howard coalition government, to destroy at the greatest rate in history Tasmania’s wild forests. Whatever is argued about the intention of the legislation, that has already been the outcome. At the moment in Tasmania, on the last quarterly figures for the second quarter of this year, more than five million tonnes of wild forest processed as woodchips is being log-trucked to the export sites in Tasmania to be sent to Japan, where it is turned into paper and, ultimately, ends up on the rubbish dumps in the Northern Hemisphere, producing greenhouse gases.

The Greens, in tandem with the Labor Party—which went into an accord with the Greens in 1989 to secure government in Tasmania—put a ceiling of 2.88 million tonnes per annum on woodchip levels. That had never been breached before then but, by 1991, the Labor Party in Tasmania wanted to break the agreement it had signed with the Greens and manifestly did so. As a result, it lost office. But here we are, not 10 years down the line and the rate of export woodchips—this is destruction of Tasmania’s wild forests and wildlife habitat—is double that of 1989. Out of the small island of Tasmania come two-thirds of the export woodchips, ripping the heart out of Australia’s wild forests under the signature and express target of Prime Minister John Howard, who refused to go and see these forests.

In this legislation, we are now being asked to give a stamp of approval to a woodchip industry which is being caught up in and passed by world events—that is, plantations of Australian gum trees the size of Tasmania have been planted in South America, for one. They are growing at uniform rates, they come to maturity for export pulp purposes within 15 years and are being shipped to Japan. They are high quality, they are even quality, they are low price, and the growing and cutting are mechanised. The Japanese, who control what happens in Tasmania’s forests through the several Australian woodchip companies—which go to the Imperial Hotel in downtown Tokyo and have breakfast to discuss logging royalties and dictate to Australia a spiralling downward rate for these woodchips; we are getting about $10 a tonne for these wild forest woodchips at the moment—are saying, ‘We are getting better quality from these plantations of your Tasmanian blue gums growing in South America and in Spain and in other places. We want you to reduce your prices further.’ As the volume of woodchips being exported to Japan increases, the amount of money that Australia gets back falls. Moreover, the number of jobs falls.

Prime Minister Howard went to Tasmania and to the other states saying, ‘I want to sign these regional forest agreements, because it will secure jobs.’ But since the agreement was signed in Tasmania the big woodchip corporations have sacked 800 people in two years while moving to, as I said, increase the rate of exports out of Tasmania to the record level in history. It is the greatest rate of de-
struction in the history of our forests for the lowest return in history for the fewest jobs in history—all under the signature of Prime Minister John Howard and now Labor Premier Jim Bacon in Tasmania, in tandem tugging their forelocks to the big woodchip corporations. This seems inexplicable. The opinion polls show that 80 per cent of Australians do not want it, but we have 80 per cent of politicians in this place wanting it—the big parties want it. The only thing I can come up with is that donations to the big political parties come from those logging corporations in their hundreds of thousands of dollars per annum. The big political parties—the Labor Party as well as the coalition parties—have been bought off to destroy Australia’s forests, for diminishing job returns and for a lower price at the cheapest rate possible. It is politics at its lowest. I believe it is corrupt.

Now we have a piece of legislation before us in which the influence of the woodchip corporations is writ large. The Japanese are buying Australian blue gum forests and plantations laid down elsewhere in the world, and saying increasingly that they will not buy our native forest woodchips. So the native forest woodchippers are looking for an alternative way to use the resource which the Howard signature gives them a right to in Western Australia, in Victoria, in New South Wales and in Tasmania.

What do we find in this legislation? We find that the woodchips can be put into furnaces and burnt, turned into electricity and sold as green power to the Australian public. That is straight-out deception. I do not know who the proper advertising watchdog in this country to deal with this is, but you would have to mount no other case than the facts to have this government incriminated for moving a process of deceiving Australians into believing the green power they are buying in the future is green when, in fact, the cost of it is the destruction of Australia’s forests and wildlife habitat. I am talking here about the grandest forests in the Southern Hemisphere and, in my home state, about the tallest living hardwoods in the world as well as extensive rainforests.

**Senator Lightfoot**—They’re in Western Australia, incidentally.

**Senator Brown**—The interjection from a latecomer from the government opposite about Western Australia simply spreads the odium of this legislation. I cannot see how anybody who is responsible for Australia’s environment, or thought well about the right of future generations to inherit these forests, could come within a country mile of this odious legislation. The acting minister—who is being informed, no doubt, by absent Minister for the Environment and Heritage, Robert Hill—has said, ‘This will just be waste from other forest operations that gets put into the furnaces.’ That is exactly the argument the woodchip industry itself used when it came and set up in Australia in 1969 at Eden and then in 1970 at Triabunna in Tasmania. It said it was only going to use the waste from the forest floor following sawmill operations.

Do you know what the latest figures are in Tasmania? They show that a record rate of more than five million tonnes of woodchips per annum is being shipped out of Tasmania from these wild forests. Three per cent of that is sawlogged. It has become a slaughter of the forests for woodchipping. This is a deceitful argument to enable the continuation of that destruction. Let nobody in here deceive themselves that this prescription for putting Australian forests and woodlands into furnaces and selling it as renewable energy is not a come-on to slaughter forests into the future and a justification for knocking the forests down as export woodchipping of native forests becomes more and more difficult.

Let me give you a case in point. Forestry Tasmania, the harbinger of destruction of Tasmania’s wild forests, has now thought up a project called Southwood in the Huon Valley south of Hobart. It proposes to utilise in various ways 800,000 tonnes of native forests ripped out of the Huon Valley, the Picton Valley, the Weld and the other wilderness valleys that are of world heritage value. The acting minister says, ‘Well, it’ll only be the waste from that process.’ It will also be from the woodlands elsewhere that beautify the Huon and give the real value to its job creating tourism industry, as against this job
shedding woodchip industry. Of that 800,000 tonnes of forest, 300,000 tonnes are to be put into a furnace and burnt to produce electricity to send up Basslink—the link between Tasmania and Victoria—to sell to unsuspecting Victorians as green renewable power. Already, before we get into the passage of this legislation, the forest destroyers in this country not only have gone beyond saying it is going to be a waste product but are into huge proportions of the forest being knocked down and burnt—with wildlife habitat destroyed—to sell to Australians as renewable energy. What a deceitful process this is.

We have not heard yet, but I get the impression that the Labor Party is going to support the government in this legislation. Can you believe that, Mr Temporary Chairman Murphy? Can you believe that, in this so-called two-party system, once again the opposition, which has a great chance in the run-up to the next election to differentiate itself from the government on environmental grounds, is selling out the forests and will vote with the Howard government on this destructive formula for Australia’s wildlife and Australia’s forests? All I can say is: thank God that, in this chamber at least, we do have the opportunity for alternative voices to be raised. These alternative voices on this occasion represent the vast majority of opinion in this country. This legislation is disgraceful. The amendments that I am bringing forward on behalf of the Australian Greens seek to turn the legislation into a truly worthy piece of environmental legislation. My second set of amendments is to give a formula to ensure that ‘eligible renewable energy sources’ means that.

Senator MURPHY (Tasmania) (6.00 p.m.)—I would like to make a few comments with regard to Senator Brown’s amendments. At one end, I have a tendency to agree with some of the things that he says—and I have some sympathy for some of the things he is pursuing—but the situation in respect of biomass energy worries me. On the one hand, I understand Senator Brown’s position that he does not want to see forests become a principal focus for generating a resource for biomass energy, but on the other hand we have to look at the circumstances that exist in this country within the forest industry. It is an industry that, I suspect, will continue for a very long time into the future.

An industry like the forest based industry does generate a residue from its operations. From my point of view, in many respects it generates waste at an amount that is totally unacceptable. I would have thought that, with regard to Senator Brown’s proposed amendments to this legislation, it would be possible to look at rating various aspects of renewable energy—biomass energy probably could be rated differently from wind energy and/or solar energy, et cetera. When we look at biomass energy generation, we have to look at the overall management. This is where I have some sympathy with Senator Brown’s views. When we are dealing with another industry, we must ensure that that industry is being responsibly run. We have embarked upon a process that has led us to regional forest agreements that are supposed to do all manner of things—but, I have to say, have achieved very few—and I speak with some knowledge in terms of my own state. I would never have said this a few years ago, but it does cause me great concern that the forests in Tasmania are being grossly overcut, and we are losing employment as a result of that. I would not like to see that cut increased as a result of an effort in terms of biomass energy.

I just wish to put something into perspective with regard to residue as a result of forestry operations in Tasmania that I think it is very important for us to understand. In Tasmania, as a result of the current harvesting of native forests, both crown forests and private forests, the in-forest residue generated—I am not talking about the sawmill residue; that is, the trees that are left behind, or the heads of trees or the butts of trees, et cetera—is probably around six million tonnes per year. Where I have a difficulty and a difference with Senator Brown is this: when I watch that being burned on the forest floor, it gives me great cause for concern because that also adds to the greenhouse problems much more significantly than it would if we were able to...
manage it appropriately and utilise that waste in biomass energy generation. But, as I said, I do not think that will be the case. I think we will still have that waste on the forest floor and that what will happen is that it will be driven—and I do share the concerns that have been expressed about plantation development—for the specific purpose of biomass energy. There will be more and more pressure on Australia in the future in relation to fossil based fuel energy. They will look for ways and means of actually decreasing the greenhouse gas emissions, and biomass energy and a mixture of wood and coal is one way of doing that.

When we are looking at this, I would urge the government to seriously assess—I took the time to ring the regional forest agreement implementation committee and I asked them for their view on what is ecologically sustainable management. What does that mean in terms of the forests? If you look at where we started off, going back to the national forest policy statement and the protocol that was put down, what does ‘ecologically sustainable management’ mean? It means that you manage an ecosystem. So if you harvest a native forest, essentially what you should replace it with is that native forest. But we are replacing it with a monoculture. That is a real problem, particularly when we are dealing with a monoculture that may well have been genetically modified.

In dealing with this legislation and the part of it that relates to biomass energy, I would urge the government to very seriously consider the circumstances that can occur as a result of this piece of legislation, as it would affect another industry and the environment in terms of the ecology of the forests of this country. There are some very serious issues to consider here. They are not issues that I considered even three or four years ago but, when you look at the circumstances occurring today, it is a very serious matter. If we do not address it we will live to regret that fact. So I urge the government to look very seriously at how it is going to oversee the interaction of biomass energy generation with the management of the country’s forests, and indeed the plantations.

I would just make a comment on plantations. We have seen in this country a significant increase in the effort to put trees into the ground in plantation developments. That is likewise the case in other parts of the world, and Senator Brown made the point about other countries growing eucalypts and, because of climatic conditions, being able to grow them more quickly and more uniformly. That is true. That is not something that Senator Brown is the first person to say; it has been said by many experts in the industry. What is happening in this country, though, is that we are embarking upon a plantation effort that has no strategy. We have no plan for where we are heading with the stock that will be produced in those plantations. In this country there is not even an organised strategy about when to plant and when to bring that resource on line. There are plantation developments in Western Australia, South Australia, Victoria, Tasmania and New South Wales, and there are probably some in Queensland, but there is no organised strategy about what will happen in 10 or 15 years time when all of this resource will become available, as will be the case elsewhere in the world. ABARE and the Food and Agriculture Organization of the United Nations are saying that if we do not start to look at this we will have a problem. Of course, we experienced a bit of this problem back in the 1960s, with pine plantations. There are some lessons that ought to have been learned. I would not like to see us in a position where, in five, 10 or 15 years time, the plantations that come on stream, which are basically principally funded by the taxpayers of this country, will be put into biomass energy at a very low value that will not provide a dividend to the people of this country and where they will not be able to get back the taxes they have paid out over a course of 15 years. I think that is something the government has to consider very seriously.

There must be a much more orchestrated and better managed system in approaching these issues. If we do not do that we are going to end up with a big mess. We already have a big mess in the forest based industries and it is going to take some sorting out. But if we head down this road, they will see it as
an easy out to the problems they confront. As I said, I urge the government to consider this very seriously. I do not agree with Senator Brown that we should not allow forest residue, et cetera, to be used in the form of biomass energy, but I do have some sympathy with the view that it ought to be rated differently from renewable energy, but that is my personal view. But I would say that the government ought to have a long, hard look at what is happening and where things are headed in the future.

Senator ALLISON (Victoria) (6.14 p.m.)—I think it is necessary to respond to Senator Murphy. He has made a very good case for removing native forests from this legislation as eligible sources, but he says that the reason for not doing that is the waste, which can be utilised in this process. Those of us at this end of the chamber have been listening to this argument about waste for a long time, and we know that the so-called waste is actually in the form of logs—logs which look like the logs that go to sawmills. Logs are absolutely necessary for woodchippers, because they have to debark the timber and the tallest, straightest timbers are the ones that are most suitable for woodchipping.

It is not the treetops, the branches, the roots, the leaves or anything else that people might imagine to be waste products that go into woodchipping, and those things will not go into biomass and into coal fired power stations in order to generate electricity. Those things are not the waste that will be used. There might be a bit of material that comes from sawmills, but, as the Tasmanian Conservation Trust pointed out just a week or so ago, only three per cent of the native forest timber delivered to mills in Tasmania this winter ended up as sawn timber and veneer. That was down from 3.8 per cent in the previous winter. So the remaining 97 per cent of forest wood was classified as so-called waste. It defies all credibility and all rationale to say that if we have native forests being put into biomass burners to generate electricity we are going to get the waste. This is the broadest imaginable definition of ‘waste’. As I said earlier, this 97 per cent of timber does not include treetops, leaves or roots. That will remain on the forest floor and will still be burned, and there will be absolutely no difference in terms of utilisation of so-called waste.

The Tasmanian Conservation Trust pointed out that the extraordinary levels of so-called waste—97 per cent—have arisen for two reasons. First, worsening market conditions for hardwood timber in the face of fierce competition from softwood plantation timber means that mills will accept only the highest quality sawlogs, with large volumes of sawlog-quality logs being designated for pulp. Second, worsening market conditions for old growth woodchips from pulp and paper mills in East Asia, in the face of similar competition from woodchips from hardwood plantations, are expected to render such chips unsaleable within two or three years.

ABS data for September shows that Tasmanian woodchip production is at its highest levels since woodchip production surveys began 30 years ago. Before the RFA process, woodchip exports were pegged at less than three million tonnes per year, but they have now reached a staggering 5.1 million tonnes per year. So it is crucial that the ALP change its views about native forests being burned for electricity. The RFA process is already damaging our forests in Tasmania, in Victoria, and in other states, including Western Australia. This will provide another impetus for cutting down native forests to use for this purpose. The government cannot satisfy us on the question of biomass and the impact on native forests, and Senator Murphy ought to talk with his colleagues and try to persuade them, to remove the doubt, to join the Greens and the Democrats and vote for our amendments, which would make that quite clear. You would be in line with the Labor government in New South Wales, which does not allow native forest products to be used in green power. I do not know what has gone wrong with the Labor Party that it cannot support an amendment which would obviously be in line with policy in New South Wales, at least.

I will always leap to my feet when I hear Senator Murphy talking about waste, because we know that waste is not real waste.
and that the industry has been getting away, for a long time, with trying to persuade ordinary Australians that all that woodchipping is doing is cleaning up what is on the forest floor. That is a nonsense; let us put it to bed now and recognise that the timber which goes to woodchips is fine, tall, quite large timber, and it looks very much like what goes to sawmills.

**Senator BOLKUS (South Australia) (6.19 p.m.)**—I wish to say a few words in response to Senator Brown and Senator Allison. Senator Forshaw, in the previous debate, made our position on these amendments clear, and I do not think that anyone should be surprised today, having had some notice—particularly Senator Brown, who put out a press statement this afternoon criticising us for taking a position which he now expresses surprise at—

**Senator Brown interjecting—**

**Senator BOLKUS—**You might have been surprised some time ago rather than now. Our position is one of concern about the potential impact of this legislation, but I must say it is not the unbridled concern that the minor parties have. We recognise that we need to closely monitor and scrutinise the legislation. We recognise that further harvesting of RFA areas is not unlimited and that there are significant constraints on resource availability. We have indicated that it is not really clear at this stage—from the evidence presented at the Senate inquiry—whether the financial incentives resulting from the eligibility of forest waste under the proposed legislation would result in increased extraction of biomass from our native forests. I think if you were to look at the evidence of that committee you would come to an understanding of the difficulties involved in addressing this issue and the diverse range of projected outcomes of these provisions.

We are not saying that we are prepared to give this legislation a blank cheque. We are saying that, despite some fundamental concerns we have in respect of it, we think it should be passed, and we think that an amendment such as the one that Senator Brown moved will ensure that the legislation does not get through this place and the House of Representatives in time for it to be implemented and to have any impact at all.

It is basically a question of whether we want the legislation or whether we want to make an amendment to it at this stage. Given that, in many ways, the jury is out on these particular clauses, we have said that we will allow these clauses to go unamended. But we have already signalled a review of the legislation, and one of the close areas of scrutiny will be the way that native forests may be encompassed by the impact of the legislation. As I say, the judgment of the opposition is that the jury is out with respect to that, but we should approach this with a degree of scrutiny to ensure that the measure does not result in an increase biomass extraction in non-plantation forests. That is something that we have placed on the record before. Senator Forshaw mentioned it just a few weeks ago. I take this opportunity to restate it because we have had quite a deal of representation over recent weeks, as have other members of parliament, with respect to these provisions in particular. They are provisions that do raise concern but they are but one of a range of provisions that raise concern within the committee.

In a sense, the jury is out on the whole legislation as to whether it will be effective. I think there is cause for people in the community to be concerned that it may not be effective. It is not only the impact on native forests that needs to be monitored but also whether the legislation will create the new technology that we are talking about or whether the level of the penalty, for instance, will ensure that industry takes a softer option than the one that the government states it will achieve. However, on the plus side, we have been led to believe that we can anticipate a degree of impact in terms of industry development, particularly in rural Australia. That is an impact that we want to see and it is an impact that we think justifies support of the legislation at this stage.

The Senate in a sense is in a hard position. The government has taken a number of years—two years at least—to come up with this legislation and has basically said to us that, unless it is passed for implementation in January next year, it will not be in a position
to ensure its implementation for another six months or so. The government has also said to us that any substantial amendment to the legislation will ensure that the legislation is not implemented. It is a hard decision. We have come down on the side of supporting the legislation with the reservations we have, with an amendment to provide a mechanism for scrutiny, which we will be moving in the not too distant future in this debate, and also with a warning to the government: ‘So far your greenhouse measures have not taken effect. We are not going to give you the opportunity to blame us or the rest of the parliament if you do not have this measure in place. You cannot blame us for your failures. This is basically your measure and you will be judged on it.’

Senator Murphy (Tasmania) (6.24 p.m.)—I would just like to comment on some of the points that Senator Allison made. Senator Allison, there are few people who know more than I do about Tasmanian forests and the management practices that are employed there. I think even Senator Brown might even acknowledge that I have some understanding of what happens. In terms of waste, I accept the argument and quite readily accept the fact that there is poor management. But I do not think this legislation is the place where you address a management practice with respect to another industry. I would suggest that, if you are so concerned about whether good logs are going to woodchip mills or not—which they are; I accept that but I do not agree with it—we ought to do something in terms of legislation in another area. It is not for this legislation to address a problem that is a management practice that essentially relates to another industry. I have spoken with the Wilderness Society and, on the odd occasion, Senator Brown and others about this issue. What logs go where and what residue stays in the forest is a management practice. That is what it comes down to. The regional forest agreement, as you probably heard me say, sets down a practice which is supposed to be ecologically sustainable management. I would suggest that it does not happen. But, by the same token, I would not agree that you try to change that through this legislation.

Where genuine forest residue exists and is being burnt on the forest floor, it could be more effectively utilised with a lesser impact on the very issue that you express concern about in terms of this legislation—a concern we all have—and that is greenhouse gas emissions. I accept your argument that there is a lot of non-genuine forest residue—a huge amount. As I said, in Tasmania it is somewhere in the order of six million tonnes. Forestry Tasmania acknowledge that, of the public forests—and this is not the logs that go to woodchip mills; exclude all that, this is just the wood that is left in the bush—it is three million tonnes per annum. That is a lot of smoke when it gets burnt, let me tell you—including what they additionally burn when fires get out of control. My view about it is that we ought to at least try to implement and bring about better management practices. But in terms of the utilisation practices that exist in the Tasmanian forests—and, Senator Allison, it is not much better in Victoria—I suggest that you address that through another process. There is other legislation available to be amended.

I think the reason that you are pursuing this in this way is that there is a fundamental underlying opinion or view that there ought not be any native forest harvesting at all. I accept that. I know that is Senator Brown’s position, and I accept that. It is a democratic country. We are entitled to our own opinions and our own views about various things. But, at the end of the day, we have a forest industry and it will continue—and it will continue to a significant degree in native forests. I accept the concern, and I do not want to see it happen either, that we may end up channelling a whole heap of either plantation or native forest timber—that is, log form timber—into biomass energy because we have mismanaged the general forest industry. That is what is happening, and I can see it heading that way. But I hope that somebody somewhere—governments at federal and state levels—will come to grips with the problem and address it. But it will not be addressed through this legislation.

Senator Brown (Tasmania) (6.29 p.m.)—I feel sorry for Senator Murphy because he is more closely aligned with the
Green’s position on this than he is with the hardcore Labor position, which is one of gross mismanagement written into legislation. Senator Murphy says that it is a democratic country and we are entitled to our own opinions—but not if you are in the Labor Party. What we are going to see here will be the same as what we saw with the Regional Forest Agreements Bill 1998, which was all about management. The amendments were there because the Greens put them forward to make sure the forests were managed properly. Senator Murphy and the other more enlightened people in the Labor Party went over and voted against those amendments because the logging industry dictates Labor policy.

You cannot see that any more obviously than in Tasmania, where the Tasmanian Bacon Labor government is the most awful destroyer of forests in this nation—it is the brigand of forest destruction in Australia. Senator Murphy cannot do anything about that. He has tried once or twice but he gets squashed every time. I commiserate with people of conscience in the Labor Party who have to put their conscience in their side pocket and walk across and vote against that conscience time and time again as Australia’s wild forests and wildlife go to destruction. There are differences in the positions we hold, but that gross mismanagement is written into the regional forest agreement legislation, which Labor, to a person, supported.

Let me remind the chamber that an amendment by Labor, which was a good one, to at least allow those regional forest agreements to be brought before this chamber so that we could see what was in them and democratically have an input into them, excluded Tasmania. In other words, the Labor Party said yes for all the mainland states but for Tasmania, where the real massive wood chipping operations are occurring, they said, ‘No, not that one.’ Every member of the Labor Party said, ‘No, let’s not have Tasmania involved.’ There is not even a review by this place.

We are in the position where all of us know that this legislation is a prescription for a new round of destruction of wild forests in this country—this time in the name of producing green energy. The Labor Party are saying, ‘We want to wait and see how it goes.’ Senator Bolkus said, ‘This is not the place to be knocking this out; we’ll wait for some future time.’ That is a cop-out by the Labor Party. The Labor Party have discussed this; they know exactly where they stand, and the majority in the Labor Party side with the Howard-Bacon Labor government position, which is woodchippers first, forests second—the interests of the woodchip corporations are first and the interest of the nation, including those people employed in forest industries, because their jobs are being shed at a rate of many hundreds if not thousands per annum as the rate of destruction increases, is very secondary.

I ask the Labor Party and Senator Bolkus whether Labor supports the concept of 300,000 tonnes per annum of woodchips being put through the furnaces in Forestry Tasmania’s Southwood project, which is creating massive opposition meetings in tiny towns—talk about rural Tasmania at Sandfly over the weekend and at Huonville where the town hall has been packed. There is massive disapproval of this huge project, which is not going to do the locality any good. The international corporations will make huge money out of it, but for the locality, which depends on service industries and tourism, it is a huge negative. They have heard it all before, but apparently the Labor Party has not. It is the Tasmanian Labor Party in government which is up to its eyes in supporting this legislation.

I ask Senator Bolkus and I ask Senator Campbell for the government at the same time: do you support Forestry Tasmania’s Southwood project to burn 300,000 tonnes of woodchips per annum out of the wild forests of Tasmania to produce so-called renewable energy to sell on to the Australian market?

The TEMPORARY CHAIRMAN (Senator Lightfoot)—The question is that amendments 1B, 1C, 1D and 1E moved by Senator Brown be agreed.

Senator BROWN (Tasmania) (6.34 p.m.)—This time it is not only the government which are glued to their seats but also the Labor Party. It is a pretty simple question, and I will be asking it again tomorrow. I
ask the government and the Labor Party to consider overnight this simple question: do you support the burning of 300,000 tonnes of woodchips from the wild forests of southern Tasmania in a furnace in the Southwood project put forward by Forestry Tasmania and the Bacon Labor government in Tasmania, or do you not? Whose side are you on in this, and is this an example of what this legislation is preparing the way for?

I also flag a couple of questions on other matters that I will be asking tomorrow, and the government might take note of these so we can get answers tomorrow: what environmental scrutiny will the Commonwealth apply to renewable energy projects like new dams, new wood fired power stations and even large wind energy installations, how is that scrutiny going to be applied and what transparency and democratic systems will there be for reporting back to this chamber, or indeed to the public, about the performance of these big projects, with particular reference to their environmental kudos?

Senator Campbell and you, Mr Chairman, coming from Western Australia, will be particularly interested in these questions about the Derby tidal power project in far north-western Australia in the Kimberley. Tomorrow I am going to ask: does the government support the Derby tidal power project and has any discussion taken place about the funding of that project and, if so, what is the nature of that discussion and will it be a potential claimant under this legislation as a producer of renewable energy? I think the government is indicating that there will be some substance to the answers to those questions when we come together tomorrow.

I want to come back to Senator Murphy’s assertion that six million tonnes of waste will be left on the forest floor; that we should do something about it or it will be burnt and sent up in smoke. He said that he does not think any of that six million tonnes will be picked up to be put into the furnaces; they will simply redirect current woodchipping, including valuable saw logs. Can you imagine 150,000 log trucks of this going to the woodchip mills in Tasmania each year? I went to Launceston a week ago this Saturday, to the Queen Victoria Museum and Art Gallery to see paintings of the Tarkine wilderness in north-west Tasmania by Dr John Wilson. The Tarkine area is a prime target for this destruction. After getting off the plane in Launceston, on the way into town at the turnaround I saw three huge timber jinkers—many of them are B-doubles these days—carrying 30 to 40 tonnes of the trunks of grand old trees from Tasmania’s forest going round in a circle on their way to the woodchip mill. That is the first thing you see when you land in Tasmania. It is an absolute historic destruction of Tasmania’s wild environment.

But the question comes down to: what else are we going to do with these forests? I say to Senator Murphy: leave them alone. We have 170,000 hectares of plantations in Tasmania—mostly blue gums—already. They cannot be sold into the Australian market. A lot of those plantations, particularly the softwoods, are being exported to Korea as whole logs, as Senator Murphy, I think, indicated. But let me say this on my own account: what we are seeing now is a process whereby these plantations are likely to be fed into the furnaces in the future—simply because that is the easiest market—and sold as green energy. What an appalling situation. Those plantations, which were largely subsidised by public money and through the Commonwealth, were planted so that we did not have to go on cutting native forests. But around the country the prescription is the same: this nation’s wood needs, including that export woodchip quotient, can be met from plantations now. There are mature plantations all over the country. Mr Howard himself has signed the document to say, ‘Well, that may be the case, but the big woodchip corporations see native forests as dollars on stumps and I am going to give them permission to go in harder than ever and destroy those forests while those plantations are sitting there available to meet our needs.’

We do not need to burn anything. We do not need to leave any waste on the forest floor. We should be leaving those forests for the monumental part of Australia’s heritage that they are; and, moreover, because they are creating jobs by standing there. In Tas-
mania, some 3,000 of the 18,000 or 19,000 jobs in tourism are there because those forests are there. People want to see and enjoy those forests. All up, 2,000 jobs are involved in the destruction of the very forests that are creating those jobs for the long term. Once those forests are gone, nobody will want to go there—not even Forestry Tasmania with its greenwash and cheap sell about how it is ecologically this and that, while it moves into even greater rates of destruction of the forests. I commend these amendments to the chamber. I note again the appalling loss of opposition responsibility in effectively supporting the government in knocking these amendments down.

Amendments not agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.41 p.m.)—If the government amendment is non-contentious, it may be possible to deal with that before moving on to other matters. The amendment proposes a small change to clause 5 on the definition of small generation units. If no-one needs to speak on that, I will progress with that; but if there needs to be a discussion, I will wait until tomorrow.

Senator BOLKUS (South Australia) (6.42 p.m.)—I would like to ask a number of questions about self-generators and the impact of the legislation.

Progress reported.

COMMITTEES
Membership

The ACTING DEPUTY PRESIDENT (Senator Murphy)—The President has received a letter from a party leader seeking a variation in the membership of a committee.

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

That Senator Tierney replace Senator Calvert as a member of the Environment, Communications, Information Technology and the Arts Legislation Committee from today until 7 October 2000.

OLYMPIC GAMES: SYDNEY 2000

Senator BOLKUS (South Australia) (6.44 p.m.)—by leave—I think Senator Campbell has moved this motion to give Senator Schacht in particular a chance to speak on this, since Senator Schacht has been very heavily involved with the very successful Australian women’s volleyball team. Whilst he finds his way here, I would also like to say a few words to pay due recognition to the achievements of Australia and Australian athletes. So many Australians over the last few weeks—I should go a bit further and say ‘over the last few years’—have produced for the world what has been recognised as the best Olympics in modern times.

We start with the athletes, and they should be recognised as making the show, but we should also acknowledge that so many people contributed to make such an enormous event an enormous success over the last few weeks. Over the last few weeks we showed that Australia can do it both on the field and off the field. In terms of on the field, we showed, from the leadership of Andrew Gaze to the stunning success of Cathy Freeman to the successes of more recent migrants like Tatiana Grigorieva, that this country is full of resources, full of endeavour and full of commitment, and can do it when we put our minds to it. It was a record outcome, and the chart shows that. But not only do we have a record outcome in terms of gold, silver and bronze. So many thousands of other athletes have been part of the successful winning Australian process. On the administration side, the Olympics stunned cynics from all sides and all sectors of our community. Newspapers and radio channels that for years have been running lines of cynicism—that the whole world was going to collapse at the time of the Olympics—had to write in their editorials last week that these Olympics were the golden Olympics.

Much of the credit needs to go to the administration that put these Olympics together. On the sporting side, those who brought them here—previous Liberal governments and the Australian Olympic organising committee, and the administrative skills of stunning administrators like Sandy Hollway, for instance, who not only has made a massive contribution to national administration but has also been at the core of getting the Sydney Olympics to the stage where they
could be taken over by others in more recent days. His contribution should not be underestimated. Despite the fact that over recent weeks he may have been shunted here, there or wherever, Sandy has shown the dignity, the good sense and the good skills that we have known of him in the past when he was working in the federal bureaucracy. I hope he goes on to more successes in the future.

I could go on for quite some time, but Senator Schacht has arrived. I conclude by saying that, on Sunday night like every other night of the last few weeks, those who were there and those who were watching it were left touched and totally overwhelmed by performances on and off the field—and also by the successes of Roy, H.G. and Fatso. I will take some time to recover from the lack of sleep because of late nights watching these characters. They, together with the performances during the day and together with the way in which it was all put together, made everyone in this country proud to be an Australian.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Senator Bolkus, before I call Senator Schacht, given that we are nearly at 10 to 7 and we automatically have to move to deal with government documents then, it might be appropriate that you seek leave to have government documents dispensed with or called on after Senator Schacht has completed his contribution.

Senator Bolkus—I seek leave to have them called on after Senator Schacht completes his contribution.

Leave granted.

Senator SCHACHT (South Australia) (6.48 p.m.)—by leave—I appreciate the courtesy of the Senate in enabling some of us who were not able to earlier today to speak on the resolution on the Olympic Games moved by the government, seconded by the opposition and supported unanimously by this chamber. The reason I wanted to speak was that, first of all, like all Australians, I was extremely proud of the performance of Australia, our athletes, the volunteers and the organisers in producing what was described as the ‘best ever’ Olympic Games. I also wanted to speak because I had the great honour of being president of the Australian Volleyball Federation during the Olympic Games and as a result was accredited to attend the volleyball matches, both beach and indoor, through the two weeks of the Olympic Games. I had the opportunity to see the operation of the management and organisation of the Olympic Games from an ‘inside perspective’.

I will talk a bit later about the performance of our volleyball athletes. Like all our athletes, theirs was a great performance. The first thing I wanted to do was comment about the extraordinary performance of the volunteers. Every day when I was at various functions of volleyball, there were members of the IOC and members of other national sporting federations who came to Australia for the Olympics. The one consistent comment was: what a fantastic job the 40,000-odd volunteers did to make the Olympic games work. I heard indirectly comments that the organisers of the Athens Games in 2004 and the Salt Lake City Winter Games in two years time were overwhelmed at the success of the volunteers and wondering how they were going to repeat it when they organised their games. Not only was the comment made that they were friendly, in good spirits and happy and smiling as volunteers, but the comment was made that they also provided and dispensed very useful information when people needed assistance to get to venues or about what was happening around Sydney. That in itself was a triumph for Australia and is going to last a long time for our reputation as a great country and a great society. All the international visitors I met complimented the organisation itself, the venues, and the transportation system of Sydney and how it worked. Many made comparisons with the difficulties of Atlanta. Some commented that they did not know how Athens, with its problems of urban planning, will be able to handle an Olympic Games of the same size. They all said Australia set the benchmark—set the high jump bar higher than it has ever been set before—on how you would organise such a massive event as the Olympic Games now are.

I found it quite daunting to be a member of the Olympic family attending the various
venues and suddenly to see sitting next to me some of the heroes of my life, such as Kip Keino, the great Kenyan runner, who won three gold medals, or to wander into a venue and suddenly find I was talking to Bill Gates, or occasionally to ask someone quite innocently, ‘What was your role previously in the Olympic Games?’ and be told by a certain gentleman that he had been to four Olympic Games and won eight medals for the old Soviet Union and then for Kazakhstan in cross-country skiing, or to be talking to an Irishman in charge of their sports council who after a while just quietly let it drop that he won the silver medal in the marathon in 1984 at the Los Angeles Olympic Games and is now chairman of their sports council. At a personal level having, for a sports fanatic like I am, the opportunity to suddenly find myself amongst the heroes of world sports people again and again and again was a great pleasure—and I have not mentioned all those I met.

I now want to take this opportunity—and I do not want to sound selfish or biased—to talk about my own sport of volleyball. When the Adelaide Crows won the 1997 AFL premiership, I felt that was one of the great moments, if not the greatest moment, of my life as a supporter of sport, coupled with Norwood winning the South Australian premiership in 1984 by beating Port Adelaide. They were great moments. But, on the first day of the beach volleyball competition, I was sitting in the controversial Bondi stadium for beach volleyball and finding it so filled as to be absolutely packed out at the moment at 11.30 when an Australian team walked onto the court for the first time and the whole 10,000 Australians there stood up and cheered and clapped. That was the biggest audience, the biggest group of spectators, our beach volleyball athletes had ever performed in front of in their lives and they were clearly greatly affected by the support of Australians. That was topped a few days later when the Australian women’s beach volleyball team of Kerri Pottharst and Natalie Cook won the gold medal. It is true, I have to say, that in my life of following sport that was the greatest moment I have ever had. To be the president of volleyball in Australia when we won our first gold medal in the Olympic Games, for ours to be one of 11 sports at this Olympic Games that won a gold medal and for us to be able to say now that volleyball is an Olympic gold medal sport in this country is an achievement for which I take no credit. It is a credit to the athletes and the people in our sport who have spent decades quietly building it up to where it is now—an Olympic gold medal sport.

In the indoor arena, those playing volleyball did not get the publicity and the recognition in some media that I think they should have. Indoor volleyball is played by more countries than any other sport in the world—221 countries are affiliated to the International Volleyball Federation. To get into the Olympic Games, a nation’s athletes had to be in 12 women’s sides or 12 men’s sides. As the host country, we had automatic entry of course. A year or so ago, many people expected that our sides would be wiped off the court by the very strong European, North Asian and American sides. Well, our young men’s and women’s sides distinguished themselves in a very high manner. Our women’s side, the youngest women’s side in volleyball—average age barely 20 when most of the competitors from the other countries were in their late 20s and at the peak of their long international careers—came equal ninth. That was an astonishing achievement by a group of teenage women, and they have put Australian women’s volleyball on the map.

Our men’s team performed even better. They reached the quarter finals by beating sides higher ranked in the world, and they came eighth in the Olympic Games. Two years ago, if we had said to the world that our men’s side would be ranked eighth in the world in the Olympic rankings, that would have been seen as a rather extreme boast. But they achieved that, and all around the world now Australia’s young athletes are being recognised as having a great future. To give you some idea, consider this: although volleyball may not have spectator appeal in its history in Australia, when our gold medal women in beach volleyball played that match, it was 4 o’clock in the morning in Brazil and 20 million Brazilians got up to watch the match. A few weeks ago Natalie
Cook and Kerri Pottharst could probably have walked unknown around any street in Australia but I tell you this: they cannot walk down any street in Brazil now without being recognised.

When our men played Italy in the quarter final match, the Italians were at that stage the gold medal favourites, the number one world champions. A Japanese network took the match of Australia playing Italy and played it that night in Japan. I asked a Japanese executive, ‘Why are you doing this? This is not even a Japanese match.’ He said, ‘Your young Australian volleyball side is a coming side in the future. We want to show the Japanese people who strongly support volleyball that this young Australian men’s side is going to be a champion side of the future.’ So, although volleyball as a sport in Australia has not had recognition, it does have worldwide recognition now. That is an opportunity that the Olympic Games has given it.

I am sorry, Mr Acting Deputy President, that I have gone on a bit long about volleyball but I do so out of considerable pride in what our 34 athletes representing beach and indoor volleyball achieved at this Olympic Games. They, like the other 640-odd athletes that represented Australia in many sports that most of us have taken no notice of, all achieved outstanding success for this country. We know the medal tally is the best we have ever had. More importantly, most of our athletes achieved a higher level of performance in their chosen sport than at any previous time.

I have seen some critical comments by some people who do not know better that beach volleyball may not be a proper sport, that volleyball is not a high ranking sport, that synchronised swimming is not really a sport or this: what is taekwondo doing in the Olympic Games? I do not ask everybody to like every particular sport but they, in saying they do not like a sport or do not find it attractive, should not in any way denigrate the athletes who participate in and have trained in that sport. Not one of those athletes has gone into their particular sport without having had to put in years and years of dedicated training and commitment to get there and represent Australia. I defy anybody to watch any of those sports and think otherwise. I say: you go and try to do it yourself and then you will understand that every one of those sports, whatever the sport is, is played at a level of athleticism and of quality that we mere mortals—the other 19 million Australians—could only ever dream about. I will conclude with this point. In one of the earlier rounds of the beach volleyball tournament, our women’s team was eliminated and came 16th after putting in a very good effort. The great Dawn Fraser was there that day as a supporter. When she was talking to those women, they were rather tearful because they had been eliminated. She pointed out to them that on their jacket they have the Australian symbol which shows that they were a member of the Australian Olympic team 2000. She said, ‘As the years go by, you will find that that will become a symbol of your contribution and of being part of a unique group of elite athletes. Nobody else will ever be able to say that they were there or were able to achieve it.’ I think that is the real point with regard to the 600-odd athletes representing Australia. Whether they won a gold medal or did not, they participated. The rest of us 19 million could only ever dream of what it would have been like to have been an athlete for Australia at the greatest Olympic Games ever held.

**DOCUMENTS**

The **ACTING DEPUTY PRESIDENT** (Senator Murphy)—We now move to consideration of government documents. There are 20 government documents to consider and I will call them on in blocks of four.

**Australian Federal Police**

**Senator LUDWIG** (Queensland) (7.03 p.m.)—I move:

That the Senate take note of the document.

I wish to draw the attention of the Senate this evening to document No. 19, the Australian Federal Police annual report 1999-2000. It is a document that needs some comment. I particularly want to take this opportunity to congratulate the Australian Federal Police on their contribution to the success of the Olympics. The dot points on page 28 of the annual report specify their duties during the Olympics:
Provide leadership and management in the investigation of Commonwealth offences.
Provide close personal protection.
Participate in the provision and analysis of strategic criminal intelligence. ...
And so on and so forth. It is well worth taking this opportunity to congratulate the Australian Federal Police on their success, the success of the Olympics and the contribution that they made to it. In addition, the attention of the Senate should be drawn to the good work that the Australian Federal Police have done over the years. They were brought into existence by the Australian Federal Police Act of 1979, and they are responsible to the federal Minister for Justice and Customs. The AFP’s mission is to provide dynamic and effective law enforcement to the Australian people. Under the stewardship of the AFP’s chief executive, Commissioner of Police Mick Palmer, the AFP have met that goal. The AFP provide the government with the capacity to investigate and prevent crime against the Commonwealth and to protect the Commonwealth’s interests in Australia and overseas. I also take this opportunity to extend the gratitude of the Australian people to the AFP for the provision of their services overseas and to remember those people that participate, at some personal risk to themselves, in such operations as those in Cyprus and East Timor and the Peace Monitoring Group in Bougainville and in the police services of the Commonwealth territories of Christmas Island, Cocos (Keeling) Island, Norfolk Island and Jervis Bay. It is well worth informing the Senate of the valuable work of the AFP which has been outlined in their annual report. I thank the Senate.

Question resolved in the affirmative.

Consideration

The following governments documents tabled earlier today were considered:

- Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 April to 30 June 2000. Motion to take note of document moved by Senator Ludwig. Debate adjourned till Thursday at general business, Senator Ludwig in continuation.
- Final budget outcome 1999-2000—Report by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Mr Fahey), September 2000. Motion to take note of document moved by Senator Ludwig. Debate adjourned till Thursday at general business, Senator Ludwig in continuation.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! It being 7.08 p.m., I propose the question:

That the Senate do now adjourn.

Oil Prices

Energy: Alternative Sources

Senator LIGHTFOOT (Western Australia) (7.08 p.m.)—I want to speak tonight on what is less than a fuel crisis but I am sure that senators know what I mean when I talk about the OPEC cartel that has, by restricting the flow of oil, created artificial prices that went from between $10 and $11 a barrel of crude oil 18 months ago to just over $US36 a barrel. Oil currently is sitting somewhere between $US31 and $US32 a barrel. In fact, the last price I saw from the New York Mercantile Exchange was $31.68 a barrel, considerably down on its highest price—a drop brought about, I might say, by the release by the President of the United States of 5 million barrels of oil held as a strategic reserve in the United States.
There is no one single fix for the problem. Those countries are not exclusively of Middle Eastern origin but certainly the majority of those countries are in the Middle East. I do not think any of them are democracies as we would know them. Some of them are entirely unstable, as Iran and Iraq indeed are. It is not up to us to tell them what they can sell their product for, nor is it up to the government to dictate to the private sector what it should do or what price it should charge. However, I do think the government should clear itself and unhook itself from world parity pricing and let the market sector find its own level. I have no doubt that it will not be much different from what the price is today.

The problem as a lot of people see it, and I have some sympathy with this particular hypothesis, is that the excise on crude oil is a significant cost to the oil consumer. But I might remind the Senate that, whilst that is indexed, there are many other things within the government’s control such as pensions, superannuation, wages and some other commodities that are indexed themselves. Australia has a $50 billion a year social services program, most of which is indexed. One can imagine, having indexation on our social service payments, including superannuation, and not having an index of other commodities to raise taxation for that purpose, what sort of chaos would ensue for any government. That would be entirely irresponsible, and this government, of course, is not irresponsible.

I think what one has to do as a government, as an individual, as a company or in any other way, where one can do something with respect to changing the stranglehold that the OPEC cartel has on the fuel prices, is to look to alternative sources for energy. I might say that excise was introduced by the Hawke government. I think at 6c a litre. I may stand corrected here for a cent either way. By the time Prime Minister Keating left office, it was something around 36c or 38c a litre, which is very difficult to remove once it is woven into the fabric of taxation.

Notwithstanding all that, we have got to look at alternative fuels. Among those fuels that readily spring to mind and which are often pushed by all sections and parties in this house is solar, but unfortunately solar is not much at good night. Wind power is very good, and the Western Australian state government has taken the initiative of committing $45 million to a wind farm down at Albany, one of the most southerly towns or cities in Western Australia, and is doing something about that. I cannot remember how many megawatts that will produce, but certainly with tourism and the contribution that it will make it will significantly lower the dependence of the city of Albany on fossil fuels. I am not against solar or wind. I think they are excellent fill-ins or innovative areas and, unless you start them, you never know how you can reduce the costs of them. I understand that the wind power costs something like 45c per kilowatt hour, and that of course is prohibitive for householders, who pay now 12.5c per kilowatt hour in Western Australia, which is even quite high by some eastern states’ standards.

Other areas that are being explored throughout the world and could be very well emulated here are the renewable crops of, say, canola and sunflower—any high oil crop in fact. Let me take canola. Canola is selling for about $1,000 a tonne, and I speak in generic figures. Sometimes it is more and sometimes it is considerably less. But at $1,000 a tonne that extrapolates to about 57c to 60c a litre for canola oil. Canola oil burns cleaner than diesel, it is renewable and it can be produced in vast quantities in Western Australia. At 57c—or 60c, to round it off—a litre, there is no reason why the government should not encourage the production of canola oil, or any other high oil crop, as a clean green energy source that is both renewable and far less polluting than the high particulate fuel of diesel.

Another area that is cleaner, though not as clean as canola and not as clean as gas, is the vast oil shale deposits of Queensland. Queensland has deposits that, in terms of barrels, equate to nearly 25 billion barrels of oil. In dollar terms, that is about $US612 billion as a contained and delineated source or asset. In Australian terms, that is over a trillion dollars not yet exploited. It is cleaner and it burns with more energy than conven-
tional oil. It makes Australia self-reliant. It becomes an export commodity. It reduces our balance of payments, which are not bad in any case. Our national debt has decreased since we have been here, Mr Acting Deputy President, as you would know, from $90 billion down to about $41 billion. That is an excellent record for any government in any part of the world, but there is still a long way to go to get it back to what it was in the early eighties, when it was about $16 billion. That will be done, but it needs to be done with exports. We do not want imports adding to our inflation, and that is in fact what is happening at the moment. Oil shale is an oil of the future.

The other one, which is in Western Australia, is dear to my heart and to that of most members from Western Australia: the Derby tidal power station. The Derby tidal power station can be built without any cost to the state government in Western Australia through grants from the federal government. It is not so much that the 48 megawatts of the Derby tidal power station is anything vast. Yes, it will service the towns of Broome, Derby and part of the West Kimberley, if not all of the West Kimberley. It will not go beyond that. But it is a harbinger of what is to come. It is a microcosm of what can be done. We can produce over 300 megawatts through tidal power, and that could introduce another industry into the Kimberley, which is terribly short of any industries at the moment.

I have to be very quick because I have only a few minutes left. The fuel cell that uses predominantly hydrogen is certainly the engine of the future and is something that ought to be exploited. It is 50 per cent efficient, unlike the internal combustion engine, which is about 15 to 20 per cent efficient. It is clean. It has no moving parts. It produces electricity by electrolytes that run over a platinum catalyst. That electricity is collected and turns an electrical motor. The only emissions, of course, are water and unused air. It runs at about 90 degrees Centigrade, unlike an internal combustion engine that is cooled to about 125 degrees Centigrade. I say again that there are no moving parts.

The biggest asset we have in Australia is gas. In Western Australia we produce more gas for export than anywhere else in the world. Burrup Peninsula is one of those areas that I will talk about next time I have the opportunity to enlighten the Senate on alternative fuels to oil.

Environment: Queensland

Senator BARTLETT (Queensland) (7.17 p.m.)—I would like to speak tonight on a couple of issues of significance in my home state of Queensland that have serious impacts on the environment there. On National Threatened Species Day, on the 7th of last month, the Senate passed a motion which called on the Queensland and federal governments to work together to achieve tighter controls on the clearing of land, particularly freehold land, in particular where it affects the habitat of threatened species. As it was Threatened Species Day, I used the example of the cassowary. A week after that Senate motion was passed, I think with the support of all parties in this place, the Queensland government proclaimed the highly inadequate Vegetation Management Act. The weakness of this legislation reflects the stand-off between the federal Minister for the Environment and Heritage, Senator Hill, and the Queensland Premier, Peter Beattie. The real loser has been the Queensland environment and species such as the cassowary.

According to the biodiversity campaign coordinator for the Australian Conservation Foundation, the new Vegetation Management Act in Queensland offers no real controls on the clearing of over two million hectares of vulnerable ecosystems. Under the new Queensland legislation, only vegetation types already cleared down to 10 per cent or less of their original extent—so-called endangered ecosystems—will receive proper protection from clearing. Only one-twentieth of Queensland’s freehold bush falls into this endangered category, so nearly two million hectares of vulnerable ecosystems—called ‘of concern’ ecosystems in Queensland parlance, meaning those vegetation types with between 10 per cent and 30 per cent of their original extent remaining—are still open to clearing and open to the bulldozers. While some protection for ‘of concern’ ecosystems may be
granted on a local or regional basis through declaration as part of a regional planning process, this approach gives no guarantee of protection to most of the threatened bush on freehold land in Queensland.

Premier Beattie has now responded to that motion of the federal Senate, and his response was tabled today in this chamber. He was quite open that his act was proclaimed only after the removal of the provisions for ‘of concern’ ecosystems. His reply to the Senate motion was:

This is in line with my commitment that ‘of concern’ provisions would be contingent upon financial assistance from the Commonwealth. Without this assistance, my Government cannot meet the financial assistance land owners affected by the ‘of concern’ provisions expected.

Peter Beattie is worried about the land clearers and the impact on them. He should also spare a thought for the recent Newspoll which showed that 83 per cent of Australians of voting age, both in the city and in the country, are opposed to the clearing of rare and threatened bushland. The rate of land clearing in Queensland is increasing. The summary of figures for the last couple of years was released, unfortunately, during the Olympic period—probably quite deliberately—by the Queensland government. It showed that the average annual clearing rate for 1997-99 was 425,000 hectares. This compares to 340,000 hectares in the preceding two-year period and 289,000 during the first part of the 1990s. During the 1997-99 period, approximately 59 per cent of clearing occurred on freehold land and 38 per cent on leasehold. It is also worth noting in passing that 86 per cent of woody vegetation change was clearing of woody vegetation to pasture, with 10 per cent to crop and the remaining four per cent to other activities. Two-thirds of the clearing over the last couple of years occurred in areas mapped as remnant areas by Queensland’s regional ecosystems mapping.

So we have a situation that is clearly a major environmental catastrophe for Queensland. It is an ongoing situation of very little action. The federal coalition government has done little to control land clearing in Queensland. I do recognise the concerns and annoyance of the Queensland state government at the lack of support at the federal level. But the Queensland government, nonetheless, should not be using that as an excuse for a lack of action or completely inadequate action in addressing this problem. All it has done is to pass an inadequate law and blame the federal government. All the federal government has done is to blame the Queensland government.

This failure leaves Queensland’s environment in a significantly damaged situation. It leaves Australia in breach of the United Nations Convention on Biological Diversity and it does little to address greenhouse emissions and salinity hazards associated with broad-scale land clearing. We hear lots of voices of concern about salinity, but when we can see the cause of it happening before our eyes, nothing seems to be able to be done. Similarly, with greenhouse, quite clearly this federal government is falling well short of its commitments under the Kyoto protocol to reduce increasing greenhouse emissions. Land clearing, just in the state of Queensland, has a huge impact and is a major component, over 10 per cent, of our emissions. If that were curtailed and halted, it would, on its own, go a huge way towards addressing our responsibilities.

I come back to the example of the impact on just one species—the cassowary. In the last year, 70 hectares of freehold land has been cleared just in the Mission Beach area of Queensland, part of which was cassowary habitat and breeding ground. As a consequence, the number of cassowaries at Mission Beach has halved from what it was 10 years ago and there may now be as few as 40 left in that area. The Senate’s resolution passed last month is not just words, and the fact that the federal Senate passed it is not insignificant. The cassowary is a threatened species and it therefore has protection under the Commonwealth Environment Protection and Biodiversity Conservation Act. That act provides significant extra powers for the federal environment minister. It provides him opportunities to act if he chooses. Land clearing itself, and aspects of it, could be listed under that act as a threatening process and as a process that has impact on endan-
gered species. It is one thing for the federal minister to complain about the lack of action of the state government, but this parliament and this Senate, and the Democrats in particular, have given the federal environment minister significantly enhanced powers—and more power than any federal government has ever had in federation—to do something about protecting the environment when state governments fail to act. The federal environment minister has that power now under that act if he chooses to use it. He should not hide behind simply saying it is a state responsibility. It may be a state responsibility, but the state is obviously unable to meet that responsibility, and the federal environment minister, now having the power, should act in that regard and should also look at trying to provide extra assistance to enable the process of reducing land clearing to operate more smoothly.

I would like to just briefly mention another issue of concern that has just come to my attention today: a spillage of around 60,000 litres of oil from the Horn Island diesel storage facility. Horn Island is in the Torres Strait, and that spillage of diesel has contaminated the adjacent marine dune and mangrove areas. I believe about 4,000 litres of diesel entered the ocean and has been removed by spillage absorption equipment, but the remaining diesel entered an area of sand dune and mangroves and has been absorbed below the surface.

A significant amount has yet to be properly cleaned up, and obviously it is of significant concern to the local residents there. As senators would be aware, people of the Torres Strait, in particular, rely a lot on their surrounding environment for their survival and their sustenance. Indeed, in many ways, it is one of the cleanest areas and cleanest environments in the state of Queensland. It is obviously a serious concern that this spillage will impact on marine species and have potential longer term impacts on the marine environment. The local community has called on the Queensland government and the Environmental Protection Authority, in particular, to examine the standards of operation and facilities on Horn Island, to inquire immediately into the incident and to ensure that the immediate damage is cleaned up as quickly as possible with minimal impact and that steps are taken not only to ensure that actions such as this do not happen again but that any negligence or breach of legislation that led to this unfortunate incident is pursued—that is, if there have been any breaches, that those responsible be followed through to the full extent of the legislation available.

Again, there is no point having requirements for protecting the environment if those legislative requirements are not enforced when there are breaches. It is obviously a concern, particularly to the residents and traditional owners of Horn Island and the Torres Strait, that their environment is put at risk. We call on the Queensland government to address the concerns expressed by those local residents to clean up any damage and any impact from this diesel spill and also to take action to ensure that no further incidents such as this occur that threaten the environment in the Torres Strait.

Olympic and Paralympic Games

Senator LUNDY (Australian Capital Territory) (7.27 p.m.)—I rise tonight to talk about the wonderful and inspiring events of the past few weeks, and about the equally inspiring events we will see when the Paralympics begin on 18 October. The Olympic Games are more than just a sporting event. The nation’s focus on Cathy Freeman, on the moving closing ceremony and on the spirit and generosity conveyed by all those involved in the games demonstrates that the Olympics transcend mere sporting competition. It is not just about medal tallies, although that is a measure of the success of our elite sporting programs. The Olympics represent an opportunity for a nation to showcase their cultural, political, economic, social and sporting achievements, and in almost every respect Australia showed world-class performances in these areas.

There are particular features of the Olympics that stand out for special mention: first, the many generous and spirited Australians whose absolutely magnificent efforts as volunteers in cheerfully and helpfully providing friendly information and assistance ensured that Sydney staged the best ever Olympic
Games. Without these volunteers, many of whom will be back for the Paralympics, the games would not have operated so perfectly. Second, I mention the New South Wales government and SOCOG who, despite some pre-games problems, delivered a near perfect games. As with many other interstate spectators, I was very impressed with the transport system and slickness of operations which, given the problems of Atlanta, were a testimony to an epic planning and operational plan.

Third, the officials and administrators created a seamless environment in which world-class athletic competition thrived. Fourth, the Australian Sports Commission and the Australian Institute of Sport initiated a successful winning formula that has seen Australia reach unparalleled achievements in international sport. The AIS has done a truly fantastic job. Over 80 per cent of medallists were in sports where AIS programs exist. Almost 30 per cent of our medals were won by current or former AIS scholarship holders. Lastly but by no means least, I give a special mention to the athletes involved in representing Australia.

For me, the most important part of the Olympics was the way in which our athletes embodied the ideals and values of Australia society. It is important to remember that not every elite athlete is able to represent their country or to reach the medal round; nevertheless, we publicly recognise their contribution and involvement in our Olympic efforts. Now that the first part of the Olympic Games is over, it is time to reflect on the Olympic legacy we have been left with. The opposition have offered bipartisan support to the government’s expenditure on the Sydney Olympics and future elite funding. We welcome the government’s continuation of Labor’s policies on drugs in sport and Labor’s commitment to elite sport funding.

There are areas, such as Paralympic sport, indigenous sport and women’s sport, where Labor believe that a greater emphasis is still required, but in overall terms we believe that funding for elite sport is justified, given the phenomenal success of the Sydney Games and the perpetuity these athletes’ success offers in inspiring young Australians. However, what concerns the opposition is what happens now that the Olympics are over. We are concerned that, rather than creating a long-term legacy, the Howard government is content with a one-off show. This is short sighted. Many Olympic sports are facing the difficult task of dealing with cutbacks to their programs because there is no Olympic funding in place from the end of this year. This almost perverse situation has arisen because the government has not committed itself to extend the Olympic Athlete Program, known as OAP, beyond 31 December this year.

OAP funding was initiated by the Labor government in 1993 and provided $135 million for both Olympic and Paralympic sport for the Atlanta and Sydney Games. Each year, approximately $25 million has been available for Olympic preparations. At Atlanta we won 42 medals. In Sydney, we won 58 medals, but we also finished fourth in 16 other events, in the top eight in 125 sports and in the top 16 in 187 sports. These are the symbolic achievements, but the achievements underlying these successes, shown in terms of a medal tally, are the ones that we recognise more fully. These are the achievements that Labor want to build on not just because we want to win more medals but because the whole community benefits from national and international achievements, whether they be in sport, the arts, science, information technology or education—any field of endeavour that Australians apply themselves to.

When it comes to sport, we have been critical of the cuts imposed by the coalition. At the last round of Senate estimates, the Australian Sports Commission revealed that, once the $25 million OAP program concludes later this year, there will be a reduction in funding for all sports. The Sports Commission instructed all sporting bodies not to enter into contractual arrangements that rely on OAP funding beyond 31 December. This means that, unless continued funding is provided, many Olympic coaches and athletes will head overseas or will at least face lower job security, affecting their ability to compete and train. Minister Kelly refuses to acknowledge that coaches, sports scien-
tists and experts are being headhunted and actively lured by overseas sporting organisations.

I recently visited the Western Australian Institute of Sport, where the effects of sports funding cuts are being felt already. The WA Institute of Sport has already lost its cycling and hockey coaches and 40 per cent of its sports scientists because there is no funding left to pay them. This represents no less than four experts that were previously located at the WA Institute of Sport. On the 7.30 Report last night both Rowing Australia and Shooting Australia confirmed that their coaches were looking for work elsewhere because of funding cuts to elite sport; in the case of Shooting Australia, their coaches’ contracts were terminated on 5 September this year. Even the Western Australian minister for sport is critical of his federal Liberal counterpart for not continuing funding. Here’s what Mr Norman Moore, the WA sports minister, said:

It would be a great tragedy and a folly if the Commonwealth pulled out completely [from OAP funding] because it would mean the structure was built for only one event. We’re going to have to prepare athletes for future Olympics. And there will be high public expectations for Australia in the Goodwill Games in 2001 and the 2006 Commonwealth Games in Melbourne.

Mr Moore, on this occasion, is totally right. Because national sporting organisations have already set their budgets for the year based on the loss of the Olympic Athlete Program we are already seeing the expertise that helped make Sydney our most successful international event ever being lost overseas.

The Confederation of Australian Sport has also weighed into the sports funding issue. The chief executive of the confederation, Mr Steve Haynes, said:

There are a number of Olympic sports in this country that wouldn’t survive severe federal government funding cuts.

What this government does not seem to understand is that the Olympics should not be just a one-off event. The massive investment in both infrastructure and human resources should ensure that Sydney 2000 provides long-term structural and social benefits across the nation. It is therefore critically important to have both community based and elite funding in place immediately. In the first place, sports funding delivers immeasurable benefits in terms of national identity and national pride. It provides a career path for athletes, coaches, and administrators.

We are in an era of professional sport and, if we want Australians to continue to compete in international events, we must invest in our athletes and sporting programs. The Prime Minister has been keen to bask in some of the reflected glory of our Olympic success; however, under the Howard government, there have been massive cuts to the sports budget and the axing of no less than 23 sports from the AIS. What Mr Howard does not understand is that you cannot simply manufacture elite athletes in a vacuum. They come from somewhere. The role of public office holders is to ensure an appropriate level of public investment in their development.

There is clear evidence that shows a direct relationship between sporting success and government investment. Great Britain demonstrated this at the Sydney Olympics, where increased investment by the Blair government in both elite and community sport has reaped rewards in terms of medals, international prestige, national identity and community based sport participation levels. There is no point in reaching the pinnacle of world sport if you do not use that achievement to build and create a lasting legacy that inspires and benefits a nation. Yet we face the perverse situation where Australians have achieved an incredible number of personal bests and have won medals in Olympic sports, but the Australian Sports Commission will have to cut back or reduce because of a lack of funds from this government. There will be no Olympic legacy without continued investment in athletes, coaches, administrators and support staff. I call on the coalition to commit to continued sports funding.

United States: Regional Employment

Senator TIERNEY (New South Wales) (7.37 p.m.)—I have been very impressed with the employment opportunities that are opening up in regional areas in the USA through information age technology. It seems that the Internet and e-commerce have invaded areas
that were best known as the United States corn belt. The number of e-businesses that are now flowing into traditional agricultural areas is absolutely astounding. In Omaha, Nebraska, for example, a shift has taken place where the corn fields are now coexisting with information technology centres.

There is a lot that Australia can learn from what is happening in areas such as the centre of the United States. Businesses that would once centre their operations only in large cities are now opening up in middle America in the smaller towns and the smaller cities. Nebraska, for example, is one that is booming as a result of this change. It is a very small state—1½ million people. These people are clustered mainly towards the eastern end of the state, on the edge of the Missouri Valley. The two major centres are Omaha, which has a population of 680,000, and Lincoln, the capital, with a population of just over 200,000—about the size of Hobart. The pattern of the population and activity in Nebraska is very similar to my own area. It is like a combination of the Hunter Valley/Central Coast and the northern tablelands. Both areas are facing similar challenges in this era of rapid economic change as we move into the information economy. Like many Midwestern states, Nebraska is now meeting this challenge, having faced, particularly in the earlier part of the last century, a very major decline in economic activity and population. In the 1950s in the state of Nebraska, two pieces of key infrastructure actually reversed these trends. The Strategic Air Command located its major base headquarters near Omaha and there was the development of major transport routes in roads and railways. So the whole area in eastern Nebraska was very well linked in terms of transport and communications.

But the key to the drop in unemployment in cities like Omaha to two per cent—something that we could only envy at this stage in Australia—is the creation of the optic fibre network and its link-up through those areas. Omaha is a great example of how regional areas can actually flourish when this technology is introduced, where optic fibre and cables are placed in these strategic areas. What they help develop is a major cluster of businesses. The state government in Nebraska is encouraging this development in e-commerce through a range of concessions and strategies that attract businesses and employ increasingly almost the entire Nebraskan population. A study of businesses within Omaha, for example, by the Applied Information Management Institute found that firms were reporting significant growth in employment in the number of IT professionals. Numbers were expected to grow by five per cent annually over the next five years. Call centres have moved into these areas, employing in Nebraska 20,000 people, and related information industries are now employing over 30,000. With telephony systems already in place and up to speed, it has been very easy for call centres and related e-businesses to reposition in rural and regional areas in the more remote areas of Nebraska. So what initially started in the major centres like Omaha and Lincoln has now spread out to the grasslands.

The bonus that e-businesses have found in doing this is that the very high labour turnover experienced by some—for example, call centres—with turnover rates of up to 80 per cent per annum in their major urban centres drops dramatically once they move into the more remote areas. They find, for example, that underemployed farmers and their spouses are quite happy to supplement their incomes by working in these call centres or e-businesses out in the smaller centres in western Nebraska. The other thing that attracts these centres to these areas is a stable and very well-educated work force. Community leaders have recognised this and are trying to attract even more businesses into the area, tapping into the IT technology that exists and the very good levels of education.

There is also a developing number of partnerships between government, government agencies, universities and industries, and these are proving highly successful in the attraction and creation of small businesses. One very exciting innovation, for example, is a program that was developed by Professor John Allen, from the University of Nebraska. He has created a series of public/private partnerships through these smaller towns and centres, with key citizens and
businesses in the more remote areas being involved with expert advice which assists them to retain and expand business and to attract and create new businesses in these regions.

In villages and on isolated farms across the grasslands, there are many excellent examples of innovative new businesses that are setting up and thriving in quite remote areas, and some of them have international and very large US city markets. An example is spring water, which is a product that Professor John Allen helped develop in conjunction with one of the farmers in northern Nebraska. This farmer was a cattle rancher and he was not doing very well in cattle, but he did have excellent mountain spring water on his property. He gained expertise through a partnership arranged by the University of Nebraska, and this led to a very successful business. He is now selling bottled spring water via the Internet to areas like New York.

In many of the smaller centres of rural Nebraska, partnerships have been formed for the economic development of whole districts. These partnerships—and this is a little different from what happens in Australia—are usually between leading citizens in a community who work in conjunction with a professional economic developer. Strategies for lifting the level of development in the district are guided by these groups. They have had mixed success; it depends on the economic attraction of the area and on the abilities of the people in the community. In the town of Auburn, for example, where I spent an afternoon sitting in on one of their meetings, I saw how a local development group could help drive economic development, based on their own grassroots knowledge but with the assistance of a professional economic developer. During the meeting, it became obvious that the economic developer played a critical role in guiding the work of the committee and helping the local region expand economic activity.

Economic developers in the United States are part of a wider profession that does not seem to have any parallel in Australia. Their professional association is the American Economic Development Corporation, the heads of which I met in Chicago before going to Nebraska. The association holds national conferences and conducts training programs for economic developers at certificate level across the United States, and a number of universities offer degree minors in the field. This group is very keen to develop links with Australia. The CEO of the group has worked on clustering with areas like the Riverina and the Cairns region of northern Queensland. It would be very useful if such a profession could be established here, particularly for our more remote areas that need such expertise to help them to get the best out of economic development in their regions.

Given the findings of the Australian rural and regional summit about a year ago, which does encourage these sorts of partnerships, it seems that Nebraska can teach Australia quite a bit about developing partnerships between local communities, businesses and governments.

Senate adjourned at 7.48 p.m.

DOCUMENTS

Tabling

The following governments documents were tabled:

Aboriginal Land Commissioner—Report—No. 58—Barrow Creek (Kaytetye) land claim no. 161 and explanatory statement by the Minister for Aboriginal and Torres Strait Islander Affairs (Senator Herron).


Australian Communications Authority—Telstra’s compliance with the price control arrangements—Report for the period January 1998 to June 1999.


Australian Radiation Protection and Nuclear Safety Agency—Quarterly report for the period 1 April to 30 June 2000.


Final budget outcome 1999-2000—Report by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Mr Fahey), September 2000.


The following documents were tabled by the Clerk:

A New Tax System (Goods and Services Tax) Act—


Acts Interpretation Act—Statements pursuant to subsection 34C(6) relating to the extension of specified period for presentation of reports—


Aged Care Act—

Committee Amendment Principles 2000 (No. 1).


Information Amendment Principles 2000 (No. 1).

User Rights Amendment Principles 2000 (No. 2).


Australian Capital Territory (Planning and Land Management) Act—National Capital Plan—

Amendment 30.

Approval of Amendment 30.


Broadcasting Services Act—

Broadcasting Services (Events) Notice No. 1 of 1994 (Amendment No. 3 of 2000).

Determination under paragraph (c) of the definition of “broadcasting service” (No. 1 of 2000).

Civil Aviation Act—Civil Aviation Regulations—

Civil Aviation Orders—

Civil Aviation Amendment Order (No. 7) 2000.

Civil Aviation Amendment Order (No. 11) 2000.

Civil Aviation Amendment Order (No. 13) 2000.

Civil Aviation Amendment Order (No. 14) 2000.

Directive—Part—

105, dated 5, 6 [2], 7 [2], 13, 14 and 21 September 2000.


107, dated 25 August 2000.


Instruments Nos CASA 382/00 and CASA 388/00.


Currency Act—
Currency (Perth Mint) Determination 2000 (No. 3).

Currency (Royal Australian Mint) Determination 2000 (No. 6).


Fisheries Management Act—Australian Fisheries Management Authority Temporary Order No. 4 of 2000.


Miscellaneous Taxation Ruling MT 2000/2 (Addendum).


Remuneration Tribunal Act—Determinations 2000/08 and 2000/10; Remuneration and allowances for holders of public office.


Taxation Rulings—TR 2000/12 (Addendum), TR 2000/D12 (Draft Addendum), and TR 2000/D13 (Draft).

(Old Series)—IT 176 (Notice of withdrawal), IT 241 (Notice of withdrawal) and IT 2389 (Notice of withdrawal).


Telecommunications (Costs Attributable to Telecommunications Functions and Powers) Determination 2000.


Therapeutic Goods Order No. 66.

Veterans’ Entitlements Act—
  Determination under section 88A—Veterans’ Entitlements Treatment (Gulf War Health Study) Determination 14/2000.
  Instrument under section—

Indexed Lists of Files
The following documents were tabled pursuant to the order of the Senate of 30 May 1996 as amended 3 December 1998:
Indexed lists of departmental and agency files for the period 1 January to 30 June 2000—Statements of compliance—
  Centrelink.
Civil Aviation Safety Authority (CASA).
  Department of Health and Aged Care.
QUESTION ON NOTICE

The following answers to questions were circulated:

Justice and Customs Portfolio: Agency Boards
(Question No. 2157)

Senator O’Brien asked the Minister for Justice and Customs, upon notice, on 10 April 2000:

(1) How many agencies within the Minister’s portfolio are administered by a board.

(2) Are all members of the above boards appointed by the Governor-General on the advice of the Executive Council; if not, who is responsible for making board appointments.

(3) In each case, does the Remuneration Tribunal have a role in the setting of fees, allowances and other benefits for members of the boards; if not: (a) under which section of the relevant legislation are such fees, allowances and benefits authorised; and (b) how is the value of these fees, allowances and other benefits determined.

(4) In each case, what is the nature and value of fees paid to board members.

(5) What other benefits, such as mobile phones, home computers and home phone/facsimile machines, are provided to board members by virtue of their membership of a government board.

(6) What class of air travel, what standard of accommodation and what car allowances are paid to board members and, in each case, what is the value of these benefits and who determines that value.

(7) Are board members entitled to, or do they receive, any spouse benefits; if so, what is the nature and value of these benefits.

(8) (a) On how many occasions since January 1998 have the above fees, allowances and other benefits been varied, (b) what was the reason for each variation; and (c) what was the quantum of each variation.

(9) If variations to fees, allowances and other payments to board members were not determined by the Remuneration Tribunal, who determined the quantum and timing of each increase.

(10) Do board members qualify for, and are they paid, superannuation benefits; if so, are such payments additional to, and separate from, other allowances they receive.

(11) Do board members receive any additional allowances if they are appointed to board sub-committees; if so, are such additional benefits provided for in the relevant legislation.

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

(1) The Australian Institute of Criminology (AIC) is the only agency within the Attorney-General’s portfolio that is administered by a Board.

(2) The Board consists of the Director (CEO), 3 members appointed by the Attorney-General and 4 members appointed by the Criminology Research Council. The Director is appointed by the Governor-General.

(3) Remuneration of the Chairman and the Director of the AIC is determined by the Remuneration Tribunal. Other members may be paid benefits determined by the Tribunal subject to S.11(4) of the Criminology Research Act 1971.

(4) The sitting fees for the Chairman are $400 per day and $350 per day for eligible members. Travelling allowances per overnight stay are $245 for Sydney, $210 for Other Capital Cities and $175 for Other Locations.

(5) Members of the Board do not receive any benefits by virtue of their membership.

(6) Travel expenses for the Chairman and the Director of the AIC are paid in accordance with determinations of the Tribunal. All other members of the Board may be eligible for travel expenses subject to s.11 of the Act.
(7) The Director of the AIC is entitled to spouse benefits in accordance with determinations of the Tribunal relating to remuneration of Chief Executive Officers. All other members are not entitled to spouse benefits.

(8) The Tribunal altered the entitlements on 1 March 1999. On that occasion there was no change to the sitting fees payable to the Chairman and members. Travelling allowances were increased for Other Capital Cities by $10 per day and for Other Locations by $20 per day. The Remuneration Tribunal initiates an annual review of fees, allowances and benefits of all persons/agencies under its jurisdiction. The AIC did not initiate the review.

(9) Not applicable.

(10) The Director (as CEO) is entitled to superannuation benefits in accordance with Tribunal determinations.

(11) No allowances are payable to Board members for sitting on Board sub-committees.

**Minister for Health and Aged Care: Cost of Dinners or Functions**

(Question No. 2165)

Senator Robert Ray asked the Minister representing the Minister for Health and Aged Care, upon notice, on 12 April 2000:

(1) On how many occasion, between 1 April 1996 and 1 April 2000, did the department pay for dinners or functions, both in restaurants and elsewhere, attended by the Minister, not including those paid for and approved by the Ceremonial and Hospitality Unit of the Department of Prime Minister and Cabinet.

(2) In each instance: (a) when did the dinner or function take place; (b) what was the purpose of the dinner or function; (c) what was the venue for the dinner or function; (d) how was the dinner or function paid for, for example, invoiced to the department, credit card, reimbursement, etc.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

I cannot authorise the time and effort entailed to obtain the information requested, which is unrelated to the priorities of the Health portfolio.

**Agriculture, Fisheries and Forestry Portfolio: Agency Boards**

(Question No. 2214)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 4 May 2000:

(1) Do chairpersons of any boards that administer agencies within the Minister’s portfolio receive any payments, or other allowances, in addition to those paid to other board members; if so: (a) what is the nature of these additional payments or allowances; and (b) how is the quantum of these additional payments determined.

(2) On how many occasions since January 1998 have the above payments been varied, and in each case: (a) what was the reason for the variation; (b) who determined the quantum of the variation; and (c) what was the quantum of the variation.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) Yes.

(a) The fees paid to Chairs and other board members (ie non-executive part time office holders) of agencies within the Minister’s portfolio (ie agencies subject to the Commonwealth Authorities and Companies Act 1997) are set out in the Remuneration Tribunal’s Determination No. 3 of 1999 (as amended by Determination 2000/01). The Determination can be found at the following website: http://www.dofa.gov.au/remtribunal

(b) The quantum of the additional payments is determined by the Remuneration Tribunal.
(2) On one occasion, in March 1999.
   (a) The Remuneration Tribunal conducted a review of annual and daily fees for part-time public office holders.
   (b) The Remuneration Tribunal.
   (c) See the Remuneration Tribunal website given in the answer to question 1.

**Justice and Customs Portfolio: Agency Boards**

(Question No. 2215)

**Senator O’Brien** asked the Minister for Justice and Customs, upon notice, on 4 May 2000:

(1) Do chairpersons of any boards that administer agencies within the Minister’s portfolio receive any payments, or other allowances, in addition to those paid to other board members; if so: (a) what is the nature of these additional payments or allowances; and (b) how is the quantum of these additional payments determined.

(2) On how many occasions since January 1998 have the above payments been varied, and in each case: (a) what was the reason for the variation; (b) who determined the quantum of the variation; and (c) what was the quantum of the variation.

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

In relation to the Australian Institute of Criminology (AIC), which is the only relevant agency within the Attorney-General’s portfolio, I am advised that:

(1) The Chairman of the Board of Management of the AIC receives sitting fees of $400 per day as against $350 per day for eligible members. The Remuneration Tribunal determines the quantum of such payments.

(2) The Remuneration Tribunal altered entitlements for the Chairman and members on 1 March 1999. On that occasion there was no change to sitting fees payable to the Chairman and members.

**Canada and Denmark: Pig Meat Imports**

(Question No. 2259)

**Senator O’Brien** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 May 2000:

(1) What has been the level and value of pig meat imports from Canada and Denmark, on a monthly basis, since January 1998.

(2) (a) What is the level of subsidies provided to Canadian and Danish pig meat producers and/or exporters; and (b) What is the structure of these subsidies.

(3) How have these subsidies varied since January 1998.

(4) Has the Minister raised the issue of subsidised pork exports with the Danish Government; if so: (a) when were those discussions held; and (b) what was the outcome of the discussions; if not: (a) does the Minister plan to initiate such discussions; and (b) when will the discussions take place.

**Senator Alston**—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The following table outlines, on a monthly basis, both the total volume and value (on a cost including freight basis) of pig meat imports to Australia from Denmark and Canada since January 1998.

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<td>1,542,776</td>
<td>$5,265,745</td>
</tr>
<tr>
<td>Sep-00</td>
<td>1,263,393</td>
<td>$4,616,998</td>
</tr>
<tr>
<td>Feb</td>
<td>2,304,877</td>
<td>$8,559,460</td>
</tr>
<tr>
<td>Mar</td>
<td>2,888,786</td>
<td>$11,148,116</td>
</tr>
<tr>
<td>Apr</td>
<td>2,921,162</td>
<td>$11,248,869</td>
</tr>
<tr>
<td>May</td>
<td>1,896,453</td>
<td>$6,934,199</td>
</tr>
<tr>
<td>Jun</td>
<td>709,310</td>
<td>$2,799,671</td>
</tr>
</tbody>
</table>

(2) (a) Denmark – According to the latest Organisation for Economic Cooperation and Development (OECD) Producer Support Estimate data, support to EU pig meat producers is estimated to be equivalent to 10% of their total farmgate receipts (approximately A$1.9 billion) in 1999. The OECD does not provide a separate estimate of the level of support provided to Denmark as a Member of the EU. Denmark is eligible for all subsidy programs administered by the European Commission.

(b) Via the Common Agricultural Policy support to pig meat in the EU is provided through the use of a basic (intervention) price, the provision of storage aids and export refunds (subsidies). No intervention purchasing has taken place since 1971.
Storage aids are provided for specified product and for specified periods up to 12 months. Export refunds are provided on exports of pig meat and pig meat products to bridge the gap between the (higher) EU and the world price. According to the European Commission, the level of refund set depends, primarily, on:

(i) Prices and supplies of pig meat in the EU
(ii) Prices and supplies of pig meat on world markets
(iii) Difference in feed grain costs on world and EU markets
(iv) Competitive conditions in third country markets.

The provision of these refunds is not uniform across pig meat products or markets. EU commitments under the World Trade Organisation Agreement on Agriculture set the maximum volume of pig meat and pig meat products eligible for refunds at 402,000 tonnes from 1 July 2000.

(a) **Canada** - According to the latest Organisation for Economic Cooperation and Development (OECD) Producer Support Estimate† data, support to Canadian pig meat producers is estimated to be equivalent to 12% of their total farmgate receipts (approximately A$360 million) in 1999.

(b) Canada does not provide export subsidies to pig meat or pig meat products. However, in the past direct support has been provided to producers by Provincial Governments. Information on the level of these subsidies has not been supplied to the World Trade Organisation under reporting procedures for the years 1998 or 1999. As a result, information on the type and/or structure of Canadian support is limited. However, OECD data include, where possible, subsidies provided at the sub national level.

† The Producer Support Estimate is an indicator of the value of gross transfers from consumers and taxpayers to support agricultural producers, measured at the farm gate. In addition to including direct subsidies to agricultural producers the Producer Support Estimate also takes into account border protection measures (e.g. tariffs) in raising domestic prices.

(3) **Denmark** – Export refunds for pig meat are currently regulated by the EU under Commission Regulation No 751/2000 which fixes the level of refund.

Export refunds for pig meat products are not uniform. Different levels are applied for different cuts as well as for different export destinations. Under the European Union’s WTO export subsidy commitments a ceiling is placed on the total volume of exports upon which refunds can be applied, as well as the total value of such subsidies. Exporters in all EU countries can apply for these refunds. Danish pig meat exports depending upon the particular cut to Australia have benefited from EU export refunds.

The level of refunds applied to exports since 1998 have varied. From May 1998 onwards export refund levels have risen and the list of eligible products extended. The increases were in response to a decline in world pig meat prices. In September 1998 the storage aid subsidy mentioned in 2(b) was also introduced to further stabilise pig meat prices.

The levels of these subsidies remained stable until late 1999 at which point the storage aid was eliminated. Since that time, export refunds have steadily declined as world pig meat prices have firm.

Under Australia’s quarantine import requirements, only certain types of pig meat product may be imported. As an example of trends in the movement of EU refunds since they peaked in 1998/99, an analysis of refund levels for the specific category of meat of swine; other; boneless; legs, fore-ends, shoulders or loins, and cuts thereof, provides a useful guide (product code 0203 19 55 9110).

### EU Export Refunds on Boneless Pig Meat

<table>
<thead>
<tr>
<th>Commission Regulation No.</th>
<th>Date in Force</th>
<th>Meat of swine, fresh chilled or frozen: other; boneless; legs, fore-ends, shoulders or loins, and cuts thereof (product code: 0203 19 55 9110) – Applicable export refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2443/97</td>
<td>9 December 1997</td>
<td>0</td>
</tr>
<tr>
<td>499/98</td>
<td>2 March 1998</td>
<td>0</td>
</tr>
<tr>
<td>1003/98</td>
<td>13 May 1998</td>
<td>0</td>
</tr>
<tr>
<td>1720/98</td>
<td>31 July 1998</td>
<td>ECU 30/100 kg (1 ECU=A$1.60)</td>
</tr>
</tbody>
</table>
### Commission Regulation No. Date in Force Meats of swine, fresh chilled or frozen: other: boneless: legs, fore-ends, shoulders or loins, and cuts thereof (product code: 0203 19 55 9110) – Applicable export refund

<table>
<thead>
<tr>
<th>Regulation No.</th>
<th>Date in Force</th>
<th>Export Refund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2210/98</td>
<td>14 October 1998</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>2498/98</td>
<td>19 November 1998</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>2634/98</td>
<td>8 December 1998</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>1536/1999</td>
<td>13 July 1999</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>1916/1999</td>
<td>7 September 1999</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>2400/1999</td>
<td>11 November 1999</td>
<td>ECU 40/100 kg</td>
</tr>
<tr>
<td>552/2000</td>
<td>14 March 2000</td>
<td>ECU 35/100 kg</td>
</tr>
<tr>
<td>751/2000</td>
<td>11 April 2000</td>
<td>ECU 25/100 kg</td>
</tr>
<tr>
<td>1244/2000</td>
<td>14 June 2000</td>
<td>ECU 15/100 kg</td>
</tr>
<tr>
<td>1461/2000</td>
<td>4 July 2000</td>
<td>0</td>
</tr>
</tbody>
</table>

Although the level of refund applied by the EU varies for individual products the trend in export refunds for all cuts has generally been similar to that identified in the table above.

In 1998/99 EU export refund licences were granted for 742,600 tonnes. This level includes a carryover of unused allowable subsidy levels from previous years. From 1 July 2000, the volume of pig meat eligible for export refunds will be limited to 402,000 tonnes, a reduction of 340,600 tonnes from the actual level of subsidised exports in 1998/99.

**Canada** – Detailed statistics are not available for trends in subsidy levels in Canada for pig meat. The OECD PSE for Canada shows that support levels have risen over the past two years. Canada’s 1999 pig meat PSE as a percentage of total farmgate receipts stood at 12% (C$320 million), up from 8% (C$197 million) in 1998.

(4) (a) I raised the Government’s concern with subsidised pork exports to Australia with Danish Minister for Food, Agriculture and Fisheries, HE Mrs Ritt Bjerragaard, by letter in April 2000.

I also wrote to the European Commissioner for Agriculture and Rural Development, Dr Franz Fischler. In these letters I urged that Australia be removed from the list of markets eligible for EU export refunds, especially in light of the fall that from 1 July 2000, the volume of EU pig meat eligible for refunds under WTO rules would be halved.

I endorsed the inclusion of this matter on the agenda for the annual Australia/EU Ministerial Consultations, originally scheduled for May 2000 in Australia. However, because of other factors these Consultations have had to be postponed.

(b) In June this year Minister Bjerragaard responded to my letter and acknowledged that whilst some Danish exports of pig meat did indeed receive export refunds, pressures placed on European Union export refunds by its WTO commitments from 1 July 2000 would make it necessary for the EU to revisit the use of all export refunds.

Whilst Commissioner Fischler has not at this stage responded, the European Union has taken action on this matter. On 4 July the European Commission adopted Commission Regulation No. 1461/2000 which amended the level of export refunds on pig meat products and removed completely export refunds on a large range of products including all products that have been exported to Australia. This decision will provide benefits to Australian producers by reducing the competitive pressure from EU subsidised exports not only on the domestic market but also on international markets.

Whilst the scope exists within the WTO rules for the European Union to re-apply export refunds on product types exported to Australia (albeit up to a much lower level than previously), the Government recognises the need to remain vigilant.

**Methyl Parathion: Use in Australia**

(Question No. 2291)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 31 May 2000:
(1) What conditions apply to the use of the pesticide methyl parathion in Australia.

(2) Is this pesticide widely used in Australia.

(3) (a) When were these conditions imposed on the use of the pesticide; and (b) what process led to the imposition of these conditions.

(4) Were the conditions relating to the use of the pesticide reviewed following its banning in the United States of America (US); if so, what was the outcome of this review; if not, why not.

(5) On what basis was the ban placed on the use of the pesticide in the US.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) The National Registration Authority for Agricultural and Veterinary Chemicals (NRA) gazetted a set of new conditions in April 1999, to take effect on 31 December 1999. Some of the conditions remain unchanged from those that applied previously.

The new conditions are extensive. These are set out in full at pages 20-27 of the Commonwealth of Australia Gazette No NRA 4 of 6 April 1999. The conditions are to apply for an interim period until final regulatory decisions on the use of methyl parathion are made by the NRA. Methyl parathion is currently being reviewed by the NRA under its Existing Chemicals Review Program (ECRP).

The interim conditions cover, but are not limited to, the following matters: the application equipment and techniques which may be used; measures to protect human health and the environment; the provision of information by registrants to users; supply to, and use of, the chemical by persons with appropriate training or authorisation; keeping of certain records of use; and withholding periods for harvesting or allowing grazing of treated areas.

The unaltered conditions on use are:

- specification of the crops to which the chemical may be applied;
- specification (for each crop) of the pest(s) which may be targeted;
- specification of the concentration, or range of concentrations, at which the chemical should be applied for each pest/crop combination;
- specification of the States and Territories in which the chemical may be used, and the crops, target pests and application rates for which use is permitted in those States and Territories;
- guidance on timing of application; and
- prohibition of use of methyl parathion in home gardens.

Some conditions vary between the different methyl parathion products that are currently registered.

(2) Yes. Methyl parathion is registered for use in Australia on the following crops: cotton, stone and pome fruit, citrus, vines, vegetables and cruciferous forage crops (eg swedes, turnips), tobacco and clover seed crops. Methyl parathion is used extensively in the production of cotton, and pome and stone fruits.

(3)(a) Refer to the answer to question (1).

(b) The imposition of the interim conditions arose from the current ECRP review of methyl parathion. The ECRP systematically re-examines currently registered agricultural and veterinary chemicals to determine whether they continue to meet contemporary standards for registration (in accordance with Division 4 of Part 2 of the Agricultural and Veterinary Chemicals Code Act 1994). The interim review report was published in March 1999.

With effect from 6 April 1999, the NRA has required registrants of methyl parathion products to undertake certain additional trial work to satisfy concerns relating to human health, occupational health and safety, residues and the environment. While trials are being undertaken, the risks associated with previous methyl parathion use practices in Australia are addressed by the interim conditions imposed in 1999. Based on the data obtained from the additional trial work the NRA will make a final regulatory decision. If the data prove to be inadequate or do not support continued use of methyl parathion, the NRA has a legal obligation to cancel or suspend the registration of methyl parathion.
Methyl parathion was not banned in the United States of America (US): approval for its use on all fruit, many vegetables and some non-food crops was cancelled. Methyl parathion may still be used on a range of major crops in the US. Other measures were taken to protect workers’ health in situations where methyl parathion is still registered for use. These actions followed a review of methyl parathion by the US Environmental Protection Agency (USEPA). The USEPA announced its actions on 2 August 1999.

One reason for the US restrictions was that methyl parathion was found to pose an unacceptable acute dietary risk to children. The cancellation of some uses substantially reduced the potential dietary intake of residues by children. This action also had the effect of reducing risks to workers and the environment.

The USEPA is required by legislation to consider the application of additional safety factors for certain sub-populations, including children and women of reproductive age, when establishing health exposure standards for pesticides. The USEPA applied these factors when reviewing methyl parathion, setting the acceptable dietary exposure for children at a lower level. This more conservative level was exceeded under the pre-existing use patterns, hence the finding of unacceptable acute dietary risk. Most other countries and the World Health Organisation (WHO) consider that current safety factors are adequate to protect children and women of reproductive age.

As methyl parathion was already under review in Australia and subject to interim conditions on use, those conditions were not reviewed following the action taken in the US. Australian regulatory authorities have been in close contact with US regulatory officials for a number of years in regard to this matter. There is presently insufficient evidence that there is a need to ban the use of methyl parathion on fruit and vegetables in Australia. The Australian dietary exposure standard is more conservative than that set by the WHO and the pesticides regulatory agencies of most other countries. Australian exposure standards are based on highly sensitive human toxicology assessment techniques.

### Australian Electoral Commission: Provision of Electoral Rolls to Australia Post

(4) and (5) Methyl parathion was found to pose an unacceptable acute dietary risk to children. The cancellation of some uses substantially reduced the potential dietary intake of residues by children. This action also had the effect of reducing risks to workers and the environment.

(1) Has Australia Post used an electronic version of the Electoral Roll provided by the Australian Electoral Commission (AEC); if so, (a) when did the AEC provide the Electoral Roll; and (b) for what purpose(s) has it been used.

(2) Has Australia Post ever sought legal advice as to the lawfulness of using the Electoral Roll for those purposes; if so, from whom has this legal advice been sought.

(3) Following the provision of the legal advice, was Australia Post satisfied that the use of the Electoral Roll was in fact lawful; if so, on what basis was Australia Post satisfied that the use of the Electoral Roll was lawful.

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

Based on advice received from Australia Post:

(1) Australia Post was provided with an electronic version of the Electoral Roll by the Australian Electoral Commission (AEC) in September 1999 and May 2000 for the purpose of pre-sorting the address data into mail delivery order. This was done as part of the AEC’s preparation for the November 1999 Referendum and the proposed June 2000 Tax Reform mail-outs.

On both occasions, the data was returned in pre-sorted form on compact disk to the AEC. The data was not used for any purpose other than pre-sorting addresses. No copies were retained by Australia Post.

(2) and (3) Australia Post did not seek any legal advice as to the lawfulness of the use of the Electoral Roll for that purpose.
Airservices Australia: Staff Retirements and Redundancies
(Question No. 2360)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 15 June 2000:

(1) How many Airservices Australia (ASA) staff have retired or have accepted voluntary redundancy packages since 1 January 1999.
(2) How many of the above staff, who retired or accepted redundancy packages, have been re-engaged by ASA since 1 January 1999.
(3) In each case: (a) what is the nature of the relationship between the person who has been re-engaged and the Authority; (b) what is the duration of the contract or other form of engagement; (c) what is the nature of the work being undertaken; and (d) what is the remuneration for the work being undertaken.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Airservices Australia advises:
(1) 1,088.
(2) One person has been re-engaged.
(3)(a) Re-engaged by Airservices through a Temporary Employment Contract.
(b) Ongoing Temporary Employee Contract (part-time 22hrs per week).
(c) Environmental Officer.
(d) $44.10 per hour.

Telephone Sex Service Providers
(Question No. 2367)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on the 20 June 2000:

(1) Which telephone sex service providers are now compliant with the new Telecommunications (Consumer Protection and Service Standards) Act 1999.
(2) How many numbers have been made available in the 1901 range for the telephone sex services.
(3) How many customers have taken up personal identification numbers for telephone sex services.
(4) How many evidentiary certificates have been issued by the Australian Broadcasting Authority (ABA).
(5)(a) How many complaints have been made to the Australian Communications Authority (ACA) regarding the new Act; (b) who were the complainants; and (c) what was the substance of their complaints.
(6) When will the results of the ABA’s monitoring of telephone sex line advertising be available.

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

Based on advice from the Australian Communications Authority (ACA) and the Australian Broadcasting Authority (ABA),
(1) As there are no registration requirements on telephone sex service providers, a list of the telephone sex providers compliant with the new legislation is not available.
(2) The Australian Communications Authority (ACA) has issued a block of 100,000 numbers to Telstra for 1901 numbers. The ACA advises that Telstra has issued 225 of these numbers to telephone sex services as at 29 June 2000.
(3) The ACA has advised that Telstra has issued 250 personal identification numbers as at 29 June 2000. However it should be noted that many purchasers of these services are now paying for the
service by credit card and do not need a PIN number. A PIN is only needed where the charge for the telephone sex service is to be included in the telephone bill.

Other carriers are currently not offering these services.

(4) To date the ABA has not issued an evidentiary certificate pursuant to section 158F of the Telecommunications (Consumer Protection and Service Standards) Act (the Act). However, the ABA has received requests from the ACA for advice on a number of services, which are being considered in this way.

(a) The ACA advises that they have received 14 written complaints as at 29 June 2000. A number of verbal representations have also been received from bureaux and telephone sex service providers.

(b) The complaints can be broken into the following groups:

- General Public: 8
- Telephone Sex providers: 4
- Members of the Federal Parliament: 2
- Total: 14

The substance of these complaints can be broken down into the following groups:

- 1900 and 1902 numbers being disconnected by carriage service providers: 1
- Continued advertisement of telephone sex services in print media: 5
- Advertisement of telephone sex services as chat lines: 7
- Request for definition of the term sexual gratification as used in the Act: 1

On 30 November 1999, the Minister directed the ABA to conduct an investigation into the advertising of designated telephone sex services during the period between 1 December 1999 and 30 November 2000. The Minister directed that the ABA provide him with interim reports during the investigation, and a final report by 15 December 2000.

The ABA has provided the Minister with two reports to date.

### Department of Transport and Regional Services: Programs and Grants to the Eden-Monaro Electorate

**Senator O'Brien** asked the Minister representing the Minister of Transport and Regional Services, upon notice, on 27 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 1996-7, 1997-98 and 1998-99 and 1999-00 financial years.
3. What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

**Senator Ian Macdonald**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

### The Road Safety Black Spot Program

1. The Federal Road Safety Black Spot Program provides funding to projects within the federal electorate of Eden Monaro.
2. The value of projects approved under the Black Spot Program for each of the financial years 1996-97, 1997-98, 1998-99 and 1999-00 for the federal electorate of Eden Monaro is as follows:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-97</td>
<td>$200,000</td>
</tr>
<tr>
<td>1997-98</td>
<td>$501,000</td>
</tr>
</tbody>
</table>
The value of projects approved under the Black Spot Program for the financial year 2000-01 for the federal electorate of Eden Monaro is $0.

**Eden Region Adjustment Package**

(1) The Eden Region Adjustment Package of $3.6m supplements private sector investment in employment-generating projects in the Eden region. The Package is the joint responsibility of Senator the Hon Ian Macdonald, Minister for Regional Services, Territories and Local Government and the Hon Wilson Tuckey MP, Minister for Forestry and Conservation. The Package is primarily administered by the Department of Agriculture, Fisheries and Forestry-Australia with advice provided by the Department of Transport and Regional Services.

(2) Although successful projects were announced by Senator Macdonald and Mr Tuckey on 20 June 2000, funding has not yet been provided.

(3) No money has been appropriated in 2000-2001 to this portfolio for the Package. Funding will be provided through the Department of Agriculture, Fisheries and Forestry-Australia.

**Regional Communities Programs**

(1) The Department of Transport and Regional Services currently administers two programmes under the Regional Communities Programs: the Rural Plan (RP) and the Rural Communities Program (RCP). The Department of Transport and Regional Services has administered RP and RCP since March 1999.

(2) The Rural Plan Program has been extant since 1997/98, therefore data is only available commencing from that period. Projects which included in their geographic scope the federal electorate of Eden Monaro, received Rural Plan funding of $29,8420 in 99-00, and Rural Communities Program funding of $37,500 in 97-98, $75,000 in 98-99 and $93,680 in 99-00.

(3) In the financial year 2000-01, $142,900 has been allocated to Rural Plan and $52,500 allocated to Rural Communities Programs projects which include in their geographic scope the federal electorate of Eden Monaro.

**Rural Transaction Centres Program**

(1) The Rural Transaction Centres (RTC) Program provides funding to projects within the federal electorate of Eden-Monaro.

(2) The RTC Program commenced in March 1999, funding approval for individual projects was first made in July 1999. Payments made in the 1999-2000 financial year in the Eden-Monaro electorate were:

- **Bermagui**
  Bega Valley Shire Council received $5,000 to prepare a business plan to assess the feasibility of establishing an RTC in Bermagui.

- **Bombala**
  An RTC Medicare Easyclaim service operates in the Bombala Post Office. No RTC Program funds were allocated, but the RTC Program facilitated the establishment of the service which is operated by Bombala Council.

- **Bungendore, Captains Flat**
  Yarrowlumla Council received $5,000 to prepare a business plan to assess the feasibility of establishing an RTC in the towns of Bungendore and Captains Flat.

- **Delegate**
  The Delegate Progress Association received $3,000 to prepare a business plan to assess the feasibility of establishing an RTC in Delegate.
Perisher Valley
The Mt Kosciusko Chamber of Commerce received $8,325 to prepare a business plan to assess the feasibility of establishing an RTC in Perisher Valley.

Tuross Heads
The Eurobodalla Shire Council received $8,300 to prepare a business plan to assess the feasibility of establishing an RTC in a number of communities in the council area (Tomakin, Mossy Point, Broulee, Tuross Heads, Bodall, Dalmeny and Central Tilba Tilba).

(3) In the financial year 2000-01, $23,633,000 has been allocated to the RTC Program for funding Australia wide. The Program is community driven and funds are allocated on receipt and assessment of applications.

Local Government Incentive Program
(1) The Local Government Incentive Program provides funding to projects within the federal electorate of Eden Monaro.

(2) $626,000 was provided in 1999-2000 under the Local Government Incentive Program to the Local Government and Shires Associations of New South Wales to assist councils, including those in the Eden Monaro electorate, to prepare for the Goods and Services Tax.

(3) Approximately $4 m remains available under the Local Government Incentive Program for expenditure during 2000-01. These funds are available to assist councils throughout Australia.

Local Government Development Program
(1) The Local Government Development Program provides funding to projects within the federal electorate of Eden Monaro.

(2) Funding provided under the Local Government Development Program (LGDP) is as follows:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Financial Year Approved</th>
<th>LGDP funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional State of the Environment Reporting – Yarrowlumla Council</td>
<td>1998/99</td>
<td>$100,000*</td>
</tr>
</tbody>
</table>

* Payments under this project made in 1999/00 ($90,000) and anticipated in 2000/01 ($10,000)


Local Government Financial Assistance Grants
(1) Local Government Financial Assistance Grants are payable under the Local Government (Financial Assistance) Act 1995 to Local Government Authorities in New South Wales, including those in the federal electorate of Eden Monaro.

(2) Local Government Financial Assistance Grants to the Federal Electorate of Eden Monaro from 1996-97 to 1999-00 are as follows:

<table>
<thead>
<tr>
<th>Council Name</th>
<th>Financial Year</th>
<th>General Purpose Funding ($)</th>
<th>Roads Funding ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bega Valley Shire</td>
<td>1996/1997</td>
<td>$2,219,200</td>
<td>$945,056</td>
<td>$3,164,256</td>
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<tr>
<td></td>
<td>1997/1998</td>
<td>$2,311,184</td>
<td>$915,768</td>
<td>$3,226,952</td>
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<td>1998/1999</td>
<td>$2,382,344</td>
<td>$942,084</td>
<td>$3,324,428</td>
</tr>
<tr>
<td></td>
<td>1999/2000*</td>
<td>$2,508,196</td>
<td>$971,984</td>
<td>$3,480,180</td>
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<tr>
<td>Bombala</td>
<td>1996/1997</td>
<td>$677,852</td>
<td>$438,560</td>
<td>$1,116,412</td>
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<td>1997/1998</td>
<td>$667,892</td>
<td>$365,024</td>
<td>$1,032,916</td>
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<tr>
<td></td>
<td>1998/1999</td>
<td>$660,760</td>
<td>$374,524</td>
<td>$1,035,284</td>
</tr>
<tr>
<td></td>
<td>1999/2000*</td>
<td>$667,016</td>
<td>$386,068</td>
<td>$1,053,084</td>
</tr>
<tr>
<td>Council Name</td>
<td>Financial Year</td>
<td>General Purpose Funding ($)</td>
<td>Roads Funding ($)</td>
<td>Total ($)</td>
</tr>
<tr>
<td>------------------------</td>
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<td>-----------------------------</td>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Cooma-Monaro Shire</td>
<td>1996/1997</td>
<td>$1,447,096</td>
<td>$575,844</td>
<td>$2,022,940</td>
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<tr>
<td></td>
<td>1997/1998</td>
<td>$1,425,384</td>
<td>$555,440</td>
<td>$1,980,824</td>
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<tr>
<td></td>
<td>1998/1999</td>
<td>$1,453,760</td>
<td>$537,864</td>
<td>$1,991,624</td>
</tr>
<tr>
<td></td>
<td>1999/2000*</td>
<td>$1,431,664</td>
<td>$552,804</td>
<td>$1,984,468</td>
</tr>
<tr>
<td>Eurobodalla Shire</td>
<td>1996/1997</td>
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* Estimated entitlement only. Actual entitlement available mid August 2000.
(P) = Part of Yarrowlumla Shire falls in the Federal Electorate of Hume

(3) The estimated entitlement of Local Government Financial Assistance Grants for New South Wales in 2000/01 is $427,151,554. The entitlement for each Council will be known in mid August 2000.

**National Highway and Designated Roads of National Importance**

(1) Funding is provided under the Australian Land Transport Development (ALTD) Program for the National Highway and Designated Roads of National Importance.

(2) $120,000 was provided in 1997/98 for route selection studies for Main Road 92, a designated Road of National Importance, which in part traverses this electorate. No funds were provided in the other years listed in the question.
(3) $1m is allocated for planning studies and environmental assessment for Main Road 92 in the 2000/01 ALTD program.

Department of Family and Community Services: Missing Laptop Computers
(Question No. 2503)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 28 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) 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 Newman—The answer to the honourable senator’s question is as follows:

(1) Yes
   (a) Two.
   (b) Thirty two.
   (c) $84,175.
   (d) $2,500.
   (e) Ten laptops replaced, two recovered.

(2) Yes
   (a) Thirty two.
   (b) Two.
   (c) Two.
   (d) Two, with laptops recovered and returned to the portfolio.

(3) Thirty three.

(4) A small number of documents were classified “in-confidence” or “commercial-in-confidence”. The policy of agencies within the portfolio is that laptops are either password protected or encrypted to safeguard information.

(5) (a) and (b) Not known. Two laptops with documents recovered.

(6) A staff member has been counselled regarding the loss of a laptop.

Attorney-General’s Department: Missing Laptop Computers
(Question No. 2510)

Senator Faulkner asked the Minister representing the Attorney-General, upon notice, on 28 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 Vanstone—The Attorney-General has provided the following answer to the honourable senator’s question:

I have been advised by my Department and agencies within my portfolio of the following information on the loss and theft of laptop computers:

**Administrative Appeals Tribunal**

(1) Yes (a) None (b) Two (c) $4,000 (d) $3,200 (e) Replaced

(2) No

(3) None

(4) Not applicable

(5) (a)-(b) Not applicable

(6) Changed security arrangements for laptop computers kept on Tribunal premises have now been instituted.

**Australian Customs Service**

(1) Yes (a) None (b) Seven (c) The Australian Customs Service leases its computer hardware from EDS Australia (d) None (under the leasing arrangement with EDS Australia) (e) Replaced

(2) Yes (a) Four (b) None (c) None (d) None

(3) Seven

(4) None

(5) (a) None (b) Not applicable

(6) None

**Australian Federal Police**

(1) Yes (a) None (b) Four (c) $19,000 (d) $5,000 (e) None have been recovered. One has been replaced.

(2) Yes (a) One (b) None (c) None (d) None

(3) Three

(4) One computer had some documents, believed to be small in number, classified as ‘protected’

(5) (a)-(b) None

(6) None
Family Court of Australia

(1) Yes (a) One (b) One (c) $8,500 (d) Not replaced. Both items were being held pending write-off and disposal. (e) No
(2) Yes (a) One (b) One (c) None (d) One, with no result
(3) None
(4) Not applicable
(5) (a)-(b) Not applicable
(6) In the case concluded, an officer authorised under the Public Service Act investigated the circumstances and did not find evidence of negligence on the part of staff associated with the theft. Guidelines entitled "Advice on Security for Your Computer" have been promulgated to all staff in the Family Court. Laptops currently on issue have sophisticated measures protecting data contained on hard disks.

Federal Court of Australia

(1) Yes (a) Two (b) One (c) $7,690 (d) $3,906 (e) Two were replaced.
(2) Yes (a)-(d) One laptop was stolen during a home burglary. This burglary has been investigated by police without any results. The other losses were not referred to the police.
(3) None
(4) Not applicable
(5) (a)-(b) Not applicable
(6) Procedures for handling hardware undergoing repair or installation have been amended to ensure such items are stored securely.

High Court of Australia

(1) Yes (a) None (b) One (c) $5,985 (purchase price in 1998) (d) $1,500 (for computer of same type and age) (e) No
(2) Yes (a) One (b) None (c) None (d) Not applicable
(3) One
(4) None
(5) (a) All necessary documents were recovered from backup files on the Court’s network. (b) Not applicable
(6) The officer involved was reminded of the Court’s security procedures which require that portable computers at all times be kept within the officer’s sight and possession, or properly secured.

Human Rights and Equal Opportunity Commission

(1) Yes (a) Two (b) None (c) $1,469 (d) $6,000 (e) No
(2) No
(3) Two
(4) None
(5) (a) None (b) Not applicable
(6) Security procedures have been reviewed. The number of laptops purchased has been reduced.

Insolvency & Trustee Service Australia

(1) Yes (a) None (b) One (c) $2,800 (d) $3,700 (e) No
(2) Yes (a) One (b)-(d) None
(3) One
(4) None
(5) (a) None (b) Not applicable
(6) Security procedures have been reviewed. The number of laptops purchased has been reduced.

Office of Director of Public Prosecutions

(1) Yes (a) Three lost or stolen (b) see (a) (c) $15,735 (d) $5,245 (e) No
(2) Yes (a)-(d) Two of the items lost or stolen were reported to the police, but the Office is not aware of any investigations being commenced.
(3) Two
(4) Two with confidential classification
(5) (a)-(b) None
(6) Procedures on the issue and control of laptops were updated.

Office of Film and Literature Classification

(1) Yes (a) None (b) Two (c) Approximately $8,000 (d) $4,500 (e) Neither computer was recovered: one was replaced
(2) Yes (a) Two (b) There are no ongoing investigations by police into these thefts (c) None (d) Not applicable
(3) Two
(4) None
(5) (a) None (b) Not Applicable
(6) No disciplinary action was considered warranted in either incident, as both incidents involved unforeseeable burglaries of the OFLC’s premises and of the then Director’s house. Both officers had taken reasonable precautions to protect the computers in accordance with OFLC requirements.

Department of Family and Community Services: Missing Desktop Computers

Senator Faulkner asked the Minister for Family and Community Services, 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 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 Newman—The answer to the honourable senator’s question is as follows:
(1) Yes
(a) None.
(b) Two printers, twelve personal computers and an external zip drive were stolen.
(c) $11,096.
(d) Printers $160 each; personal computers $2,100 each; external zip drive $100.
(e) One personal computer and one printer have been replaced.
(2) Yes
(a) Fourteen.
(b) None. Police inquiries have been inconclusive.
(c) and (d) See answer to 2(b).
(3) Twelve.
(4) None.
(5) (a) and (b) Nil.
(6) Because police inquiries have been inconclusive no disciplinary action has been undertaken.

Attorney-General’s Department: Missing Computer Equipment
(Question No. 2529)

Senator Faulkner asked the Minister representing the Attorney-General, 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 Attorney-General has provided the following answer to the honourable senator’s question:

I have been advised by my Department and agencies within my portfolio of the following information on the loss and theft of laptop computers:

Attorney-General’s Department

(1) Yes (a) None (b) Three Compaq Deskpro IBM compatible PCs (c) $7,482 (d) $7,482 (e) Replaced
(2) Yes (a) Three (b)-(d) None
(3) None
(4) Not applicable
(5) (a)-(b) Not applicable
(6) No action can be taken pending outcome of police investigation.
Australian Customs Service

(1) Yes (a) None (b) Four 16Mb memory chips (c) Customs does not own any computer hardware but leases it from EDS Australia (d) Nil (e) Replaced
(2) No
(3) Not applicable
(4) Not applicable
(5) (a)-(b) Not applicable
(6) None

Bankstown Airport: Arrivals and Departures
(Question No. 2538)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 28 June 2000:

(1) Since 1 July 1999, what has been the average number of weekly arrivals and departures from Bankstown Airport.
(2) Over the above period, what was the average number of weekday arrivals, departures and transiting aircraft between the hours of 6am and 8am.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

Airservices Australia has advised that it does not record data on departures, or transit by non-landing flights, at Bankstown Airport.

(1) Since 1 July 1999, the following weekly averages were recorded:
Weekly Arrivals = 1315 per 7 day period
Weekly Circuits = 1514 per 7 day period

(2) Since 1 July 1999, the following averages for the hours between 6am and 8am were recorded:
Average weekday arrivals (Mon to Fri) = 17 per 5 day period
Average weekday circuits (Mon to Fri) = 24 per 5 day period

Please note that a circuit comprises one take-off and one landing by the same aircraft.

Department of Foreign Affairs and Trade: Salaries
(Question No. 2562 and 2567)

Senator Faulkner asked the Minister representing the Minister for Foreign Affairs and the Minister for Trade, upon notice, on 7 July 2000:

As a dollar amount and as a percentage of the department’s total outlay on salaries, what was the cost of: (a) staff training; (b) consultants; and (c) performance pay, in the 1999-2000 financial year.

Senator Hill—The Minister for Foreign Affairs and the Minister for Trade have provided the following answer to the honourable senator’s question:

(a) Staff training - Figures relating to the total cost of training within the Department of Foreign Affairs and Trade for 1999-2000 are still being compiled. The figure available as at 24 July 2000 was $5.666 million. This figure included payments to service providers, including language tutors, and other training related expenses including course development, venue hire, and travel involved in attending training. This outlay on training represents 2.62 per cent of the department’s total outlay on salaries for 1999-2000.

(b) Training consultancies - A single training consultancy was conducted in 1999-2000 for the development of an integrated management/leadership and professional skills program. The cost was $49,850. This represents 0.02 per cent of the department’s total outlay on salaries for 1999-2000.

In preparing these figures total outlay on salaries has been taken to include all components of salaries and allowances.

**Insolvency and Trustee Service of Australia: Notices**

(Question No. 2580)

Senator Harris asked the Minister representing the Attorney-General, upon notice, on 11 July 2000:

1. Is it the practice of the Insolvency and Trustee Service of Australia to issue a bankruptcy notice on behalf of the official receiver: (a) with more than one natural person on a notice; (b) without a seal of the official receiver; (c) signed by a person other than the official receiver.

2. If a notice is issued as described in 1(a), would only one filing fee be paid by a creditor in respect of the notice, rather than a filing fee for each individual person named on the notice.

3. If the answer to any of the above is in the affirmative, will the Minister investigate whether this situation is in accordance with the Bankruptcy Act 1966.

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

1. (a) Yes. If the notice presented to the Insolvency and Trustee Service Australia (ITSA) for issue is in that form, it is ITSA’s practice to issue a single bankruptcy notice to joint debtors. This practice has been considered by the Federal Court which has found that the fact that a notice named joint debtors did not invalidate it.

   (b) Yes, as no such seal is required by the relevant Schedule of the Bankruptcy Regulations (Form 1 in Schedule 1).

   (c) Yes, as Form 1 relevantly requires only a ‘signature or stamp of [an] Official Receiver or delegate or authorised officer’.

2. Yes. The fee prescribed in Schedule 9 of the Bankruptcy Regulations is “For the issue of a bankruptcy notice”, and does not vary according to the number of debtors named in it.

3. I am advised that this situation is in accordance with the Bankruptcy Act 1966.

**India: Australian Drought Relief Aid**

(Question No. 2585)

Senator O’Brien asked the Minister representing the Minister for Foreign Affairs, upon notice, on 19 July 2000:

1. When did India request financial assistance from the Australian Government for drought-affected regions and when was drought assistance for India approved.

2. (a) What assessment was made of the severity of the drought in India;

    (b) what was the basis of that assessment;

    (c) what were the results of that assessment; and

    (d) who undertook that assessment.

3. If the same assessment criteria applied to domestic applications for drought assistance was not applied, why not.

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

1. The Indian Government has a long-standing policy of not requesting international assistance for natural disasters. However, given the severity of the drought, United Nations relief agencies issued appeals for assistance following requests from Indian State Governments. UN agencies requested
Australian assistance through the Australian High Commission in New Delhi in late April. The decision to provide assistance was made on 14 May 2000.

(2)(a) Assessments of the severity of the drought were made in conjunction with local authorities by United Nations agencies including the Organisation for the Coordination of Humanitarian Assistance (OCHA), United Nations Disaster Management Teams (UNDMT), United Nations Children Fund (UNICEF), the World Food Programme (WFP) and non-government organisations World Vision and CARE. Representatives from the Australian High Commission in New Delhi participated in the donor briefings and other related meetings. The Government was concerned by reports that at least 50 million people were affected by the drought in eleven states.

(b) Decisions to provide humanitarian assistance overseas are based on an assessment of needs by those experienced in responding to emergencies. In the case of India, assessments were made by the organisations mentioned earlier including United Nations Disaster Management Teams from the Organisation for the Coordination of Humanitarian Assistance (OCHA), the United Nations Children Fund (UNICEF), the World Food Programme (WFP) and the Red Cross movement. The Australian High Commission provided further reports as our representatives in India met with these agencies to review their relief efforts.

The various assessments included reports from the Red Cross in late April noting that mortality rates were rising, particularly among the more vulnerable sectors of the community (children and the aged). The general health of the population was declining, with rising levels of malnutrition due to the poor diet on which many people were subsisting. There was an increasing risk of diseases spreading through contamination as people and animals shared the same water sources.

In mid-May, UNICEF reported more than 15% of India’s population was affected by the drought and at risk. In Gujarat State alone 100,000 children under the age of five years and about 15,000 pregnant women at relief sites were identified as needing specific support and care with health and nutrition. Already temperatures were consistently above 45 degrees centigrade with higher temperatures expected during the coming summer months. Reports from relief agencies commented that the collective efforts of the Indian Government and non-government organisations would be insufficient to deal with the crisis.

(c) The Government’s evaluation of the various reports resulting from field assessments by many relief agencies was that the scale of the crisis warranted international humanitarian assistance. At that time, the Government considered options for an effective and appropriate Australian response.

(d) Options for an Australian response were developed by Australia’s Agency for International Development.

(3) Assessments and decisions on providing drought assistance within Australia are made by the Department of Agriculture, Forestry and Fisheries. The Australian Agency for International Development (AusAID) provides assessments and recommendations for overseas humanitarian assistance to Mr Downer, as Minister responsible for Australia’s overseas aid program. The assessment criteria for Government assistance in domestic circumstances are not applied to disaster-affected communities overseas.

Official development assistance is only available to eligible countries listed by the OECD including Least Developed Countries, Low Income Countries, Lower Middle Income Countries and Upper Middle Income Countries. Living standards in these countries are substantially lower than in Australia meaning that natural disasters, such as droughts, will be liable to affect mortality and morbidity rates, particularly of vulnerable groups such as children under five, lactating women and the elderly.

Department of Family and Community Services: Register of Contracts
(Question No. 2593)

Senator Bartlett asked the Minister for Family and Community Services, upon notice, on 24 July 2000:

(1) Can an outline be provided of the means by which your department records and manages a register, if any, of contracts which include commercial-in-confidence provisions.
(2) Can a list be provided of all contracts signed since 1 July 1999, which have commercial-in-confidence provisions, and against each contract so signed, please indicate the reasons for commercial-in-confidence provisions.

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

(1) The Department of Family and Community Services (FaCS) and the Child Support Agency (CSA) each maintain a manual register of contracts, including information on the name of the provider, description of the services and the value of the contract.

CRS (Australia) maintains an electronic database register of contracts with very restricted access, which includes information on the name of the provider, description of the services, timing of the services, special conditions, personnel provided and the value of the contract.

Centrelink maintains a general register of contracts which records certain details regarding the contract including, the name of the contractor, a description of the services, the contract value and contract term. This register does not however identify contracts with specific commercial-in-confidence provisions as such.

All contracts contain a definition of confidential information and a disclosure of information clause. These clauses address the portfolio’s obligations under the Social Security (Administration) Act 1999, the Disability Services Act and the Privacy Act and give general legal protection to prevent unauthorised release of Commonwealth or Contract Material.

"Commercial-in-confidence" on the other hand is a general legal principle applying to the business dealings of parties to any transaction that has financial and legal consequences. This principle is observed in all commercial dealings including government contracting. On an administrative level particular documentation or files may be identified with the commercial-in-confidence label to restrict general release without the permission of the contracting parties.

(2) Not applicable to the Department of Family and Community Services (FaCS), the Child Support Agency (CSA) or CRS (Australia).

Centrelink is unable to provide a list of all contracts signed since 1 July 1999. To do so would be administratively onerous and would replicate information published in the Gazette. Each contract (in excess of 1500 contracts) would have to be analysed on a case by case basis for commercial-in-confidence provisions.

All Centrelink contracts contain provisions to manage confidential information. This is done because confidential information may be given during the performance of the contract. This cannot always be forecast when the contract is drafted. Accordingly, a general provision is used to manage confidential information.

Department of Family and Community Services: Salaries

(Question No. 2609)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 25 July 2000:

(1) What was the Department’s total outlay on salaries and salary-related costs in the financial years: (a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

(2) As a dollar amount and as a percentage of the Department’s total outlay on salaries, what was the cost of contracts for outsourced services and functions in the financial years: (a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

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

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Department of Family and Community Services

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<th></th>
<th>(a) 1996-97</th>
<th>(b) 1997-98</th>
<th>(c) 1998-99</th>
<th>(d) 1999-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CRS</td>
<td>Salaries</td>
<td>N/A</td>
<td>72.1M</td>
<td>77.5M</td>
</tr>
<tr>
<td></td>
<td>Contract</td>
<td>N/A</td>
<td>0.4M</td>
<td>4.2M</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>N/A</td>
<td>0.6%</td>
<td>5.4%</td>
</tr>
<tr>
<td>2. CSA</td>
<td>Salaries</td>
<td>*N/A</td>
<td>80.9M</td>
<td>119.5M</td>
</tr>
<tr>
<td></td>
<td>Contract</td>
<td>N/A</td>
<td>12.6M</td>
<td>48.4M</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>N/A</td>
<td>15%</td>
<td>40.5%</td>
</tr>
<tr>
<td>3. CORE</td>
<td>Salaries</td>
<td>N/A</td>
<td>76.1M</td>
<td>91.1M</td>
</tr>
<tr>
<td></td>
<td>Contract</td>
<td>Nil</td>
<td>1.3M</td>
<td></td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>N/A</td>
<td>0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Total FaCS</td>
<td>Salaries</td>
<td>N/A</td>
<td>229.1M</td>
<td>288.1M</td>
</tr>
</tbody>
</table>

*N/A – FaCS was formed through changes to administrative arrangement orders on 20.10.98, therefore figures are not available for these years.

The definition of outsourced services is outsourcing is the result of contracting out the delivery of government activities previously performed by an agency, to another organisation. The activity which is undertaken to achieve this result is submitted to competitive tender and the preferred provider of the activity is selected from the range of bidders by evaluating offers against predetermined selection criteria.

Centacare, Tasmania: Work Potential Profile Questionnaire  
(Question No. 2621)

**Senator Brown** asked the Minister representing the Minister for Employment Services, upon notice, on 27 July 2000:

1. Is the Minister aware of the “Work Potential Profile” that the Tasmanian agent Centapact requests that long term unemployed clients complete.

2. Can the Minister explain the rationale behind asking questions such as: (a) some people try to hypnotise me so that they can get me to do things; (b) I have been plotted against; (c) I often hear voices without knowing where they come from; (d) sometimes I see animals, people or things that others who are with me do not see; (e) some of my friends ask too many questions; or (f) I feel I am possessed by evil spirits.

3. What happens to these questionnaires once they are completed and what is the information used for.

**Senator Alston**—The Minister for Employment Services has provided the following answer to the honourable senator’s question:
(1) Centacare (known as Centapact in Tasmania) has informed my department that their Job Network offices in Tasmania and in other states, use the “Work Potential Profile” as an assessment tool to assess job seekers’ skills and barriers to employment. Job seekers are provided with a thorough explanation of the purpose and content of the instrument, advised that its completion is voluntary and that clients are free to decline to answer any questions that cause them concern.

(2) The ‘Work Potential Profile’ is an assessment instrument designed by the Australian Council for Educational Research (ACER). The Council is a professional and highly reputable research organisation with an established domestic and international reputation for the development of testing instruments. My department has asked Centacare to modify the questionnaire.

(3) Centacare has informed my department that the information gathered from the questionnaire is used to assist in the identification of the needs of Intensive Assistance clients. In accordance with the terms of the Employment Services Contract, all Job Network members must comply with the Information Privacy Principles. All information relating to job seekers collected by Centacare, including job seekers’ responses to this questionnaire, is regarded as highly confidential. Any information collected cannot be released to other organisations or employers without the express permission of the person concerned. All job seeker records must be destroyed or returned to Centrelink at the end of the job seeker’s period of assistance from the Job Network member.