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WEDNESDAY, 4 OCTOBER

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Wednesday, 4 October 2000

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

RENEWABLE ENERGY (ELECTRICITY) BILL 2000

In Committee

Consideration resumed from 3 October.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.31 a.m.)—by leave—I move:

(1) Clause 5, page 6 (after line 18), after the definition of senior officer, insert:

small generation unit means a device that generates electricity that is specified by the regulations to be a small generation unit.

(3) Page 13 (after line 28), after Subdivision B, insert:

Subdivision BA—Small generation units

23A When a certificate may be created

(1) If a small generation unit is installed on or after 1 January 2001 and the small generation unit displaces non-renewable electricity, certificates may be created after the small generation unit is installed.

(2) Whether a small generation unit displaces non-renewable electricity is to be determined in accordance with the regulations.

23B How many certificates may be created

The number of certificates (each representing 1 MWh) that may be created for a particular installation of a small generation unit is to be determined in accordance with the regulations.

23C Who may create a certificate

(1) The owner of the small generation unit at the time that it is installed is entitled to create the certificate or certificates that relate to the small generation unit.

(2) However, the owner may, by written notice, assign the right to create the certificate or certificates to another person. If the owner does this, the owner is not entitled to create the certificate or certificates but the person to whom the right was assigned is entitled to create the certificate or certificates.

(3) Despite subsections (1) and (2), a person who is not registered may not create a certificate that relates to the small generation unit.

23D No other certificates to be created

A person must not create certificates under Subdivision A in respect of electricity generated by a small generation unit.

Senator BOLKUS (South Australia) (9.31 a.m.)—Yesterday evening I suggested that there might be some questions the opposition had in respect of these amendments, although we are supporting the amendments. The questions are probably more appropriately raised under the government’s amendments on liability, further down the track. So I will not raise them at this stage; we will get to them later on.

Amendments agreed to.

Senator BOLKUS (South Australia) (9.32 a.m.)—I move opposition amendment No. 1:

(1) Page 7 (after line 2), at the end of Part 1, insert:

7A Tax deductibility

To avoid doubt, a charge or penalty under this Act is not tax deductible for the purposes of any law dealing with income tax.

This amendment goes to the question of the tax deductibility of the so-called charge, or penalty. I believe the Democrats have an identical amendment. The government’s intentions, as expressed by the Australian Greenhouse Office, are for the penalty not to be tax deductible. That is something that was expressed to the parliament through the Senate committee process. However, what is not clear is whether the legislation makes that specific enough. There is some confusion, I believe, about the particular provisions in the legislation and whether they do in fact clarify the situation to ensure that the penalty or the charge—whatever we call it—is not tax de-
ductible. So this opposition amendment seeks to clarify the situation and to make sure that the charge is a non tax-deductible charge.

The problem we have in this area is that, if in fact it does become tax deductible, the whole impact of what the government is proposing would be undermined enormously. Economic modelling conducted by the government itself on the appropriate level at which the penalty has been set was based on a penalty of $40 per megawatt hour, which is not tax deductible. If it becomes tax deductible, the impact, the real cost, of the charge would therefore be reduced quite substantially. So it is basically to meet the government’s intention to ensure that the charge is levied at an appropriate level—although we would argue that the level it is set at may also need to be looked at down the track—and to ensure that, for the moment, we do protect the level of the charge that we move this amendment.

Amendment agreed to.

Senator BROWN (Tasmania) (9.35 a.m.)—I will be moving amendments Nos 2 and 3 at this stage, and I will move amendment No. 3 with the next bracket of amendments. Generators—that is, people who are making electricity—will have to apply, under my amendments, for accreditation to be able to create renewable energy certificates from the generation of renewable energy and will have to make clear that it is environmentally sound. This bill as it stands does not specify what information they need to provide to that end in their application. My amendments require them to specify the source and the estimated output of each type of renewable energy—for example, solar energy or wind energy—they intend to generate. Australian Greens amendments Nos 10 and 11, yet to be moved, require this information to be made public so that there is public input into the whole process. At the moment, under this legislation, the process effectively shuts the public out from having a say. Generators gain access to a potentially lucrative market if they are accredited under this legislation, if they get certificates. The public has a right to know, therefore, what sort of renewable energy generation they are supporting by giving this accreditation. We are in the position where the debate on this legislation is really about the mix of alternatives that the government is classing as energy renewables—that is, green power. We had a lengthy debate last night—and we will be following this up today—about the fact that the government and the Labor Party are accrediting as green power woodchips from native forests being burnt in furnaces and turned into electricity. It is quite extraordinary that both the big parties are doing that.

Because we know we do not have the numbers to stop that travesty, this amendment seeks to at least put some transparency into it. It will require generators, when they get a certificate from the government which will enable them to sell their power as green power, to explain where that power is coming from and how much is being generated. Last night I put a question for the opposition and the government to get informed about overnight, and that is whether they support Southwood, the project in southern Tasmania now being flagged by Forestry Tasmania. Forestry Tasmania is looking for international investment to burn 300,000 tonnes of native forest per annum, in a furnace, to produce 30 megawatts of power to sell up through the Basslink line to be built in the next couple of years—if the governments of Tasmania and Victoria and the Howard government have their way—as green power into the Melbourne market. This legislation legitimises a fraudulent sale of electricity, as green power, to unsuspecting customers in the Australian market.

If the government and the Labor Party are determined to do this, it is very important that they at least have the decency to ensure that the public, who are buying this power as green power, know that it is coming from burnt forests, burnt wildlife habitats, burnt wedge-tailed eagle nesting sites, burnt ring-tail possum woodlands, burnt tallest forests in the Southern Hemisphere, burnt rainforests, and burnt wildlife ecosystems. The government and the Labor Party may have this disdainful attitude to Australia’s environment being burnt, but I do not think anybody should accept that they can do so by deceiving the Australian public through leg-
islation like this. Legislation should not set out to deceive, but this obviously does.

The first amendment by the Australian Greens is saying, ‘If you are going to give to a generator of burnt forest power a certificate saying it is green and renewable, at least let the public know that the power they are buying from that generator is coming out of destroyed forests.’ I recommend these amendments to the chamber.

Senator BOLKUS (South Australia) (9.40 a.m.)—The Labor Party support amendments (2) and (2A), and Senator Brown may want to seek leave to move amendments (10) and (11) together with (2) and (2A). All four of those amendments go to application for accreditation and a register of applicants. We believe it is important for the information that will be used by the regulator to make a decision to accredit a power station to be made more public, and we believe a register of applicants for accreditation of power stations is something that is worth having. Senator Brown, if you want to pick up (10) and (11) in this debate, they do come together in a sense, and we are prepared to support those four.

Senator ALLISON (Victoria) (9.41 a.m.)—The Democrats have some questions to raise about amendments (2) and (2A), so I would be reluctant to see those grouped together. I think we can support the latter amendments. Amendments (2) and (2A) have some appeal to us, but I am concerned that we may be creating a very difficult situation for generators by asking them to be specific about the kinds of renewable power that they would be intending to generate. I can imagine that there would be some generators who would have a range of renewable sources in their portfolios, and it might be very difficult at the point of accreditation—which, I understand, needs to take place before January next year—for them to do that.

Whilst I think the Democrats can see that there is a useful purpose in the public having access to information of this sort, perhaps there is a more useful stage at which this could be provided, such as when the retailers or wholesalers actually buy those certificates. Perhaps that is the point at which the public needs to know the source of the renewable energy, rather than at the point of accreditation. I see real problems associated with the mechanics of that. I would be interested in what the government has to say on that issue, as well as Senator Brown.

Senator Brown—Have the Democrats got alternative amendments to that effect?

Senator ALLISON—No, I am sure we would be pleased to develop some quite quickly if the government could give us some indication of its view on what I have just talked about.

Senator BROWN (Tasmania) (9.44 a.m.)—I do not accept that situation. I have put the case clearly that we are seeking for the generators themselves to know, at the outset, that the electricity they are producing is environmentally sound and that they should be clear with the public about that. When they are investing and when they are installing the capacity to produce power, and when they intend to on-sell to wholesalers or retailers as green energy, they should be prepared to be publicly accountable. That is what the Greens amendments set out to do. I would suggest to Senator Allison that she support these amendments and that she comes in with modifications to them at some later stage if she has got a problem with them. I would find it remarkable for the Democrats to be opposing these amendments, which are all about public accountability.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.45 a.m.)—Senator Allison has asked for the government's view on Senator Brown's amendments (2) and (2A), particularly with respect to the administrative burden at the accreditation stage. From the advice I have received, our view would be that (2A) would create an unnecessary and counterproductive administrative burden which would be contrary to the objects of the act—that is, to actually increase the use of renewable energy. In relation to amendment (2) the government be-
lieves that the provisions of division 3 give
the regulator very broad powers in relation to
the information that that office would re-
quire. In fact, (2)(c) of the bill says:
(2) The application must:
(c) contain any information required by the
Regulator.
I do not believe that you could possibly
frame anything broader than that. So we re-
ard Senator Brown’s amendments as not
adding to the administrative functions of the
bill. In fact, we regard them as unnecessary
and we will not be supporting them.

Senator BOLKUS (South Australia) (9.46
a.m.)—I find that answer quite incredible. If
one were to look at Senator Brown’s
amendments—leaving (3) aside for the mo-
ment because we are not dealing with that
right now—one would see that, with respect
to (2A), the only requirement on the regula-
tor, Senator Allison, is that:
The Regulator must enter details of the applica-
tion on the register of applications for accredited
power stations.
That is not a great amount of information.
Those details would be available to the
regulator. If the regulator is performing any
sort of function, then the regulator must have
those details. It could turn out to be one
page. It does not have to turn out to be vol-
umes. If, further down the track, as you have
indicated, you will be supporting the register
of applications, what will go on that register
of applications if you do not support
amendments (2) and (2A)? You would have
an empty shell. I think Senator Brown has
come up with the base amount of informa-
tion that would go on this register. As he
says, there may be other information that you
would like to go on it. My understanding is
that the government has already identified
some problems with this legislation and will
come back with an amending bill some time
later down the track. So we will have an op-
portunity at that stage, in the not too distant
future, to revisit some of these clauses if you
so desire.

But, I think for the moment by way of a
holding pattern, if one were to look at what
would be required under (2) and (2A), they
really could not rail against the level of in-
formation. Its base is sufficient to give peo-
ples a fair idea and also to make people ac-
countable. Once you get this sort of infor-
mation on a public register then the public
will at least have an idea to be able to assess,
for instance, whether the Labor Party in this
debate has made the wrong decision with
respect to some of the provision that we have
allowed through and they will also be able to
test the government’s legislation. So I would
ask the Democrats to revisit this if they
could, particularly on the basis of their sup-
port for a register further down the track in
this debate. My query to them would be: ‘If
you support a register, why can’t this level of
information at least be a starting point?’

Senator IAN CAMPBELL (Western
Australia—Parliamentary Secretary to the
Minister for Communications, Information
Technology and the Arts) (9.48 a.m.)—Could
I just make it clear for anyone who is fol-
lowing the debate that there is in fact a reg-
ister of the accredited power stations. I think
the concern that is being raised by the
Democrats and which the government is
concerned with is that you are now seeking a
new register, which is in fact a new bureau-
cratic and administrative burden not only on
the regulator but also on those organisations
seeking to register with respect to just the
applications. I would have thought that it
meets all burdens of necessary public ac-
countability to ensure not only that there is a
register of the accredited power stations in
existence but also that it be, as part 139 of
the bill says, ‘maintained electronically’ and
‘available for inspection on the Internet’. I
do not think you can actually get a much
higher burden of public accountability than
that. I think it is appropriate that the register
contain the details of the accredited power
stations, not—as I think Senator Brown’s
amendment does, if I read it correctly—that
a new register of all the applications should
be created. I apologise to Senator Brown if I
am reading it incorrectly, but I think that in
(2A) he does refer to the entering of details
of applications on a register of applications
for accredited power stations.

Senator BROWN (Tasmania) (9.50
a.m.)—My amendment is pretty clear. It says
that the eligible renewable power sources
from which power is intended to be generated should be effectively made public and so should the estimated average annual output of each source—that is, how much power is being produced from which renewable energy form. Can the government point to where that is required in this legislation? Can the government or the Democrats say why it should not be required that the public have information about each generator of electricity which is being favoured by the giving of certificates saying their electricity is green, that is, that it is renewable? Can the government or the Democrats show where in this legislation there is an accountability for that? Does the public not have a right to know that? Where under the definition of ‘regulator’ of renewable energy does it specify that this information is required? It is not there. My amendment puts it there.

Senator ALLISON (Victoria) (9.51 a.m.)—I think the Democrats could accept these amendments except for the requirement to estimate the ‘average annual output of each source listed under subparagraph (i)’ et cetera. It seems that, in the system that is set up by this legislation of tradeable certificates, there may be a problem in asking generators to nominate the actual amount that they will generate. I think we could support this if there was greater clarity about how that estimation would work. For instance, would the generators be required to come back annually and update the estimate? Would it be updated every six months? What would be the impact of those predictions on the capacity of the generators to trade their certificates? This will be very much a market based system whereby the number of certificates that a generator holds to have traded will, to some extent, determine the value of those certificates. I feel a little concerned about the implications of that point. It is reasonable to ask generators to indicate what sorts of power sources they will be using. Obviously we want to know which of them will be looking to forests for biomass to generate electricity. That is our key concern. I would have thought that, from a public point of view, it would be useful for us to know that. I am just uncertain about the implications of asking generators to estimate their output annually. I think there are a couple of downsides to that and I would be interested in the government’s views.

Senator BROWN (Tasmania) (9.54 a.m.)—I ask Senator Allison, through you, Chair: what is the problem? You have a person who is producing power and wants to sell it onto the market and wants to get the advantage of calling it green power with a Howard government certificate. This amendment simply says, ‘Say how much power you are producing.’ What is the problem?

Senator BOLKUS (South Australia) (9.54 a.m.)—I am not trying to pick on Senator Allison at the moment; I am trying to see whether we can work this through and get an acceptable set of words. I would have thought, Senator Allison, that any company—whatever business they were in—would be making future year projections which, more often than not, would be made publicly available. In that context, I would imagine the information—like the information she is concerned about—in many other circumstances in other industry sectors would also be made available. I am wondering what her actual concern is as to the provision of estimates. We know that they are estimates and, as a consequence, companies will be not bound to meet them. To the best of their endeavours, they would be expected to come up with estimates, but they are not going to be hung if their estimates are off. In ensuring the provision of estimates, at the start of the financial year one would be able to get some understanding of what is expected for the duration of that year in the whole sector. That is where those estimates would be of value. I am trying to work out Senator Allison’s concern as to the requirement that estimates be provided.

Senator ALLISON (Victoria) (9.56 a.m.)—This is not an amendment which has been able to be canvassed with the industry. That is one of my problems in supporting it, although I may be persuaded to do so, depending on what the government says about the issue. My concern is whether, if it is an estimated average, it gets updated or not. What do we do with the information when we have it, apart from make it public? Is there a downside for the industry? The last
thing we want to do is to put unnecessary constraints on our real renewables industry, and that is my concern. However, as I say, the Democrats are supportive of the notion and see good arguments for it.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.57 a.m.)—The government has consulted with the industry on this. I am advised their position is that they are opposed to this for the very reasons that Senator Allison has alluded to—that is, it is an unnecessary burden. This is a market based solution. We are trying to encourage a renewable energy industry. I say, ‘We are’: I do not know whether Senator Brown wants to see that industry encouraged or not or whether his real agenda basically is to reduce energy consumption in Australia. I think he alluded to that yesterday. He would rather see energy consumption go down. That may be the ultimate solution in Senator Brown’s mind. We on this side of the chamber believe that you need to develop a sustainable, strong, growing, economically viable, internationally competitive renewable energy industry, and that is the ultimate solution to moving away from reliance on non-renewable sources. The industry, in this respect, have said that the requirements of the regime as framed by the government will encourage that to occur.

Our understanding of their position on this is that this amendment will harm their commercial position and undermine market sensitive information and it is not necessary to do this to comply with public accountability standards. As I have said, a register of the accredited power stations will be created and it will be available for inspection on the Internet. So people will know which power stations are involved, the name of the registered person operating that accredited power station, the identification code for the power station and any other information that the regulator considers appropriate. We believe that that meets all of the requirements. We also believe that the further impositions that the amendment proposed by Senator Brown would create would undermine the regime and harm the development of a renewable energy sector.

Senator BROWN (Tasmania) (9.59 a.m.)—Can Senator Campbell tell the committee who in the industry has said they do not want the amendment?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.59 a.m.)—My advice is that the government has liaised broadly with the renewable energy sector on this, and that it is a widely held view.

Senator BROWN (Tasmania) (10.00 a.m.)—That is a fudge. Let me give you an example of who would not want it: the woodchippers. Senator Campbell says that this amendment—which simply requires the power producers to say where they are getting their power from: is it wind, is it solar, or is it native forests?—would give information that would undermine market sensitive information. It sure will. The public gets to know that their so-called ‘green power’ is coming from the destruction of native forests in Western Australia, Victoria, New South Wales or Tasmania. They do not want that product. I am sure it will. But this is a deceit of the government’s making, supported by the Labor Party now, which says that you are going to put burning of forests in the same category as solar power, when of course they ought not be. People want solar power but they also want to keep the forests. So the government is arguing effectively for this amendment. I do not think that there is any creditable producer of green power in the country who is not going to be very happy to say what their source of power is. The amendment is a good commonsense improvement on the government legislation.

Senator ALLISON (Victoria) (10.01 a.m.)—I just want to indicate that the Democrats will support this amendment. We do have reservations about it that I have already expressed. I will take the opportunity to make contact with, in particular, the wind and solar energy people to get some feedback from them on what they think of this provision. On balance, I think it is a relatively minor part of the whole bill, and so we will support it.
Senator BROWN (Tasmania) (10.02 a.m.)—To facilitate the bill moving forward, I suggest these two amendments be moved together with two amendments that Senator Bolkus flagged.

The TEMPORARY CHAIRMAN (Senator Chapman)—Senator Brown, to assist you, I might just point out that Senator Allison objected to that proposition.

Senator Ian Campbell—I think her objection has been overcome, though.

The TEMPORARY CHAIRMAN—Senator Allison, could you please indicate whether you are happy for amendments Nos 10 and 11 also to be put together with (2) and (2A). Do you support all of those amendments?

Senator ALLISON (Victoria) (10.03 a.m.)—Yes, we will support those amendments.

Senator BROWN (Tasmania) (10.03 a.m.)—by leave—I move all four amendments:

(2) Clause 13, page 10 (after line 10), after paragraph (b), insert:

(ba) list:

(i) the eligible renewable power sources from which power is intended to be generated; and

(ii) the estimated average annual output of each source listed under subparagraph (i); and

(2A) Clause 13, page 10 (after line 15), at the end of the clause, add:

(3) The Regulator must enter details of the application on the register of applications for accredited power stations.

(10) Clause 135, page 80 (line 8), at the end of the clause, add:

(d) the register of applications for accredited power stations.

(11) Page 83 (after line 14), at the end of Part 13, add:

Division 5—The register of applications for accredited power stations

141A Contents of register of applications for accredited power stations

The register of applications for accredited power stations is to contain:

(a) the name of each applicant for an accredited power station; and

(b) the location of the electricity generation system; and

(c) the eligible renewable energy source or sources proposed to be used by the power station; and

(d) any other information that the Registrar considers appropriate.

141B Form of register

(1) The register must be maintained by electronic means.

(2) The register is to be made available for inspection on the Internet.

The TEMPORARY CHAIRMAN—The question is that Greens amendments Nos 2, 2A, 10 and 11 be agreed to.

Question resolved in the affirmative.

Senator BROWN (Tasmania) (10.03 a.m.)—At this juncture I would ask leave of the committee to move Australian Greens amendments Nos (3), (4), (5), (7), (14) and (15) together.

The TEMPORARY CHAIRMAN—Senator Brown, could I intervene to advise you that amendment No. 7 no longer exists on your revised sheet.

Senator BROWN—I do not have the revised sheet. So be it. I think we just have to be aware of that.

The TEMPORARY CHAIRMAN—Proposed amendment No. 7 is removed from that group that you sought leave to move.

Senator BROWN—If the committee is happy with that, I am.

Leave granted.

Senator BROWN—I formally move amendments (3), (4), (5), (14) and (15) together:

(3) Clause 14, page 10 (after line 25), after paragraph (2) (a), insert:

(aa) the Minister has determined, after a public environmental assessment, that the use of each eligible renewable energy source with an average annual output exceeding 10 GWh is ecologically sustainable; and

(4) Page 11 (after line 16), after clause 15, insert:
15A Revocation of accreditation
If the owner of an accredited power station:
(a) fails to comply with any conditions required as a result of the public environmental assessment; or
(b) fails to provide the information required under section 16A;
the Regulator may revoke all accreditation of the power station.

(5) Page 11 (after line 20), after Clause 16, insert:
16A Power station owner to notify Regulator of certain matters
The owner of an accredited power station must notify the Regulator in writing of:
(a) any proposed additional renewable power source from which power is intended to be generated by that power station; and
(b) any proposed increase in the capacity of an existing eligible renewable power source that results in an estimated average annual output from that source exceeding 10 GWh.

(14) Page 94 (after line 23), at the end of the bill, add:
163 Schedule 1 (procedures for public environmental assessments)
Schedule 1 has effect.

(15) Page 94 (after line 23), at the end of the bill, add:
SCHEDULE 1—PROCEDURES FOR PUBLIC ENVIRONMENTAL ASSESSMENTS
Note: See section 163.

1 Explanation of this Schedule
This Schedule sets out the procedures for a public environmental assessment to be undertaken before the Minister makes a determination under paragraph 14(2)(aa) that the use by a power station seeking accreditation of each eligible renewable energy source with an average annual output exceeding 10GWh is ecologically sustainable.

2 Interpretation
In this Schedule:
aplicant means a registered person who makes an application under section 13 for an accreditation of a particular electricity generation system.

public environmental assessment means a public environmental assessment under this Schedule.
public notice means a notice published:
(a) in the Gazette; and
(b) on the Internet; and
(c) in a daily newspaper circulating in the region where the relevant power station is located.

3 Applicant to supply information
(1) As soon as practicable after lodging an application with the Regulator under section 13, the applicant must supply to the Minister such information as the Minister requires in order to make a determination under paragraph 14(2)(aa).
(2) The Minister may require the applicant to provide, within a reasonable period, such other information as is specified and is necessary for the purpose of the assessment.

4 Contents of public environmental assessment
To the extent appropriate to the circumstances of the case, a public environmental assessment must:
(a) include information and technical data adequate to permit a careful assessment of the impact of the eligible renewable energy source on the environment; and
(b) describe the environment that is likely to be affected by the use of the eligible renewable energy source; and
(c) assess the potential impact on the environment of the use of the eligible renewable energy source, including, in particular, the primary, secondary, short-term, long-term, adverse and beneficial effects on the environment of the proposed use of the eligible renewable energy source; and
(d) include information adequate to permit a careful assessment of the use of the eligible renewable energy source in the context of the principles of ecological sustainability; and
(e) assess the level of ecological sustainability likely to be achieved by the use of the eligible renewable energy source; and...
(f) recommend any conditions on the use of the eligible renewable energy source which should be attached to the determination; and

(g) cite any sources of information relied upon, and outline any consultations during, the preparation of the public environmental assessment.

5 Form of public environmental assessment

(1) The format, layout and publication process adopted in relation to a public environmental assessment must be such as to minimise, as far as convenient, the cost of the preparation or obtaining, and submission to the Minister of the assessment and of making the assessment available to the public in accordance with this Schedule.

(2) A public environmental assessment must contain a clear and concise summary of the matters dealt with by it.

6 Public environmental assessment to be made available for public comment

(1) A draft public environmental assessment must be made available for public comment before being forwarded to the Minister.

(2) The person who carries out the assessment must cause a public notice to be published:

(a) stating that the draft public environmental assessment has been made available for public comment; and

(b) listing the places where a copy of the draft assessment may be obtained; and

(c) listing the places where a copy of the draft assessment may be examined by the public; and

(d) notifying an address to which interested persons and bodies are invited to send written comments on the draft assessment by a date specified in the notice, being a date that is not less than 28 days after publication of the public notice.

7 Written comments to be taken into account

(1) The person who carries out the assessment must take any written comments into account when finalising the assessment and may hold public discussion on the draft assessment with members of the public and bodies and authorities which have lodged written comments on the draft assessment.

(2) The person who carries out the assessment must prepare a written report of any discussions held under subclause (1).

8 Assessment and report on discussions to be provided to Minister

As soon as possible after finalising a public environmental assessment, the person who carried out the assessment must provide a copy of the assessment together with a report on any discussions held under subclause 7(1) to the Minister.

9 Minister to take assessment into account

Before making a determination under paragraph 14(2)(aa), the Minister must take into account the public environmental assessment and the report of any discussions held under subclause 7(1).

10 Determination may be subject to conditions

In making the determination, the Minister may require the applicant to comply with conditions for the construction, operation or management of the eligible renewable energy source.

The bill as it stands requires companies to source additional electricity from what is called ‘eligible renewable energy sources’—solar power, wind power and woodchip power—but it leaves these sources to be defined in regulations as yet unpublished. What we know from Australia’s leading environmentalist, Senator Hill, who is absent overseas trying to pull the rug from under the global warming conference in The Hague next month, is that woodchips from woodlands and forests around Australia are going to be one of the sources of so-called ‘renewable energy’ that is permitted by those regulations. The Greens want to move amendments to require that the minister is satisfied, after a public environmental review, that renewable energy sources over a threshold amount—and we are proposing that it be 10 gigawatt hours per annum—are really ecologically sustainable.
These amendments aim to bring truth back into the enactment of this legislation. As it stands, there is no mechanism either in the bill or under the Environment Protection and Biodiversity Conservation Act, the EPBC, for environmental assessment of the renewable energy sources which will benefit from this government initiative, that is, under the legislation which was passed by the government and Democrats—you will remember it being guillotined through the Senate last June, over 12 months ago—there is no requirement for an environmental assessment of, for example, the Southwood project in Tasmania, which will burn 300,000 tonnes of woodchips per annum. The EPBC, the Environment Protection and Biodiversity Conservation Act, only provides for Commonwealth assessment of proposals that impact on the six defined matters of national significance in the bill—world heritage and threatened species and so on.

Commonwealth government involvement is triggered only in respect to that matter, and it does not result in a broad environmental assessment by the Commonwealth.

For example, if you have an environmental impact into the woodchip burner you do not necessarily trigger an environmental impact into the ravaging of the forests up the valley which are being fed into that burner. So the bill leaves the way open for electricity for large new dams—which have a huge impact on natural environments—the clearing of native vegetation, which at the moment is one of the great national disgrace as far as the environment is concerned, and the Derby Tidal Energy Project, which is going to effectively dam major coastal inlets to catch tidal power in the wild environment of the Kimberleys.

Other projects which may have major environmental impacts will nevertheless benefit from this legislation—the Commonwealth creation of a valuable market for renewable energy certificates. There is no mechanism for Commonwealth assessment or approval. That means there is no mechanism for public input. Senator Campbell shakes his head and says, ‘That is a shame.’ I agree with him.

Senator Ian Campbell—I didn’t say that was a shame. I said something much more crude than that.

Senator BROWN—You might like to put it on the record.

Senator Ian Campbell—There is a lot of it around the Kimberleys, lying on the ground.

Senator BROWN—That comment should go in Hansard as well. The government does not have faith in the Australian public. This is deceitful legislation. This is a cover-up for environmental destruction in the name of green energy production, and the government needs to take that into account. If Senator Campbell wants to get angry about that, I suggest that instead of that he gets constructive and supports this amendment. This will bring green power production in Australia into disrepute. What is called green power will, in some major projects, involve massive environmental destruction.

The pursuit of one set of environmental or industry development objectives such as the promotion of renewable energy and reduction in greenhouse gases, laudable as that is, does not justify the negation of concerns about other environmental impacts. Proposals should be subject to a test of ecological sustainability. Yesterday I again asked the government what is meant by their definition of ‘energy renewable’ and the minister refused to give an answer. I have asked repeatedly what the government mean by ‘ecologically sustainable’. Again, the government refuse to give an answer. They use these terms dishonestly. Nothing could be more patently dishonest than destroying native forests to put into furnaces and burn to produce electricity and then calling that green power.

These Green amendments before the committee will firstly require accredited power stations to disclose those renewable energy power sources which are expected to generate an annual average output exceeding 10 gigawatt hours. They also require the minister to determine, after a public environmental assessment—so we bring the public into this—that the use of each such renewable energy source is economically sus-
tainable. Surely that is what the minister for the environment should be supporting. The amendments also revoke the accreditation of the power station if the eligible renewable energy source is not ecologically sustainable. Surely that is an honest environmental viewpoint which would be supported by the minister for the environment were he here and which should be supported by his stand-in, Senator Campbell.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (10.12 a.m.)—I would like to place on the record a number of matters that the honourable senator opposite seeks to distort or in relation to which he seeks to mislead. Firstly, Senator Brown should say very clearly where the minister for the environment is this week. Perhaps he should make it clear, rather than make snide and personal attacks on that minister. I think the senator opposite said, ‘Let’s not get personal.’ Last night his speeches effectively put a slur on most members of the Senate and the House of Representatives by saying that we effectively vote the way we do because we receive bribes from woodchipping companies. I suspect that Senator Brown knows that is an outrageous slur. If he thinks that because he throws that slur and that slander across a whole bunch of members of parliament it affects people less personally, he should probably think again. It is a terrible thing to say about any member of parliament. You can say it against 70-odd senators or 30 senators, or 100 members of the House of Representatives by saying that we effectively vote the way we do because we receive bribes from woodchipping companies. I suspect that Senator Brown knows that is an outrageous slur.

If he thinks that because he throws that slur and that slander across a whole bunch of members of parliament it affects people less personally, he should probably think again. It is a terrible thing to say about any member of parliament. You can say it against 70-odd senators or 30 senators, or 100 members of the House of Representatives if you choose to, but it is actually a slur on each one of those people. By saying that, the honourable senator indicates that votes on environmental bills—or other bills—have been taken in this place because some or all of us have received some sort of illegal payment from companies with interests in this bill.

If Senator Brown actually believes that to be true he should perhaps say it outside this place. Go out and say it about me, for example, outside this place. Say that my vote on this bill will be affected because I have received something from a woodchipping company. I ask you to walk outside and say it, Senator Brown, and then we will let the court decide whether there is any truth to it. It is an outrageous thing to say.

You then got up here this morning and said that the minister is off overseas, implying that he should be here. I suspect from what you say that you do know where the minister is, but you imply in a snide, denigrating way that he is off overseas doing something bad or wrong or undermining the best interests of Australia, when of course the minister is at a conference of the parties. He is at a meeting of invited ministers for the environment to determine the agenda for next month’s meeting. Senator Brown might say, ‘Well, perhaps he shouldn’t be there,’ but let us be sure about where he is. He is acting in the interests of Australia. He is acting in the interests of the achievement of the best environmental outcomes of our involvement in the world community. Yet back here in the Senate he has to cop some snide, pathetic undermining by this honourable senator opposite. You can keep playing the man and not the ball if you want and then accusing others of doing the same thing. Senator Brown, but I will not stand by and allow our minister for the environment, Australia’s minister for the environment, to be snidely undermined by you without calling you to account.

When you say in your address to these amendments that there is no public input in these processes, you reflect on the democratic decisions of parliaments around Australia. You may not like democracy. You may prefer there to be some sort of anarchy—the sort of anarchy that you and your followers and supporters impose on visitors to Tasmania when they visit that place.

Senator Bolkus—What did you have for breakfast this morning? You are very self-indulgent.

Senator IAN CAMPBELL—I had an apple. It might even have been from Tasmania. I make a very serious point here: Senator Brown says that there is no approval process, that there is no public input into the environmental and other approvals required under this bill. That is patently false. It is absolutely false. In fact, all of the requirements of this bill ensure that all of the projects need
to go through each and every Commonwealth, state, and even local, not only environmental but all other planning and relevant codes to be approved. Certainly in the Commonwealth procedures, certainly in all of the state ones that I am familiar with and certainly in my home state of Western Australia, were there to be a tidal project developed anywhere along that beautiful coastline it would have to go through stringent environmental processes that involve public input and public comment. It is patently false and patently misleading to come into this place, one of the most democratic places on the globe, and say something so misleading and so wrong—that the public will not have input to these processes. Even at the local level, this legislation ensures that the proposals have to get local planning approval—not just environmental approval; local planning approval. Certainly in that great state of Western Australia, all of the local planning codes ensure that proposals have to be advertised and gazetted, and allow for public comment. Virtually, in all three spheres of this, one of the most democratic nations on earth, all of these proposals require public input and public comment. Yet you have the audacity to come in here and say that the opposite is the case: that black is white, and that this bill actually underpins all of that.

The worst aspect is that the parliaments of Australia, including this place, have passed the Commonwealth laws. You did not like it when you passed those laws. You were a voice of dissent. Aren’t we so lucky that in a democracy like Australia we can have voices of dissent? You were the dissenting and the minority vote. Your view did not prevail. The majority in this place and the majority in the other place prevailed, as occurred in the state parliaments around this country, who have passed their planning and environmental laws, and at the local level. We have election after election after election in this country at the local, state and federal levels, and all of those democratically elected governments in the three tiers have passed planning and environmental codes. Virtually all of them include public comment. Yet you say that that is not good enough. You say that that is not what takes place. You would prefer that the Senator Bob Brown view of the world prevailed. Well, it does not. I am glad it does not. I think most sensible environmentalists in Australia are glad as well that it does not, because we will get better outcomes from building a renewable energy regime such that we have in this legislation.

I would agree with Senator Bolkus opposite that it is a greenfield area of policy. We are building a new regime. I would be very surprised if this legislation, like virtually every piece of legislation that passes through any parliament in the world, has got it absolutely right—hook, line and sinker, clause by clause, line by line—in its first iteration. It will move through the parliament and it may look slightly different as it comes out the other end, as most legislation does. It will need to be reviewed and it will need to be refined. I welcome the Democrats’ indication earlier that they will go off and seek further consultations with the solar and wind energy sectors in relation to the amendment (2A) that the Senate just carried. I welcome the fact that she and her colleagues will go off and do those consultations. I reject the arguments that Senator Brown has put in relation to these amendments and I reject the underlying arguments behind his views on that.

Could I also state for the record that I did go into some detail in response to a question yesterday on what eligible renewable energy sources are. As Senator Brown knows, they will be covered in further detail in the regulations. Of course, he would know better than others that if he is not happy with those regulations—or if any senator is not happy with those regulations—he can move to disallow them. So, under this legislation, further scrutiny of the legislation is delegated to come. I can indicate very clearly that the eligible renewable energy sources will include solar, wind, ocean, wave and tidal power. Senator Brown does not like tidal power; it is one of the great ironies of Senator Brown being a Green. As Senator Brown knows, you have this incredible potential source of power that many Western Australian members and senators from the Liberal Party in Western Australia are pushing for in the Kimberley, but he objects to that project. This is an incredible source of renewable power—wherever it be developed. You ob-
viously need a large tidal rise and fall, and of course around Derby we have that. But Senator Brown does not like it because of some other environmental impacts, and there are others who would agree with him. Other sources of power that are included are hydro, geothermal, bioenergy—which we debated at some length yesterday—solar water heating, the renewable component of the remote area power supply systems, co-firing renewables with fossil fuels, fuel cells using a renewable fuel and other eligible renewable energy sources as approved by the regulator. To say that we refused to talk about what the government regards as an eligible renewable energy source is incorrect. If that were the case, I suspect we would not have had the lengthy debate we had last evening in relation to bioenergy.

Senator BROWN (Tasmania) (10.24 a.m.)—I want to make it clear to the committee that I did not imply that Senator Hill, the Minister for the Environment and Heritage, is overseas trying to pull the rug from under a good outcome from the global warming conference. I said straight out that that is what he is doing. Let me explain that. Senator Hill and this government want to have plantations which have less than two per cent of the terrestrial carbon locked up in Australia counted as sinks. That is, when you put in plantations after you have knocked down giant forests and released huge amounts of carbon dioxide to worsen global warming in the country, you do not count that going into the atmosphere but you do count the little seedlings put in afterwards, which absorb a skerrick of carbon dioxide. It is a terribly dishonest approach to the environment, accounting for the little bit that is put in there as a replacement but not accounting for the massive release of greenhouse gases. It is an approach which is authorised by Prime Minister Howard through the regional forest agreements he has signed, which allow the destruction of Australia’s grand forests by the woodchipping corporations.

Senator Campbell was talking about government members taking direct bribes from woodchipping corporations. I have to leave that to him; I have never implied any such thing. What I have said time and again in this place—and the record will show it—is that 80 per cent of Australians want the destruction of native forests stopped but 80 per cent and more of politicians—that is, the government and the Labor Party—want it to continue. In fact, it is increasing under the regional forest agreement legislation. Prime Minister Howard signed the agreements and then the big parties backed the legislation. The Labor Party fortuitously brought in amendments which have seen that legislation stall in the Senate; nevertheless, they backed the regional forest agreements. These are a prescription for the destruction of Australia’s forests at the greatest rate in history. I repeat that 150,000 log trucks are carting away Tasmania’s grand forests, rainforests, tall forests and the wildlife that goes with them, because it too dies. All of it is murdered by this process of cutting down the trees and firebombing the region. A firestorm follows as incendiaries are dropped and then 1080 poison is put into these ancient ecosystems to make way for the little seedlings of attenuated eucalypts or pines, which are put in afterwards and which Senator Hill is overseas arguing should be counted as a plus for Australia in terms of global warming: do not count the destruction of the forest but count the seedlings that go in afterwards.

All of this is authorised by the regional forest agreements against the wishes of the Australian people. How can it be that 80 per cent of Australians want that stopped but 80 per cent and more of politicians want it to accelerate? The only thing I can see that gives some sort of logic to this bizarre situation is the massive donations made by the woodchip corporations to the big parties. They are a matter of public record, and if Senator Campbell or anybody else wants to dispute them I suggest that he goes and looks at them. I am not going to reiterate how on at least one occasion those donations arrived on the same day that a previous Labor minister made a massively favourable decision against the public interest and in favour of the woodchippers. Three huge donations from three big woodchip corporations went into the coffers on that very same day. If there is some other explanation as to why the Labor Party or the coalition parties are so out
of touch with the feelings of Australians as a whole about forests, let us hear it. But until we do get an alternative explanation, I believe that the influence of the woodchip corporations on the politicians who vote that way has to be taken as effective.

I want to come back to the amendments in hand and reiterate that all that these amendments do is ensure that at the federal government level there is a public environmental assessment to make sure that substantial renewable energy sources, which are favoured—they get government certificates which make them hot property on the electricity market—are actually ecologically sustainable. The government does not want to support these amendments and the Labor Party does not want to support these amendments because woodchipping, for example, is going to be one of the sources that gets accredited and gets this gold plated certificate on a market for what is called renewable energy—that is, it should be ecologically sustainable. But it is a cheat—it is not sustainable. It is a straight cheat. There ought to be an environmental impact statement, and I will tell you why there should be. There would have been one under the existing environmental legislation that we had in this nation until June of last year when the Democrats combined with the government to get rid of the legislation—which would have seen an environmental impact assessment in this situation—and to bring in the EPBC bill which said, no, leave it to the states. Senator Campbell is absolutely right, Mr Temporary Chairman: it was put back to the states.

Do you know what happens in Tasmania as far as this is concerned? The state will do an environmental assessment. Forestry Tasmania has employed a public relations company to hold public consultations. At the meetings that have been held so far, packing out halls in places like Huonville and Sandfly—and I hear that there is one coming up at Judbury this week—the opposition to this Southwood proposal to burn 300,000 tonnes of woodchips in a furnace, coming out of the tourism jobs sustainable forest of the Huon Valley, and to ship that across to Victoria through Basslink to be sold as green power is vociferous. People have been mobilised down there who have never been involved in any sort of activism or community campaign before in their lives. They see not only the wild forests but also the woodlands which are the backdrop to the beautiful Huon Valley being sent through these furnaces into an electricity market and sold as green power in a monumental deceit by the government, which comes through this legislation. As far as an environmental impact assessment in Tasmania is concerned, let me say first that the mayor of the local government down there has endorsed this process. There are local government elections coming up this month right around Tasmania, and one of the issues for the southern municipalities will be this travesty of the Southwood project.

But beyond that the Deputy Premier of Tasmania, Paul Lennon, was forced to announce this Southwood project when Tasmanian Greens MHA Peg Putt put it to him in the parliament a couple of weeks ago. It appeared from what happened in the parliament there that the Premier himself was not ready for the announcement. The Deputy Premier was, however, and swung into gear, but he has endorsed it. Effectively, what happens in Tasmania is that you do an environmental assessment and the minister overrides it, so you are left with no accountable situation at the state level. But what happened with the EPBC legislation last June, over 12 months ago, is that the government and Democrats said, ‘Let’s leave it to the states when it comes to the destruction of these forests.’ What I am trying to do through these amendments is to say, ‘You can’t do that. This is nationally significant territory.’ This is a federal matter; that is why we have got this legislation before us. If you are going to have large energy sources selling as green power onto the Australian market then let us have an environmental impact assessment at the federal level. Let us try and undo the damage that the EPBC legislation has done in terms of overriding public input.

This is an opportunity for the Democrats to make good the massive error they made last year when they allowed that legislation to be guillotined through this place. Senator Allison might like to put another point of view. I would welcome that, because I do not
understand how the Democrats could have done that 12 months ago. Let me reiterate: under the existing environmental legislation, you would have to have a national environmental impact assessment here. But since the Democrats-Howard government environmental legislation went through in June 12 months ago you do not have to anymore. It is a massive step backwards as far as the environment is concerned, but it is also a removal of public input to what is a very important matter for a very environmentally aware Australian electorate. So these amendments, which need Labor Party support, simply say, ‘Let’s bring the public back into this again.’ They need Labor Party support, and I cannot understand why the Labor Party, which opposed the EPBC bill, will not support them. At least they try to make good some of the damage done by the passage of that legislation and try to restore some of the public right that is involved here. All they do is say, ‘Let’s make sure that a form of power production is ecologically sustainable.’

Finally, let us go back to the Derby tidal power proposal in the Kimberley. All of us have seen pictures of the massive tides squeezing through those narrow, rocky gorges into the coastal inlets of north-west Western Australia. These tides are up to 10 metres in size. When the tide goes in and fills the basin and then drops, there is this phenomenal bottleneck event where you actually get a cascade created by the flow of the sea water back into the sea itself by this magnificent natural phenomenon. The tidal power scheme that is being proposed there would put a cement dam across that, and that would end this remarkable natural phenomenon for somebody to make money and sell green power. I do not accept that. If the government really believes it is ecologically sustainable, what does it have to lose by having an environmental impact assessment about which the public, and particularly local environmentalists concerned about this, can have some say? That is what these amendments do. They say, ‘Let’s let the public have a say at the national level, as they would have been able to do up until 12 months ago when the legislation was changed.’ It is rock bottom reasonable territory as far as the environment is concerned. Again, I commend these amendments very strongly to the chamber, and I am looking for support both from the Labor Party and from the Democrats to ensure that they stand.

Senator BOLKUS (South Australia) (10.37 a.m.)—I want to put the Labor Party’s position on the record with respect to these amendments. We have had a protracted debate, but our concerns have not really been addressed. We are concerned that the amendments introduce a new test against unspecified criteria and, as a consequence, introduce a great degree of uncertainty. We do not believe that is the way to go. We have problems with the EPBC legislation. As Senator Brown and other senators know, we oppose that legislation, but we do not believe that is the appropriate process through which to make the sorts of amendments that Senator Brown seeks to make. So we are not supporting these amendments. We do have particular concerns with the EPBC legislation and the processes under it. We will continue to address those in the forums of this place. Obviously, on return to government we will review the legislation with a view to fixing up a lot of the problems that we raised in the debate a few months ago and about which Senator Brown has concerns.

Senator ALLISON (Victoria) (10.38 a.m.)—Again, Senator Brown raises the Environment Protection and Biodiversity Conservation Act and misleads the Senate by suggesting that the provision which these amendments seek to put in place has been removed from federal jurisdiction by the EPBC Act. That is not the case; it never was—but Senator Brown always chooses to say it was. The Democrats are not inclined to support these amendments, even though we concur with the general thrust of them. The effect of them would be to put an additional burden on the very industry that we are seeking to promote here—that is, the renewables industry. How can you ask a wind farm proponent to go through a process which a coal fired power station is not required to go through? This would put our renewables industries at a great disadvantage. Ten gigawatt hours a year is not a large undertaking. There would be—it is my information—a number
of proposed wind farms that would fall into this category.

In our view, the best way to stop native forests being included in this measure is not by a provision such as this but rather to exclude them specifically as eligible sources. We believe that is the approach which ought to be taken. Certainly, as Senator Brown has said on a number of occasions, we are talking here about increasing the amount of renewable energy that we produce and use in this country, but it seems to me that this would be an impediment to getting projects on stream. It would be asking those proponents to go through another process which seems unnecessary, given the existing processes that they are required to go through in their states.

Senator Brown (Tasmania) (10.41 a.m.)—I find that extraordinary. Senator Allison for the Democrats and the Labor Party are saying that they will not support these amendments. Senator Allison knows that, a little further down the line, when we try to remove woodchipping, the Labor Party is not going to support it. So we have a double knock-out here with the Democrats effectively leading to the situation where the woodchipping component being classified as renewable energy is going to stand without a national review and without public input. Let me say to Senator Allison and the Democrats: this is not just a matter of accrediting one form of energy or another as renewable; there is competition in this. So the wind power and the solar power which she is talking about are in direct competition with woodchip burning power and, indeed, with tidal power coming from dammed natural inlets in the Kimberley or elsewhere and future large dams, which will be given a boost by this process. The Democrats are saying, ‘But let’s not have a system for sorting this out and ensuring the ecologically sustainable large projects producing half a million dollars worth of power or more a year get the nod, but let the others get weeded out.’

The problem is that the Democrats supported legislation which removed the need for a federal environmental impact statement for all of these projects 12 months ago. Now, through this form of politic in this place, they are saying, ‘We are not going to have a break on that disastrous decision by the Democrats for the environment last year; we are going to leave the way open for woodchips to be accredited as renewable energy.’ I find that appalling. I do not understand the politics behind it and I say to Senator Allison: please think again, because you are going to knock out wind and solar power sources from getting certified as renewable energy. Sources such as Southwood in Tasmania—Forestry Tasmania’s proposal to convert forests into electricity and get certificates for renewable energy—will get 30 or 40 megawatts allocated to them and that is 30 or 40 megawatts which will not be available to other renewables. Is that what Senator Allison really wants? It is not what the Greens want. Again, I put it to Senator Allison that Labor has been rolled by the woodchip industry. That is why it is not going to support an environmental assessment which would require it to explain how destroying forests can be called ecologically sustainable. So it is left to the Greens to try to bring some environmental credit into this process, and it seems we are alone.

I am not going to go into despair over that. My job in here is to advocate for the environment. It is moments like this when I feel chagrin. I feel a degree of despair about the way in which this parliament is selling out the environment. People with previously strong credentials, and those like the Labor Party who would flag them at the next election, are selling out on the environment right here and now. I say again that this is simply a process for bringing back environmental credibility to this legislation and giving the public a say. It seems that nobody is going to support it. I find that appalling.

Senator Allison (Victoria) (10.45 a.m.)—I just want to add the point that the suggestion Senator Brown has now put into these amendments has not been canvassed with the industry. Our inquiry into this process did not raise this. I have just had a quick look at the Australian Conservation Foundation’s submission to check that they did not make a suggestion along these lines. The problem with Senator Brown is that he does not take part in many of these inquiries into
legislation and so ideas like this are not able to be canvassed. I am sure that if they were we would get the views of industry—and I include in that wind, solar and the like—which would help us in this debate. It seems to me that, without having done that, it is very difficult to support an amendment such as this. Again I say that it would be quite discriminatory towards the very industries that we most want to promote.

Senator BROWN (Tasmania) (10.47 a.m.)—The difference between the position that Senator Allison takes there, whereby she sits on the committee and waits for people to come in and make submissions, and that of the Greens is that we are a grassroots organisation in contact with environmental groups and renewable energy producers right around this country. We know how they are thinking on this. We know that they are very much threatened by wood power—

Senator Allison—Without asking them?

Senator BROWN—That is right, Senator Allison, and that is the difference. It is not good enough to sit on committees and say that that is the be-all and end-all of it; you have to be in contact with the community that is being affected. The renewable energy community needs boosting here. Remember, this is a government which has cut $12 million out of the research and development grants that used to be there for renewable energy and has put some $80 million into the coal industry. Remember, this legislation is providing one-twentieth of the boost to renewable energy that the Danish government is providing for its industry through similar legislation. Remember, this is way below even world average as far as legislation boosting renewable energy as a component of total electricity output is concerned.

Let me reassure Senator Allison again of what the environment movement in Australia thinks about this. There should be public input through an environmental assessment of competing alternatives. You should not—

Senator Allison—None of them ask for it.

Senator BROWN—It is as if, when you are sitting on a committee, if somebody does not come in and ask for something, that is off the record. What you do, Senator Allison, is go and liaise with these groups. I can tell Senator Allison that what is required is public input into the deception that is in this legislation, which counts non-renewable energy sources, which we have been talking about, as renewable. If you do not have a public input process, moreover, you will not find out. I have a Greens amendment here which says, 'Let us have public input. Let us ask them.' Senator Allison and the Democrats are saying, 'No, we won’t. We will vote against that.' It speaks for itself.

Amendments not agreed to.

Senator Brown—I would just put on the record that that one voice in support of the amendments was mine and that nobody else supported a division.

The TEMPORARY CHAIRMAN (Senator George Campbell)—That will be recorded. We move on to Democrat amendment (2) on sheet 1891 revised.

Senator BOLKUS (South Australia) (10.50 a.m.)—Could I suggest to Senator Allison that, instead of moving subsections (1), (2) and (3) together, she split them and move (1) and (3) together. The opposition can support those, but we will not be supporting subsection (2). If she can go down that road, that would be great. It is not suggested that (3) be run with (2), but I hope I have given Senator Allison some time to find her notes.

Senator ALLISON (Victoria) (10.51 a.m.)—I would just like to seek clarification. Do I understand that the opposition would like us to split amendment (2), which is the amendment on determining what is an eligible renewable energy source?

Senator BOLKUS (South Australia) (10.51 a.m.)—Yes, there are three parts to amendment (2). Could you move subsections (1) and (3) of amendment (2) and then move subsection (2) separately?

Senator ALLISON (Victoria) (10.51 a.m.)—I move:

(2) Clause 17, page 11 (lines 21 to 25), omit the clause, substitute:

17 What is an eligible renewable energy source?

(1) The following energy sources are eligible renewable energy sources:
These subclauses put in place a list of the eligible renewable sources from which energy can be derived to receive certificates for renewable energy. There has been a lot of discussion thus far in this debate about the question of native forests and, clearly, we have sought to remove those from this list and to provide for the legislation a list of what would be eligible. We think it is important that this is in the legislation instead of being left to regulation at some other stage. All we have to go on so far is an indication from the Australian Greenhouse Office as to what it would propose as guidelines for proposing eligible sources. We think it is important to get it into the legislation, and that is what this amendment does.

As I said, aside from delivering certainty to the renewables industry, our main reason for tabling this list is to exclude all products, both waste or otherwise, from non-plantation native forests. Shane Rattenbury from Greenpeace told the inquiry that the worst case scenario would be that this legislation would provide a greater incentive to use native forests as a fuel source, and therefore a greater incentive to exploit native forests. We think it would have been ideal to have adopted the CEDA green power rules, which exclude native forest exploitation and hydro that involves the new damming of ecosystems. I urge the committee to support this amendment.

Senator BOLKUS (South Australia) (10.54 a.m.)—As we indicated earlier in the debate, the opposition has taken the view that we should support this legislation and see it passed by the Senate without substantial amendment, but with a signal given now that there are aspects of this which will require ongoing scrutiny and which will be subject to review, as will the whole legislation, when we come into office. In fact, we will be moving an amendment at a later time to ensure that the legislation itself provides for a review process within a relatively short period of time.

Essentially, this is the one legislative part of the government’s armoury against greenhouse. We think it has enormous flaws and there are many untested areas in it but, because it does have some potential arising from it, we think that, on balance, the legislation should be supported. We support subsections (1) and (3). They provide for lists of what may be included for consideration under the legislation. Subsection (2) is the one which Senator Brown has been referring to, and it is an area which has raised enormous concern in the community. That is something I recognise. It goes to the question of whether waste from native forests can be included within the definition of renewable resource. For us this issue was one which we approached with a degree of difficulty. We recognise concern that this measure may lead to an increase in biomass extraction from native forests. I stress the word ‘may’, and in doing so refer to evidence presented to the Senate inquiry where it was not clear whether the extra financial incentive resulting from the eligibility of forest wastes under the legislation would result in the increased extraction of biomass from our forests.

Taking those two considerations into account—one, the need for the legislation to be passed, and the government’s clear indica-
tion that any amendments such as subsection (2) will ensure the bill is back here before us and we will have to revisit it and that the bill would not be implemented by the government with that amendment and, secondly, the fact that the jury is out in terms of the evidence on the impact on native forests—we feel that the best approach to take is to ensure ongoing scrutiny of forest waste. In saying that, we recognise also that harvesting of RFA areas is not unlimited and there are significant constraints on resource availability.

But the scrutiny is important and the institutional review that will be part of the bill passing this place is another important mechanism for us to monitor developments in this area. We are concerned to ensure that what Senator Brown is saying will happen does not happen, but we say that for the moment the evidence does not support him convincingly and we are prepared to allow the legislation through without such a substantial amendment.

Senator BROWN (Tasmania) (10.57 a.m.)—Can I reinterpret that for you, Chair? The Labor Party are saying that they are going to allow this legislation to pass, validating the burning of woodchips as a green form of energy, and that after they come into government they will review it—‘Trust us.’ Let me put the true situation on the record here. The Labor Party have no intention of doing anything of the sort. If the Labor Party cannot do this when they have the numbers here in the Senate before an election, they are certainly not going to do it afterwards. They are not going to do it afterwards because they are as much in the thrall of the big woodchip corporations as the government is. Let every voter at the next federal elections know that the Labor Party in this parliament, in both houses, have voted to support the burning of woodchips from native forests and woodlands in Australia as so-called green power. In doing so they are helping the woodchip corporations, whose market—the Japanese papermakers—is falling because of competition from massive Tasmanian blue gum forests in plantations in South America and elsewhere, which produce higher quality woodchips these days.

The Labor Party has an unenviable record when it comes to protecting forests in Australia but it has hit a new low in the Senate today. Senator Bolkus is in the unfortunate position of having to try to defend the indefensible. But if I have anything to do with it, at the next election voters will know that here, today, the Labor Party supported the furnacing of native forests. It has supported the cutting down of native forests for the woodchip industry ever since it came in 1970. In Tasmania it is a stronger supporter of the industry than even the Liberal Party, and that is saying something. The Tasmanian Labor Party has a big say in what happens in caucus at the national level. Whenever this issue comes up, the Labor Party sides with the Howard government. And it is doing it again today. There is no voter choice in this, and for the Labor Party to say, ‘Oh, after the next elections we’ll be reviewing this. We’ll look at legislation to undo the damage that we’re doing by voting for this legislation now,’ is very disingenuous indeed.

The time to stop this is now. The Labor Party’s vote will stop this now. Politicians and parties should be judged not by what they promise but by what their actions are, because actions speak louder than words. This is a very grim day for the environment. Here is an opportunity for the opposition to be making a stand for the environment, which does count with the Australian electorate, and it is selling out Australia’s forests. So it is saying, as far as the Democrats’ amendment is concerned, which is very similar to the following Greens amendment: ‘We’ll accept a list of things—wind power, solar power, microhydro and so on as being renewables—but we also insist on accepting woodchipping of native forests as being a resource that is renewable. We won’t accept the Democrats’ bit which shelves that out and we won’t accept the Greens’ bit which shelves that out.’

That is an appalling position for the opposition to be in, but it is very consistent with its past actions. It is an indictment of the Labor Party that it thinks it can go to the next election and tell Australians, ‘Oh, we’re going to undo what this terrible government’s doing,’ because today it is facilitating the
government in doing this. This is not something that has been brought in overnight, nor are these amendments. They have had a lot of consideration. This legislation was due to be debated months ago but it is here now, with the amendments. The Labor Party is deliberately saying, ‘We support the government in this legislation and in the key piece of this legislation that makes it so objectionable. We particularly support the objectionable component of it.’ All I can do in the run to the next election is to make sure that as many Australian voters as possible weigh their vote against Labor’s despicable action of endorsing the woodchip corporations’ next form of destruction of our forests, which is to burn them and sell them off to an unsuspecting Australian public as ‘green energy’.

Senator BOLKUS (South Australia) (11.03 a.m.)—I would like to say one thing in response to that. I understand why Senator Brown is so concerned, but let me once again place on the record what has happened with this legislation. The government, I think, has quite successfully split parts of the environmental community. There are some who want this legislation through at just about any cost and there are some who have as a primary concern the impact on native forests. That is a conflict that makes it even more difficult for us in this place to make an assessment as to what to do with the legislation. We have taken the view that the legislation is worth being given a chance. We have also made the assessment—and I think it is a fair one to make—that the only certain thing that would happen, were we to accept this amendment to the bill, is that this legislation would not be implemented. That is a direction we do not share. We want to see the legislation implemented. Senator Brown, you have cause for concern but, at the same time, from the evidence before the committee, it is not overwhelming cause for concern. There are mechanisms in place to have an ongoing monitoring approach to what waste from native forests would be affected.

The concern is whether this measure makes more logging more economically viable, and that is something on which the evidence did not come down one way or the other. But I say to you that the fundamental issue that has to be confronted by this place now is whether we want the legislation to be passed. As I say, the government has wedged a split in the environmental community and there are two schools of thought in respect of the legislation. We think it is probably a useless process to make an amendment now, knowing that the amendment would be rejected by the House of Representatives, that the bill would come back here and that we would have to face a decision again as to what to do with an amendment in respect of native forests. All that would do is delay the legislation and possibly delay the implementation date from January next year to the middle of next year. That is also a delay we do not want.

The bottom line, in a sense, is that we do not want the government to be running around the world—and they will be doing so in the next few months—saying that their attempts at greenhouse reductions have been frustrated by the Senate when we know full well in this country that they have wasted the last five years in this area. We have had five wasted years in combating greenhouse gases. So we will not give them an excuse. We do want the legislation to take place. We have to make a hard decision, and that is the decision that says we cannot support subsection (2) of the Democrats’ amendment.

Senator BROWN (Tasmania) (11.06 a.m.)—What a remarkable thing—the government is being shepherded by the Labor Party. The Labor Party says, ‘We can’t bear the odium of the government saying we are bad people for not wanting to allow the burning of forests as green energy. So we’ll save the government from that and the government, therefore, is not going to be nasty to us.’ That is not believable.

Senator Bolkus—That’s not what I said at all, and you know it. I said that we won’t give them an excuse.

Senator Brown—Senator Bolkus says that what he said was that he ‘won’t give them an excuse’. Let me paraphrase that. What he is saying is, ‘The government’s running our PR agenda. We have to be very careful here or the government is going to
say bad things about us and we don’t want to give them an excuse for that.’

Senator Bolkus—That is not what I said at all.

Senator Brown—What I am saying, from a very small corner of this parliament, is that they deserve to have bad things said about them. This is not a matter of saying, ‘We will fix this later.’ They are deliberately supporting the woodchip corporations’ aim to have the burning of forests classified as green energy. That is Labor Party policy. This is not something they are going to fix up later. They are hand in hand with the government on this. So what Senator Bolkus had to say is discountable—100 per cent.

If the Democrats amendment put forward by Senator Allison is passed without subclause (2), that knocks out (2)(a) and (b), which would mean that fossil fuels and waste products derived from fossil fuels could be classified as eligible renewable energy sources. Seeing that we are in this position where Labor is going to make sure that native woodchip forest products and wood wastes are classified as renewable, I would put it to Senator Allison and the Labor Party that they simply delete (2)(c) and not (2)(a) and (b), because there would then be the added problem that presumably all fossil fuels and waste products derived from fossil fuels, or any part thereof, would also be allowed to be classified as eligible renewable energy sources—and I do not think that is what either party intends.

The TEMPORARY CHAIRMAN (Senator George Campbell)—The question is thatsubclauses 17(1) and (3) of Democrats amendment (2), sheet 1891 revised be agreed to.

Senator Brown (Tasmania) (11.09 a.m.)—I want it clear, in that case, that the Democrats are accepting the removal of fossil fuels and waste products derived from fossil fuels.

The TEMPORARY CHAIRMAN—Senator Brown, we are not dealing with that issue yet. We are only dealing with subclauses 17(1) and (3). Senator Allison will proceed to move subclause 17(2), I presume, after we have had the vote on these two clauses.

Senator Brown—You have knowledge that I do not, Mr Temporary Chairman.

The TEMPORARY CHAIRMAN—Senator Bolkus indicated early on that the Labor Party was prepared to support these two subclauses, 17(1) and (3), but not (2). We separated them to deal with them in that way.

Senator Brown—Certainly, but I have put a question to Senator Allison, and it would help if she replied. I am left to wait until some later date for that, at your direction, Mr Temporary Chairman.

The TEMPORARY CHAIRMAN—The question is that subclauses 17(1) and (3) of Democrats amendment (2) on sheet 1891 revised be agreed to.

Question resolved in the affirmative.

Senator Allison (Victoria) (11.10 a.m.)—I move:
Clause 17, after subclause (1), insert:

(2) The following energy sources are not eligible renewable energy sources:
(a) fossil fuels;
(b) waste products derived from fossil fuels;
(c) non-plantation native forest wood products and wood wastes.

It is very unfortunate, of course, that the ALP wants us to remove this section, but we have canvassed the arguments about native forest at length in this debate. It is regrettable, but clearly the ALP has made up its mind on this issue.

Senator Brown (Tasmania) (11.11 a.m.)—Senator Allison has not answered my suggestion, which is that subclause (2)(a) and (b) stand.

Senator Allison—I have just moved it.

Senator Brown—You just moved that they stand but the other piece be deleted?

The TEMPORARY CHAIRMAN—She has moved that subclause 17(2) be adopted. She has moved all of it.

Senator Brown—But she has moved that knowing that Labor is going to oppose it. What I am suggesting is that this be split
so that we test Labor to support parts (2)(a) and (b), so that fossil fuels and waste products derived from fossil fuels not be eligible as renewable energy sources—

The TEMPORARY CHAIRMAN—Senator Brown, you can move an amendment to the amendment, if you wish to.

Senator BROWN—I move:

Omit paragraph (2)(c).

I move this amendment to the Democrats amendment on the basis that, otherwise, the whole subclause goes down.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (11.13 a.m.)—Could I just indicate to all honourable senators that subclauses (2)(a) and (b) are technically entirely redundant. If you turn to page 11, at clause 17 you will see that the bill makes it quite clear. It states that ‘fossil fuels and waste products derived from fossil fuels are not to be prescribed as eligible renewable energy sources.’ As I said earlier, the government believes that the list that I read out—the renewable energy sources and technologies—should be dealt with by regulation. The parliament obviously has the opportunity to deal with those by disallowance at a later date if it so chooses. We do believe that the slightly higher degree of flexibility offered by a delegated legislation regime is desirable here. We see that senators decided otherwise by putting the list into the legislation, but clearly that list could be changed from time to time as the emerging technologies evolve, and I think that is something we would all like to encourage. In fact, our regulations would give the regulator the opportunity to approve other eligible sources.

Overriding that, we have made it quite clear at clause 17 that fossil fuels and waste products from fossil fuels cannot be prescribed. We have limited the future regulatory power by saying that they cannot be. So (2)(a) and (b), as I read them, seem to be entirely unnecessary.

Senator BOLKUS (South Australia) (11.15 a.m.)—I think what Senator Ian Campbell says is right to an extent. We are prepared to support Senator Brown’s amendment. I think you may have taken a vote while I was on the phone, but we are prepared to support the amendment which basically adopts the Democrats’ subsections (2)(a) and (b). It may give us greater certainty. Accordingly, we indicate that if you were to put it again we would support it.

Senator BROWN (Tasmania) (11.15 a.m.)—I would point out that the amendment that we have before us effectively removes the section on fossil fuels and waste products in section 17 on page 11 of the bill. So it needs to be replaced in this form in the amended amendment as I have put it.

The TEMPORARY CHAIRMAN (Senator George Campbell) The question is that the amendment moved by Senator Brown to Senator Allison’s proposed amendment (2) on sheet 1891 revised be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question now is that Senator Allison’s amendment, as amended, be agreed to.

Question resolved in the affirmative.

Senator BROWN (Tasmania) (11.16 a.m.)—I move Australian Greens amendment (6) on sheet 1896 revised:

(6) Clause 17, page 11 (lines 21 to 25), omit the clause, substitute:

What is an eligible renewable energy source?

(1) An eligible renewable energy source is any of the following energy sources:

(a) photovoltaic and solar thermal;

(b) wind;

(c) biomass and biofuels, provided that they do not come from:

(i) native vegetation, including native forests or woodlands; or

(ii) plantations or other crops planted on land, the major part of which, in 1990, was covered with native vegetation; or

(iii) waste products derived from the primary processing of native vegetation or of plantations or crops mentioned in subparagraph (ii); or

(iv) co-firing where the biomass or biofuel generates less than 50% of the output of the generator.
(d) hydro, provided that it does not come from a dam, whose construction began after the commencement of this Act:
   (i) with a capacity exceeding 10,000 megalitres; or
   (ii) whose construction or operation results in the destruction of more than 100 hectares of native vegetation;
(e) ocean, wave or tidal;
(f) fuel cells using a renewable fuel;
   but does not include energy derived from a Green Power Product.

(2) To avoid doubt, it is not necessary for a renewable energy source to be connected to the electricity grid to be an eligible renewable energy source.

Mr Temporary Chairman, you will be aware that the running sheet says that the Democrat amendment we have just passed is in conflict with the Greens amendment, but I want to point out that our amendment is more stringent because it does not allow for new big dams to be classified as providers of renewable energy and the same with co-firing of small components of woodchips in a power station. For example, where you have a mixture of coal and woodchips going into a power station, that would not be classified as an eligible energy alternative under our amendment. I want to proceed with the amendment on the basis that we need to deal with those particular components and the Greens amendment tightens up the Democrat one we have just passed.

Senator ALLISON (Victoria) (11.17 a.m.)—I indicate that the Democrats would be supportive of this amendment except for subclause (1)(c)(ii) which concerns ‘plantations and other crops planted on land, the major part of which, in 1990, was covered with native vegetation’. The kind of retrospectivity that this includes seems to us to be problematic. You might pull back the requirement on plantations to the time when land clearing controls were first mentioned. In Queensland, that might be two years ago with the Queensland Vegetation Management Act. It seems to us unnecessary to go back to 1990, given that there could be some advantages in planting crops on land which had been cleared at that time.

The TEMPORARY CHAIRMAN (Senator George Campbell)—Senator Allison, are you indicating that you want to move an amendment to Greens amendment (6)?

Senator ALLISON—Yes. I move:

Omit paragraph (1)(c)(ii).

Senator BROWN (Tasmania) (11.19 a.m.)—I oppose that move. 1990 is a very signal year. That is the year which the whole world set down as the baseline for measuring the production of global greenhouse gases and the baseline under the Kyoto protocol which it is our aim to get back to and to, in fact, reduce from. Remember that world authorities tell us that we will not only have to get back to 1990 levels of greenhouse gas production but also probably have to get to somewhere like 20 or 30 per cent of 1990 levels—and this is in a world which is not going to fulfil the Kyoto obligation. Certainly Australia under the Howard government not only is not going to get to its target of a 10 per cent increase on 1990 levels by 2010 but also is already eight per cent over that. We are at 118 per cent of 1990 levels and we are going to be at 130 to 140 per cent come 2010. That brings me back to the whole failure of this piece of legislation which, at best, is going to have one per cent of new power production by 2010 coming from renewables. Compare that with Denmark’s aim of 20 per cent and the world average of seven per cent.

That said, I think we have to be very firm with all players. Unfortunately, governments have left industry self-regulation to be the arbiter of what happens in this country. That is why we are in such a mess. By 1990 everybody, particularly forestry commissions around this country, was aware of global warming. Everybody who was clearing native vegetation was aware that that was an outrage because it ends up enhancing global warming—with all the economic, social and environmental losses and problems that creates for future generations. But here we are saying that we should let people who have done the wrong thing since 1990 get away with it; let them be advantaged, in effect, by
being able to sell their plantations, which have replaced massive native forests in many cases, as green renewable power. That is why I have subclause (1)(c)(ii) in this amendment and I would want to see it stay there.

I would flag, while I am on my feet, that the Labor Party might look at supporting the definition of eligible renewable energy sources in my amendment (1)(c)(iv), which would exclude co-firing where the biomass or biofuel generates less than 50 per cent of the output of the generator—that is, putting chips into coal fired or gas fired power stations, if you can do that. Amendment 1(d) seeks to ensure that we do not include hydro power coming from big dams—that is, dams with a capacity exceeding 10,000 megalitres, where obviously there is quite a massive impact on the environment, including global warming. As I explained last night, when dams cover valleys full of vegetation, the vegetation rots and that bubbling that you see on top of the dams is methane coming out of that rotting vegetation. That is a very potent global warming gas which is going into the atmosphere and enhancing the destructive global warming effect. I would ask, through you, Chair, whether the Labor Party would entertain maintaining those subclauses to enhance the Democrats’ amendment which we have just passed.

Senator ALLISON (Victoria) (11.24 a.m.)—The Democrats also understand the logic of 1990 and the importance of that for our Kyoto protocol. However, the point about this is that, unfortunately, once land clearing has taken place, it is impossible to undo it. We think that the 1990 date does not have the same relevance when it comes to vegetation which has been cleared. It simply excludes land which might otherwise be used for renewables and we cannot see any purpose in doing that.

Senator BROWN (Tasmania) (11.25 a.m.)—A clear purpose is to stop the sort of thing that is happening in Queensland at the moment where there is massive clearing of vegetation taking place—millions of hectares—by people who think they are going to be advantaged by getting in before government passes legislation. I think that passing the Greens’ amendment would be a very clear signal to them that they are not going to be advantaged by it: they are actually going to lose opportunities for the future if they do that. However, we are not going to get the support here that is required to have this amendment stand. I would be interested to hear what Labor thinks about those two components of the Greens’ amendment standing.

I would also ask both the government and the Labor Party what they think about green power, which is already selling at a premium in markets, particularly in New South Wales. Thousands of households are buying green power—largely hydro, wind and solar power—which they are paying a premium for, because they want to be environmentally responsible citizens. It is a remarkable situation in our nation where to be environmentally responsible you are actually penalised: you have to pay more for your power. That being said, people are paying a premium to do the right thing, and I think they are terrific citizens. But companies should not be able to double dip by charging customers to meet legal obligations—that is, they should not, on the one hand, get certificates under this legislation which give them an advantage and, on the other hand, sell that as green power which gives them a premium from the customer. I ask whether the government and the opposition are aware of that double dipping component and whether they are prepared to endorse the Greens in trying to fix it.

Senator BOLKUS (South Australia) (11.27 a.m.)—For the reasons that we have traversed on a couple of occasions today and once or twice yesterday, the opposition cannot support Senator Brown’s amendment. My understanding is that green power is a New South Wales consumer based program which is quite successful. There are, I gather, discussions between the states and the Commonwealth in respect of green power and how such a program can be augmented. We do not think that legislating for green power in this bill is the appropriate way to go, given the embryonic and growing nature of it and the fact that it is consumer based at the moment.
The TEMPORARY CHAIRMAN (Senator George Campbell)—The question is that Senator Allison’s amendment to Senator Brown’s proposed amendment be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—The question now is that Australian Greens amendment (6) on sheet 1896 revised be agreed to.

Question resolved in the negative.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.28 a.m.)—by leave—I move government amendments (2), (5), (9) and (10) on sheet DA259:

(2) Clause 20, page 13 (after line 6), at the end of subclause (2), add:

; and (d) any other information specified by the regulations.

(5) Clause 26, page 16 (after line 7), at the end of the clause, add:

(6) The Regulator may at any time (whether before or after the registration of a certificate) require the person who created the certificate to provide to the Regulator a written statement containing such information as the Regulator requires in connection with the creation of the certificate. The person who created the certificate must provide the statement within the period (not being a period of less than 14 days) specified by the Regulator.

(9) Clause 44, page 28 (after line 18), at the end of subclause (2), add:

; and (f) any other information specified by the regulations.

(10) Clause 46, page 29 (after line 23), at the end of subclause (2), add:

; and (f) any other information specified by the regulations.

Broadly, this batch of amendments seeks to give the regulator power to extract further information from the electricity generators in relation to the portion which was generated from renewables. A number of renewable energy certificates created in respect of that electricity will also give the regulator power to require access to a wider range of information or to check compliance with the spirit of the legislation, including issues such as transmission and other auxiliary losses, and a range of other issues dealing with the calculation of eligibility for certificates. Amendment No. 5 goes further by assisting the regulator in determining whether certificates are valid before they are registered or checked in a random audit. We believe that, by requiring parties to demonstrate that a certificate is valid to be registered, this will reduce the number of offences which occur and penalties which are imposed. This amendment is, therefore, to the benefit of the renewable energy industry.

Senator BOLKUS (South Australia) (11.30 a.m.)—The opposition supports these amendments. I think now might be the appropriate time to traverse some of the issues that go to liability. It was recommended to us first thing this morning that we cover them later in the debate, and now might be the most appropriate time to raise some of these issues. An issue raised by the Electricity Supply Association of Australia is the question of businesses that sell electricity by existing fixed price, non-reviewable contracts. They normally sell them to a small group of large industrial users, and bypass the normal pool arrangements. The intention of the measure is that electricity retailers will purchase renewable energy from generators and will pass the additional cost on to the consumers. But in the case of these fixed price, non-reviewable contracts—and, as I say, the major beneficiaries are large industrial users—it has come to our attention that the suppliers in these cases will not be able to pass on the charge to such consumers. As a consequence, the inequity that we see is that other consumers or indeed taxpayers—given the fact that we are talking quite often about state instrumentalities—will have to foot the costs.

Minister—I am promoting you to minister—this is an issue that has been raised with the government. There is inequity in the impact of the measure in this case. For instance, with respect to Macquarie Generation in New South Wales, I think the federal government have been advised that the cost of this unforeseen circumstance for them will be some $15 million, which will have to be
covered by the taxpayers of New South Wales. Is the government in a position to address this issue? Are you considering amendments to rectify the situation? For instance, an obvious case of inequity is a situation where large industrial users under fixed price, non-reviewable contracts do not cop the burden of the charge, but the individual consumer will.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.32 a.m.)—I have received a short brief on the run. The answer may not be as detailed as Senator Bolkus would want, but I will seek further information. I understand from the short brief I have received that they are, as you have indicated, contractual arrangements and therefore private between the parties. The federal government could not intervene in these arrangements, as the senator opposite would expect. If we were to seek to do so, then a liability for compensation could accrue. I think the short answer is, therefore, that it is an issue that we are aware of. We obviously have been spoken to, and lobbied, about it. We have had meetings about it. But the short answer is that the government does not have open to it any immediate or obvious option for resolving it in a way that that particular part of the industry would see. I think it is also fair to say that we will continue discussions with them.

Senator BOLKUS (South Australia) (11.34 a.m.)—I can understand the difficulty you are in, Senator, but this is a problem that was put to the government quite some time ago. As I say, it may impact on the taxpayers of New South Wales to the extent of $15 million through one company, Macquarie Generation. But my understanding is that the whole impact of this unforeseen consequence of your measure may be some $220 million over the next 10 years, across four states. We are talking about New South Wales, Victoria, Queensland and Tasmania in particular. When you are talking about such a huge amount of money, I would have thought that the government would have treated this issue with greater attention. For you to say that it is something you are looking at, I am sure does not satisfy anybody.

My understanding is that Macquarie Generation in about July this year—so we are talking about some 10 weeks ago—put to the federal government the possibility of an amendment which would overcome the problem. My questions are: has the government considered that amendment and what are the problems with it? You say to me that there may be questions of compensation flowing from this. I would actually like to see some advice, if there is advice. Has advice been taken, and from whom, with respect to this issue of whether compensation would be payable? I would have thought that, given that we are talking about a Commonwealth imposed charge, the Commonwealth has a capacity to make that charge apply in whatever circumstance it would like it to apply and that, as a consequence, pre-existing non-reviewable contracts may be reviewable if the Commonwealth saw fit to do so. So I suppose the short questions are: (1) was advice taken in respect of Macquarie Generation’s proposed amendments; (2) what was the force of the advice; and (3) who was it from?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.36 a.m.)—I am advised that the amendment you refer to can be framed potentially as a fix to this problem. One of the problems that the government has had in negotiations and discussions with this sector of the industry—I reiterate that we are continuing to talk with them; we recognise that there is a problem here that we would like to be a part of fixing—is that from their point of view and for their own good reasons—I presume in relation to the private and confidential nature of the contracts—those participants in the industry refuse to show those contracts to the government, for example.

In other words, they are asking us to solve, through amendment to legislation, a problem that is caused by clauses within a contractual agreement, but have refused to date—you refer to a period of 10 weeks, and I do not dispute that—to show us those con-
tracts. They obviously have good legal advice, and a commercial or other reason for refusing to do that. So it makes it very difficult for the government. But I reiterate publicly and within the forums of this parliament that the government is happy to continue to discuss this issue with the participants. We are keen to find a resolution to this. There are very good reasons to do so. Senator Bolkus has made it clear what those reasons are. You need to find a solution that is constitutionally valid and you need clearly, therefore, to have a legislative regime that complies with the constitution. The way you do that is to ensure that it is non-discriminatory. It cannot obviously be a Macquarie power piece of legislation. It needs to be something that applies equally and fairly to all participants, no matter where they happen to be. I will take further advice on the compensation issue. I am not aware that any particular advice exists there but I will seek further advice when you rise to your feet.

Senator BOLKUS (South Australia) (11.39 a.m.)—Can I make it clear that we are not talking here of a Macquarie Generation only remedy; we are talking about four states and we are talking about an enormous amount of money spread across four states. I understand the issue you raise in terms of wanting to see the contracts. But my understanding of what was put to the government was a particular set of provisions that would apply in respect to pre-existing arrangements. The proposal, I gather, was to insert a new section 33A, which would provide for a relevant retail acquisition to be defined as where an end user requires electricity and where each of the following conditions applies: firstly, the acquisition is pursuant to a pre-existing agreement; secondly, the acquisition is made prior to a review opportunity arising under that pre-existing agreement; and, thirdly, the total amount of electricity required by the end user from all sources in the same year in which the acquisition occurs is a specified figure, for instance, 750 megawatt hours or more, and then to provide a review opportunity. My understanding is that the concepts of review opportunities put to the federal government were either for the supplier under the agreement, to change the consideration directly or indirectly because of the imposition of the renewable certificate charge or an alternative.

My point there is that you do not really have to see the contract. You can make specific provision for review to be based on the factor of the imposition of the renewable energy certificate charge. In those circumstances, particularly when you have made the point earlier that you do not want to make it specific to one particular company, you can actually make such a provision and make it in a sustainable way. This does raise a particular problem for us because we are talking about a large amount of money. We are also talking about the government having had quite an amount of time to focus on it. Senator, you raise two questions—one of compensation and another of constitutionality. I would like an answer as to whether the officers have taken advice from the Solicitor-General or anywhere else on either the question of compensation or constitutionality and, if so, from whom and when.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.41 a.m.)—We have taken advice from the Attorney-General’s Department in relation to these matters. The compensation that I referred to earlier would relate to the Commonwealth intervening in a private contract which, on the advice we have received, would constitute for these purposes the acquisition of property and would, therefore, under the Constitution require compensation. I do not think I need to clarify or add to any of the other points I have made. The point about viewing the contracts is that the proposed amendment would move a liability from one party to a contract to other parties. I think it is fair that the government should be aware of the provisions of that contract.
Senator BOLKUS (South Australia) (11.43 a.m.)—The liability will either fall on the other company or on the consumers. It would be passed on. Can you tell us whether there was any concern that the proposed amendment or any amendment that the Commonwealth was considering in respect of this issue would be unconstitutional?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.43 a.m.)—It was, as I said in the broadest term, that if you sought to make an amendment that applied to one particular case, I believe that under tax law you would be effectively imposing a tax on one particular entity.

Senator BOLKUS (South Australia) (11.43 a.m.)—So as long as you applied it equally across the states and did not make it specific to one entity then you would be right. That is the basic principle. No-one has asked the government to apply it to one entity. Senator, there are similarities between this and, for instance, the GST. The GST applied to existing contracts and had an impact. That impact the Commonwealth provided would be passed on in those circumstances. So I do not know why you are concerned about compensation in respect of this particular instance when in a similar set of circumstances with the application of a federal charge or tax, the GST, that issue would have arisen on so many occasions.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.43 a.m.)—We do not accept that there are similarities. I have advisers from the department of the environment, not from the tax office, so even though I have a knowledge of both areas it would not be good enough knowledge to add to the sum total of knowledge in this chamber at the present time. But I accept the advice that there are significant differences between the way that, effectively, the charges are levied.

Senator BOLKUS (South Australia) (11.45 a.m.)—Was there written advice from the Attorney-General’s Department?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.46 a.m.)—We have both types, written and verbal.

Senator BOLKUS (South Australia) (11.46 a.m.)—It is quite apparent that this debate will go on until tomorrow. We are going to give some serious consideration to formally moving some amendments overnight. That sort of signal has the impact of accelerating and focusing the attention of people in government to the sorts of amendments that they might be able to live with. Can I suggest that, one, I will put this on the table as a live issue to come back to later on and, two, hopefully officers can get together with some of our people and Democrats and Greens to see if we can address this issue. It is a not insignificant one.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.46 a.m.)—I understand that we have briefed Labor Party people about these issues, but I am quite prepared to provide at any convenient time relevant briefings to the Greens, the Democrats and Labor as to whether the internal government advice from the Attorney-General can be exposed in that process. I will not commit either way; I will leave that to the minister’s office. But we will certainly provide you with as much information as possible to persuade you to what we regard as the sensible position that we have taken.

Senator BOLKUS (South Australia) (11.47 a.m.)—And we will address the issue over the next few hours and see if we can come up with an amendment which would make you focus even more on addressing those issues.

There is another issue in respect of self-generators which I would like to raise. The bill as currently drafted does, I think, have another unforeseen consequence. We can identify examples of self-generators which would not be included within the self-generation exemption. I think the intention of the government is to exempt self-generators. But I am told that instances where the end user of the electricity is not the same legal
entity as the generator of the electricity are a commercial reality. In those circumstances, the requirement that the end user be the same legal entity as the entity that generated the electricity does not reflect commercial realities of joint ventures and other commercial arrangements entered into by industry in order to establish their own power sources. It is an issue which I would suspect has been raised with the government before. Senator, what do you say to the fact that a lot of industry is saying commercial reality provides a more complicated approach to self-generation than this government’s legislation would provide for?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.49 a.m.)—I have some advice on this, to say that the government has agreed to the exclusion from coverage of this measure for self-generators that Senator Bolkus has referred to. It acknowledges that self-generators predominantly generate electricity from more greenhouse friendly fuels than coal, although I think we would all agree that this is not necessarily the case in all instances. Generally, they would use more efficient conversion technologies, such as cogeneration. In granting this limited exclusion, the government noted concerns of industry that this small group must be carefully defined in order not to create distortions in the competitive electricity market between wholesale producers of electricity. For example, co-located electricity generators selling electricity to a user of that electricity are not in a different competitive position to electricity retailers selling electricity to a user. Allowing co-located generators and users of electricity to claim that this is self-generation is not considered to be within the spirit of an agreement that self-generators could be excluded. This is why, for a party to be a ‘self-generator’, the government requires the same party that uses the electricity to have generated the electricity. This is why that electricity must be used within the site, defined as within a one-kilometre boundary, or must be transmitted to a point of use greater than one kilometre through a dedicated line and not across a public grid. These are the characteristics of a party generating their own electricity, using their own electricity, and being in a position to demonstrate that the electricity being used is sourced from their power station and not another generator feeding electricity into a grid or selling electricity directly to the user. I think all honourable senators would agree that not only do you not want to create a potential for distortions between the existing electricity markets and new entrants but you need to ensure that there is minimal potential for distortions that could occur if someone that was claiming to be a self-generator under this scheme was in fact a de facto wholesaler or retailer of energy. That is why we have termed it very tightly. To broaden the exemption would create the potential to undermine significant parts of the scheme.

Senator BOLKUS (South Australia) (11.52 a.m.)—Thank you for that answer, Senator Campbell. Can I move on to another aspect of self-generators that may be excluded. The distance provision in the legislation indicates that, if electricity is transmitted more than one kilometre between two points using the grid, the exemption for self-generation would not apply. Our advice is that many industrial complexes consider themselves self-generators but, particularly in rural Australia, may cover distances of more than one kilometre. Can you explain to us the rationale behind that distance provision of one kilometre?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.53 a.m.)—Again, it is to ensure that there is a very tight description so that it cannot be exploited, but we have ensured that, if it is greater than one kilometre and it is over a dedicated line, it will have the benefit of the exclusion. Our advice is that many industrial complexes consider themselves self-generators but, particularly in rural Australia, may cover distances of more than one kilometre. Can you explain to us the rationale behind that distance provision of one kilometre?

Senator BOLKUS (South Australia) (11.54 a.m.)—Thank you for that answer. It raises another aspect of this issue: sole transmission is required despite the increas-
ing use of public grids. Can you have a situation where, for instance, a sole generator may not provide in their operation for sole transmission and may rely on other grid lines? How do you try to overcome some aspects of inequity that may arise from the situation where, for instance, the government is promoting the common use of the grid and an operator may be generating for themselves but using a common grid line to provide the power to their utility?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.55 a.m.)—That may happen. We have had to draw a line here. We have had to ensure that you draw a very tight line around the self-generators who will have the benefit of this exclusion, and we believe that the way we have done it ensures strict compliance with the spirit of the legislation. That is, it would be within a very defined geographical area, within a radius of a kilometre, and if it were outside a one-kilometre radius there would be a dedicated supply line that did not go across a public grid. You said, ‘What if people do use the public grid?’ and you say that it is inequitable, that they would not get the benefit of the exclusion. You are right: they will not get the benefit of the exclusion. We have had to draw a very tight definition for what we regard as good reasons.

Senator BOLKUS (South Australia) (11.56 a.m.)—That issue also arises in respect of operators that use a backup grid for either backup purposes or security. Senator, is there any intention in government to come back to the Senate with an amending bill? Quite a number of issues have been raised, not only in the last half-hour or so but over recent weeks, in respect of specifics of the legislation. Can we anticipate an amendment bill to this legislation? If so, do we get it this year or next year?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.57 a.m.)—We do not have any intentions in that area. Clearly, we will be bringing forward regulations. It is fair to say that we would expect that some of the amendments that have been made already in the Senate may need to be revisited in the House of Representatives—that would be fair to expect. It would be reasonable to expect that this bill may come back to this place again, but it is not our intention to introduce a new bill. Our intention is to promulgate the regulations, which I think are fairly clearly understood already by those people who have been spending time looking at this legislative regime.

We have also made it quite clear that we intend to review the legislation within a reasonable time frame. I think you have indicated that you may ensure that there is a legislative requirement for there to be a review within a certain time frame. Whether or not the parliament in the end agrees to a legislated review or agrees with the government that there be a review within a reasonable time frame, it is likely that within three years there would be a review. We have said that we would seek to review it within three years. It is quite possible that, as a consequence of that review, there would be another bill. At this stage, that is the earliest time we think there would be any sort of major amendment to it.

Amendments agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (11.59 a.m.)—I move government amendment No. 4:

(4) Clause 24, page 14 (after line 25), at the end of the clause, add:

(5) In determining whether a person was not entitled to create a certificate, the fact that the certificate has been registered by the Regulator under section 26 is to be disregarded.

Note: This ensures that a person cannot raise as relevant evidence the fact that a certificate has been registered.

This amendment has been inserted to provide clarity on when the offence provisions can be imposed. The amendment makes it clear that the creation of all invalid certificates can be penalised regardless of the point at which the invalid nature of the certificate is determined. Given the importance to this scheme
of the validity of renewable energy certificates, this amendment is necessary to give security to the achievement of the goals of the measure. This is not a change in position; it is a clarification of the powers that the existing clauses already provide. I commend the amendment to the chamber.

Amendment agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.01 p.m.)—I move government amendment No. 6:

(6) Clause 31, page 20 (after line 22), at the end of subclause (2), add:

; or (c) the electricity is later acquired by NEMMCO.

This basically is a relatively technical amendment. The amendment is required to clarify that, in transactions where electricity is traded both before entering the wholesale electricity pool and out from the electricity pool, only one liability point should be liable. For example, it has come to the government’s attention that in some cases a party separate to a power station may act as an electricity trader and purchase the output of a power station from the station gate—that is, before it enters the electricity grid. This trader may then sell that electricity into the wholesale electricity pool where another party could purchase the electricity for use. In this instance two liabilities would have been imposed under the current draft of the legislation. Both purchases would be considered wholesale acquisitions of electricity, one as a purchase from the person who did not acquire the electricity from another person and the other as the purchase out of the electricity pool. This clarifies that situation and ensures that only a single liability is imposed. I commend the amendment.

Amendment agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.02 p.m.)—I move government amendment No. 7:

(7) Clause 31, page 20 (after line 25), at the end of the clause, add:

(4) A person who owns, operates or controls a grid must give the Regulator a statement within 28 days of either of the following happening:

(a) the capacity of the grid increases from less than 100 MW to 100 MW or more;

(b) the grid becomes connected, directly or indirectly, to a grid that has a capacity of 100 MW or more.

The statement must include any information specified in the regulations.

This amendment again clarifies the operation of the bill. It requires grid operators to self-disclose the point at which a grid passes the liability threshold and electricity sales on that grid could become liable, depending on the sale arrangements. Grid operators are best placed to track the increasing size of their grids and have therefore been asked to provide that information to the regulator. This amendment also reduces the risk that parties will not know of a liability until the liability period has passed, as the regulator will be able to conduct targeted awareness campaigns to large electricity users when the regulator learns that a grid is newly liable.

Amendment agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.03 p.m.)—I move government amendment No. 8:

(8) Clause 33, page 21 (after line 13), after subclause (2), insert:

(2A) Subsection (2) does not apply if the person who generated the electricity has previously sold it to another person (including NEMMCO).

This amendment clause clarifies that a liability can be imposed under clause 32 or 33 for the same unit of electricity but not both. Again, this does not change the existing bill but clarifies its interpretation, effectively ensuring that double-counting does not occur.

Amendment agreed to.

Senator BROWN (Tasmania) (12.03 p.m.)—I move Australian Greens amendment No. 8:
(8) Clause 40, page 25 (lines 1 to 4), omit the clause, substitute:

**40 Required GWh of renewable source electricity**

(1) The *required GWh of renewable source electricity* for a year up to and including 2010 is set out in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Required additional GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1500</td>
</tr>
<tr>
<td>2002</td>
<td>3000</td>
</tr>
<tr>
<td>2003</td>
<td>5000</td>
</tr>
<tr>
<td>2004</td>
<td>8000</td>
</tr>
<tr>
<td>2005</td>
<td>12000</td>
</tr>
<tr>
<td>2006</td>
<td>18000</td>
</tr>
<tr>
<td>2007</td>
<td>26000</td>
</tr>
<tr>
<td>2008</td>
<td>37000</td>
</tr>
<tr>
<td>2009</td>
<td>53000</td>
</tr>
<tr>
<td>2010</td>
<td>73000</td>
</tr>
</tbody>
</table>

(2) The regulations must prescribe the required GWh of renewable source electricity for the years 2020, 2030 and 2050 at least 10 years before each of those years and in accordance with the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>Required additional GWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>not less than 25% of the estimated electricity consumption in 2020</td>
</tr>
<tr>
<td>2030</td>
<td>not less than 50% of the estimated electricity consumption in 2030</td>
</tr>
<tr>
<td>2050</td>
<td>100% of the estimated electricity consumption in 2050</td>
</tr>
</tbody>
</table>

The Greens amendment here is to increase the two per cent target which the government has set in this legislation, which I will explain in a minute is really one per cent, to 10 per cent of energy by 2010 coming from renewable sources—that is, coming from environmentally friendly sources that are not going to worsen the impact of global warming.

The problem with this legislation is that it is so timid and so short of the mark. The government made a commitment that it would have a two per cent target but, when under pressure, no doubt from the coal producers and others, it dropped that effectively to one per cent. It said, ‘We will set the two per cent target as of now,’ knowing that electricity consumption is liable to double on current rates by 2010. ‘We will make it two per cent now, which is 1,500 gigawatt hours, and by 2010 it is only going to be one per cent of consumption.’ This bill is aimed at having an outcome by the year 2010. The Greens target is for an additional 10 per cent of electricity to come from renewable sources such as wind power and solar power by 2010. I point out again that this is very modest by world standards. In fact, the world average of Kyoto protocol countries is 7.4 per cent. Our target is less than half of Denmark’s target—which is 20.3 per cent of wind power and solar power and other renewables by the year 2010—it is less than Greece, Sweden and Finland and it is about the same as the UK, Ireland and Spain.

Increasing the overall target is an alternative to a portfolio approach, which we would have preferred, which said that you aim to get solar power to increase by this amount and wind power to increase by that amount. What we have here is legislation which says, no, there is a list of things which can be certified as renewable, including this outrageous government-Labor Party enactment here that burning of woodchips from native forests and woodlands will be classified as renewable energy, when it is not renewable energy. That is the key deceit of this legislation. So what happens with this very modest target of one per cent by the year 2010 is that these unacceptable technologies such as burning woodchips or damming coastal inlets as tidal power and wrecking the natural environment will be squeezing out new and currently more expensive technologies like wind and solar power. It effectively puts a brake on wind and solar power when the whole ostensible aim is to put a foot on the accelerator, to give them a real boost. It is a competitive
field and, by putting in woodchips and big dams and so on, the newer, better technologies—the greenhouse gas free technologies—get squeezed.

The best approach would have been to make the Renewable Energy (Electricity) Bill 2000 about wind and solar power and truly renewable energy. It is not about renewable or environmental power anymore; it is about a whole range of new technologies, including environmentally destructive and dirty power like burning woodchips in furnaces. Our alternative, which we have brought forward here, is to raise the overall target so that you will still have room for a more prodigious increase in the really clean technologies like solar power. Also under this amendment we have set targets for the year 2020 of 25 per cent of electricity to come from renewable sources and 50 per cent by the year 2030, and to join Denmark in aiming for 100 per cent to come from renewable resources by the year 2050. That seems to be green nirvana, but let me tell you that that is the sort of option we have to aim for.

Let me reiterate what world scientific knowledge is telling us. Unless, by the middle of this century, we decrease injection of greenhouse gases into the atmosphere from 1990 levels by about 60, 70 or 80 per cent, the greenhouse and global warming impact and the enormous economic, environmental and social impacts which we are leaving to future generations will continue to grow. Even if we stop producing greenhouse gases now, there is an inertia factor which means that sea level rises due to warming of the oceans are going to continue for some centuries. The challenge for us, faced with this situation, is not just to reduce greenhouse gases to the 1990 levels but to go much further and wind them back. That is why the target which the Greens are putting into this legislation is far from being nirvana; it is sensible and based on converting that scientific knowledge into a real plan of action that this nation can be proud of. We are saying: not one per cent but 10 per cent in the next decade, and then let us build in an ongoing program which does not stop there. That is way short of what is required if this nation is not going to be seen as an outrageous and deliberate polluter of the atmosphere by future generations, which left them to handle insurmountable problems, as there is massive migration of millions of people around the world as sea levels rise, as there is massive impact on local economies due to changes in weather and as there is massive cost put on economies. Not just developing countries but wealthy countries will be faced with rising sea levels, rising temperatures and huge impacts on, for example, agriculture and the spread of disease due to changed weather conditions.

This is a prime responsibility on our shoulders and this legislation is tiddlywinks compared with what is required. Those of us who were at the Senate inquiry had that endorsed amply, if we needed it, by scientific opinion from around the world. What the Greens are proposing—that is, a 10 per cent rise—is modest. It is certainly something that the Labor Party should be reaching for if it wants to show itself as having any credibility as an alternative government to people who are concerned about the environment. Already this morning we have seen the Labor Party vote to allow burning of woodchips from native forests and woodlands to be counted as renewable and ecologically sustainable energy when it is not. This target for renewable energy will boost business in Australia, create thousands of jobs, be good for regional and rural economies and will provide a vast stimulus for Australia’s marvellous expertise in such things as solar power. It is a modest target and the right way to be aiming. I hope we will get Labor Party support on this amendment, which I recommend wholeheartedly to the chamber.

The TEMPORARY CHAIRMAN (Senator Crowley)—Is there no further comment? The question is that amendment No. 8 moved by the Australian Greens be agreed to.

Senator BROWN (Tasmania) (12.13 p.m.)—Is there nothing from the government? The question is that amendment No. 8 moved by the Australian Greens be agreed to.

Senator BROWN (Tasmania) (12.13 p.m.)—Is there nothing from the government? I would like to hear the government’s response to that submission. What I put forward is a very important amendment. It is a stimulus to business in this country, it is a stimulus to scientific research and it is very
much in keeping with the environmental intelligence which the Australian electorate has. I would like to hear what the government has to say in response and, of course, what the Labor Party has to say because, if it supports this Green amendment, it will get huge kudos from the Australian electorate as a whole. This is the way the Australian electorate, not least young Australia, wants us to be going.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (12.14 p.m.)—I did not want to be provoked into making a response because the points I will make as briefly as I can are points which I made yesterday to the same comments made by Senator Brown. Having seen the movie *Groundhog Day*, I am reminded that people who listen to the Senate, who hear the same questions and answers being asked every day, will probably switch off and do something else. I think it is good for people to listen to the Senate and see democracy in action.

One point I would make is that, as I said yesterday, we have aimed for a legislative regime which is, in many respects, a greenfields policy. This is new policy; it is a new legislative regime. If you listened to Senator Brown you would think that Australia was not really doing very well in all of these things and that we were laggards. Senator Brown, whom I quoted yesterday, said we had the laxest standards in the world, which is patently absurd, incorrect and wrong. He continues to use Denmark as his world’s best practice model. We are here in the parliament of Australia this very day debating legislation. As I understand it, our friends and comrades in Denmark have yet to get pen to paper. We are actually getting our legislative regime in place. We have set some standards and we have set some targets. We are setting sensible, achievable targets. The Australian Labor Party, in the reasons they have put forward, have not been complimentary of the government but have at least said that this is progress forward. Senator Bolkus referred to a failure over five years to move things forward. I remind him that Senator Faulkner was actually in the job of environment minister five years ago. I think Senator Faulkner was struggling with COP2, as it must have been then.

Senator Bolkus—You will have been in government for five years next March.

Senator IAN CAMPBELL—That is right, it will be five years next March. But five years ago Senator Faulkner was in the job and he was struggling with what Australia’s response to the greenhouse problem would be back then. I think Berlin was where Senator Faulkner had to go, and he came back and proposed a whole lot of policies, as Senator Bolkus would know. He sat in cabinet and proposed a range of measures, including a whole range of new taxes on fuel, which Senator Brown probably would have supported in here. I think Labor would probably like people to forget that Senator Faulkner’s response to the Berlin conference was to come back and propose that the Australian government bring in some significant carbon taxes and some significant increases to taxation on fuel used by motor vehicles and industry as part of their response.

This government has, as all governments have around the world, been grappling with how you achieve significant reductions in greenhouse gas emissions and, of course, increases in renewable energy production.
Increasing the share of renewable energy as a proportion of your electricity production is part of the policies that need to be achieved there. But you do not achieve much by continuing to denigrate Australia’s efforts. Australia has led the world in many of these efforts. Senator Bolkus and others would say that we should go further and that we should be doing more things. That is good. Keep making constructive suggestions, but let us make them reasonable, achievable and sensible suggestions and let us get them into practice. That is why I commend the Labor Party for saying, even with all their criticism of the government, ‘Let us at least get this up and running. Let us get it moving. Let us lead the world in this respect.’

The European Union have a whole range of targets. All of them are basically political targets; they are not legislated. The Danes have yet to achieve that. They have said, ‘We want to double our energy from renewables.’ Senator Brown says that he wants to increase ours to half in a short period of time. Words to that extent are quite cheap. You can set targets that you know in your own heart cannot be achieved in practice. You can set targets, for example, the way that you have in this amendment. But all existing assessments by any person or organisation say that Australia simply does not have the capacity in the time period set to achieve that production. Senator Brown would have us import billions of dollars worth of equipment from overseas to create this impossible capacity to produce this.

We have set targets which we believe can be achieved. We believe that they are targets that we can be proud of in any forum in the world. We can actually go to international fora and say, ‘We have legislated this. We have set up a regime of certificates. We believe that that will produce incentives that will encourage the renewable energy sector to significantly improve Australia’s renewable energy efforts.’ As I said yesterday, we are up to nearly double the international level. It is not quite that, but it is in excess of 12 per cent and less than 13 per cent. It is not quite the 14-plus per cent that you would need to be to double the international average, but it is a significant achievement. It is ahead of many European nations and most other developed nations. I think we should be proud of that. I think we should encourage it. I think we should also ensure that we set targets that are believable and achievable. Let us get something moving. Let us get it up and running. If we can exceed our expectations, then we can reset targets. As I said in my last contribution in response to Senator Bolkus, we have indicated that we want to review this within three years. I would imagine that that would be a very sensible and appropriate time to assess the targets you are setting and to look at your progress towards achieving those targets. Then, if it is sensible, you can change those targets. But we should not set the sorts of targets that quite frankly are, in many respects, ridiculous.

In a way, Senator Brown colours his own target by relating it to nirvana types of targets. People realise that you can make strong progress in a range of areas of human endeavour if you know what is achievable. In fact, you can aim very high and achieve a lot more than has ever been achieved in this particular area in the past. In Australia, with so many sunny days in so many parts of our wide brown land, we have such incredible access to, and huge potential for, solar, wind and, dare I say it, tidal power. If you are seeking to achieve higher goals it is crazy to wipe out tidal with one hit, as Senator Brown would have us do if he were running the nation. To be so technology specific and to say that you cannot use tidal because in your own mind it is environmentally unsustainable is, again, a form of centralist second-guessing of technology and human endeavour which would be quite contrary to what we are trying to achieve. If you have a tidal proposal, be it in the Kimberley or anywhere else around our coastline, that can meet all the other environmental, social and local planning—

Senator Brown—You voted down the amendment that would have facilitated that.

Senator IAN CAMPBELL—I am not going to revisit the amendment about planning agreements. I was provoked into this response; I have not said anything today that
I did not say yesterday, so I will resume my seat.

Senator BROWN (Tasmania) (12.24 p.m.)—Thank you to Senator Bolkus for allowing me to follow that up. I am trying to put Australia at the forefront here because I am proud of this country and I am proud of its marvellous technological innovation, particularly in the field of solar power. I am not going to fall for Senator Campbell’s line that I am putting Australia down. What I am doing is very definitely putting the Australian government down because it is selling out the Australian people. It is so far short of what Australians aspire to that it does not deserve any kudos at all.

In this respect, I do keep bringing up Denmark because it is setting a standard far short of which Australia falls. Senator Campbell says that they are on 10 per cent renewables at the moment and so is Australia. In this legislation we are looking at how the next decade is going to see us fare. While Denmark is aiming at making it 20 per cent, Australia is aiming at making it 11 per cent. We go up by one-tenth; they go up by 100 per cent. That is the difference in outlook.

Senator Campbell talks about pollution taxes—carbon taxes. Denmark, and nearly all the countries of Europe, have those. Senator Faulkner came back with that idea in mind, and deserves praise for that, but the Labor government and now the Liberal government have fallen short of that. It is so easy to cave in to the big oil and coal companies, and that is what has happened there.

In this amendment we are saying, ‘Let’s really be proud Australians; let’s get behind the solar industry in particular.’ It is the best technology in the world but to develop it they have to go overseas. The governments of the United States, Switzerland and Japan have already legislated to fund millions of homes to have solar power through their roof fixtures. You do not see that in Australia; that is not here. We have not even legislated to ensure that all houses are insulated.

When I brought into this place a sun fund bill, which would have allowed people in the bush to give up their diesel rebate and put the money instead into developing clean green solar power in the bush—that bill alone would have created 1,000 jobs in regional Australia—the Liberal Party, the National Party and the Labor Party voted it down. This is incredible stuff in this country which has such great technology. But there is a mindset against it because the policies of the big parties—and let me say this again even though Senator Campbell does not like it—are set by the big corporations who have a vested interest in keeping the old polluting industries going. Written into this bill is this outrageous component which sees the burning of forests and woodlands in Australia in furnaces to produce electricity as green power. Call that making Australians proud? Try to sell that to the rest of the world. It is extraordinary stuff, and to think that the Labor Party goes along with it makes it even more extraordinary.

I can see that this particular amendment is not going to get up, but it ought to. If we had the next generation of Australians or people around the world in mind it would sail through—but we do not. This is the short-term vision dictated by the big vested interests of the moment, and it sells out the solar industry in Australia, it sells short the development of wind power and, in particular, it sells out energy efficiency, which is the best alternative of the lot—stop wasting power that we have now and divert it into new industry. That is the best alternative and the most job rich alternative.

Senator Ian Campbell—Have you ordered a smaller car yet, Bob?

Senator BROWN—Senator, yes I have, and I will put mine up against yours any time. But there you go: when the government cannot sustain the argument of its failure to introduce policy which would make Australia proud it reduces the argument to the personal level.

Before I sit down, I just want to make reference to the latest scientific information about forests. It is important that we see this legislation with a background of the Labor Party endorsing the Howard government’s record destruction of Australian forests and trying to discount this as not being a greenhouse factor when the burning of native vegetation in Australia is one of the biggest causes of our world’s worst performance as
far as the reduction of greenhouse gases is concerned. There is an article in the prestigious *Science* magazine, volume 289, 22 September 2000, which has not hit the bookshelves in Australia; this comes from the United States. The article is entitled ‘Managing forests after Kyoto’ and is written by Ernst-Detlef Schulze, Christian Wirth and Martin Helmann. It specifically looks at this myth that plantations are the great saviour as far as global warming is concerned. What it says is that they do not perform when compared with old-growth forests. I quote, in part:

Under constant conditions of resource supply and climate, it will take about the same amount of time to replace the exported biomass—that is, the logged forests—as it took to grow it ...

And there is a panel showing that figure in a configuration. The article goes on:

There is thus no difference between short and long rotations—that is, of logging—except that old stands allow more carbon to enter a permanent carbon pool.

That is, old forests left standing are better at taking up carbon than plantations. On top of that you have to take into account the fact that, in logging forests to put in plantations, you knock down the biggest carbon banks of all. As far as assaults on the natural environment are concerned, you create the greatest environmental crime of the lot in terms of global warming. The article also says:

These questions cannot be answered with certainty yet, but an increasing number of process studies indicate that terrestrial forest ecosystems do not reach an equilibrium of assimilation and restoration and act as net carbon sinks until high ages.

That is, it is not until forests are well grown that they become carbon uptakers.

**Senator Tchen**—That’s rubbish, Bob.

**Senator BROWN**—The Liberal senator says that’s rubbish, because it does not fit Liberal dictum. This is *Science* magazine and three prestigious scientists. But it is dismissed out of hand as rubbish because those opposite have their heads in the sand and do not want to know about it. It does not fit their cosy thinking that they can twiddle at the edges and everything will be okay, because that is what the big corporations tell them. I quote the article further:

These arguments indicate that replacing unmanaged old-growth forest by young Kyoto stands, for example, as part of a Clean Development Mechanism or during harvest of previously unmanaged old-growth forest stands as part of forest management (the latter does not gain credits under the Kyoto protocol), will lead to massive carbon losses to the atmosphere mainly by replacing a large pool with a minute pool of regrowth and by reducing the flux into a permanent pool of soil organic matter.

There you are: old-growth forests are the best hedge we can have against global warming. But under this government, endorsed by the Labor Party, old-growth forests in Australia are being destroyed at the greatest rate in history. Plantations do not rate. Under this government—and the minister for the environment is currently in Europe promoting the idea—plantations used as so-called sinks, sinking up carbon dioxide, are an answer that Australia should be proud of. Despite the cries of ‘Rubbish’ from opposite, it is the government that is wrong on this matter. It underscores the appalling proposition in this legislation, supported by Labor, that those great forests should be converted into woodchips and burnt in furnaces and that we should be proud of this as a green energy. That is what this legislation does: it deceitfully calls that ‘environmentally friendly energy’, when patently it is not. We should be putting the target higher and we should be excluding that form of deceit and making sure that the projects that get the government assistance and that have the Australian public right behind them—and, by the way, I reiterate: are the biggest job generators in regional Australia in particular—are energy efficient and solar powered.

**Senator BOLKUS** (South Australia) (12.34 p.m.)—To get back to the point of this particular amendment and put some reality into the debate, I said five years have been wasted, and I stick by that. I think the evidence indicates that what we have had over the last two terms of the Howard government is basically a neglectful, head-in-the-sand approach to greenhouse, hoping, for in-
stance, that George Bush will win the US election and the issue will go away. I think the reality is that the issue will not go away and that the next agenda set for Australia at an international conference will be more difficult for us to meet than Kyoto, so we essentially need to get real about it. Turning to this amendment, let us acknowledge that the cap of 9,500 gigawatt hours represents a significant increase, and it is for that reason we support it. I, for one, would like to see a higher target, but I acknowledge that we are talking here of a significant increase and we are also talking of a formal review in a couple of years time to see how the measure is being implemented and what amendments need to be made to it. So we believe it is premature to revise the target at this stage. We are talking of a significant increase and, accordingly, we support the government’s position. As I say, I, for one, would expect that the cap should be met— I say, ‘should’ rather than ‘will’—within the time period. I think it is an obligation on the next government to address this issue and to see how we can revise it.

**Senator Allison (Victoria) (12.36 p.m.)**—There were a number of submissions to the inquiry that said they felt this target was too low and that Australia could do better. The Democrats agree with that. However, none of them, including Greenpeace and the ACF, actually put a figure on what they would like to have seen. Instead, we had a number of suggestions such as keeping the penalty charge up with the CPI and taking a straight line to 2010 in terms of the uptake, and we obviously will be moving on those in our amendments.

I feel reluctant to support this amendment, even though the Democrats also believe that we could probably do better than the two per cent. I would be a bit reluctant to see, in legislation, 100 per cent of estimated electricity consumption by 2050—not because I would not want to get there, but simply because 2050 is a very long way away and I do not think we are in a position to know what the situation will be by then.

The other reason we will not vote for this amendment is that all of the submitters—I think bar none—urged the Senate to pass this legislation and put in place those amendments which were really important and would make sure that the industry was properly supported. I have some sympathy with the intent of the amendment, but it is not what conservation groups or the industry called for. I would think that, even with respect to the first year of uptake, 2001, there were different views about whether or not that kind of figure could be achieved. Certainly the industry was saying that there is more supply than the two per cent in the first few years of uptake—and we will go into that in later amendments—but I do not know that 1,500 gigawatt hours and 3,000 gigawatt hours in 2001 and 2002 respectively would actually be achievable. Of course, these projects would need to be on the board by now in order to achieve that target.

We are sympathetic to increasing the two per cent but, as I said, the submissions that came before the committee did not—not even Greenpeace or the ACF—put a figure on what they would want to see instead of that two per cent. So we will not be supporting this amendment.

**Senator Brown (Tasmania) (12.39 p.m.)**—Clearly the Democrats have lost their way on this. Senator Allison is saying that Greenpeace and the Australian Conservation Foundation did not put a figure on it, while they clearly wanted more than the two per cent of renewable energy to be produced by the year 2010. So we cannot work out a different figure ourselves. The Greens have said it is 10 per cent. I can tell Senator Allison that that is what the conservation movement wants as a modest start, and so will the renewable energy sector. But the Democrats are apparently unable to think for themselves. They are not able to follow through a wish that is very clearly expressed by the environment movement and is going to stimulate thousands of jobs in this country, turn around our awesomely bad performance in global warming, and get the country on the move as far as its greenhouse obligations are concerned. That is what this Greens amendment is about. It is certainly not out of kilter. It is within a modest range of what other countries are doing. It is well below what various European countries are doing—
as I have said before, it is half of what Denmark is aiming at—and the Democrats say, ‘We cannot support that because, although we know that there is sympathy for a target in that region in Australia, we have not been able to work out what it should be, so we will do nothing.’

That is not good enough, and it leaves the Greens in the position of having to see voted down one of the most responsible pieces of environmental amendment in this place. Given the global warming emergency which we are already facing, I reiterate that this is not just about the environment; this is about economic wellbeing and social wellbeing. I reiterate that in the world we are facing appalling penalties for not acting, and acting vigorously, now—including mass migration of tens or hundreds of millions of people due to rising sea levels; dislocation of economies, in particular agricultural economies; and huge impacts on social restructuring and relocation, if you look at just the economic side of it.

We have before us a piece of legislation which is fiddling around the edges. Worse than that, this legislation includes woodchipping as a major competitor to solar and wind power and gives them the same kudos. There is already a project on the boards in southern Tasmania to convert wild forests and rural woodlands, though furnaces and woodchipping, into electricity which will be sold into the Melbourne, Canberra and Sydney markets as green power—squeezing out wind power and solar power. The Labor Party support that; the Democrats do not, but they say, ‘We cannot give the stimulus that is required for wind power and solar power, notwithstanding that, by raising the sights to half of what Denmark has set.’

It is just an extraordinary dereliction of duty by the other parties in this place. Even with the Democrats, we do not have the numbers to get Labor to do its responsible job in opposition, let alone get the Howard government, which have such an appalling environment record, to do the right thing. But let’s put that aside. We are looking at the renewable energy industry in Australia, which needs stimulus. It is up against a burgeoning world market, and those people with their feet on the ground will tell investors, ‘Don’t get into IT; get into ET’—environmental technology. The government have cut $12 million out of research and development in environmental technology, and they have brought in, as competitors for those people who might be advantaged here, woodchippers and dam builders. We say, ‘These industries, besides requiring a stimulus, have a huge export market and huge job potential for Australia, not least regional Australia.’ And the rest of the Senate says, ‘Oh, that’s too daring. We cannot do it.’ It is common-sense, it is moderate, and it should be supported.

Amendment not agreed to.

Senator Brown—I would like it registered that I was the only voice in support of that motion.

The TEMPORARY CHAIRMAN—Thank you, Senator Brown.

Progress reported.

MATTERS OF PUBLIC INTEREST

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

Olympic Games: Contribution by the Department of Immigration and Multicultural Affairs

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.45 p.m.)—Over the past two weeks we have seen some outstanding performances during the period of the Sydney Olympic Games. Whilst the athletes, the volunteers and the organisers deserve the highest praise for their efforts, today I would like to focus on one of the hidden winners—the Department of Immigration and Multicultural Affairs.

On behalf of the Minister for Immigration and Multicultural Affairs, I would like to take this opportunity to congratulate the officers of the Department of Immigration and Multicultural Affairs for their outstanding work in facilitating the entry of our overseas guests during the Olympic Games. Not only have the officers demonstrated enormous
efficiency in tackling their task, many of the international visitors I encountered during the games commented on the courtesy and friendliness shown by DIMA staff while they were efficiently processed through immigration. At a time when they were under what may have been the most pressure of their working lives, it is an absolute credit to the immigration staff that they conducted themselves in such a professional manner. The magnitude of the achievement is particularly clear in the context of the great many challenges the department has faced over the past couple of years. While planning for the Olympics the department also faced the Kosovar and East Timorese evacuations and the rising number of unauthorised boat arrivals, which have all placed great pressure on the department. In this context, the smooth and efficient way in which DIMA has managed the Olympics and will continue to manage the Paralympics is a tremendous achievement, and on behalf of the Minister for Immigration and Multicultural Affairs I would like to place on record our thanks to all the staff of the department.

This has been the busiest period on record for Australian immigration, with the latest departmental figures showing that nearly 40,000 Olympic family members entered Australia for the games and a total of around 29,000 have now departed. To put that into perspective, on 2 October—'super Monday'—there were more than 25,000 departures on 520 planes, which was a 125 per cent increase in the movements on the same day last year. Despite this massive undertaking of moving so many people in and out of Australia only a few minor problems occurred, mostly as a result of simple data entry errors provided by Olympic organisations applying for accreditation. In 99 per cent of the cases problems were solved in a matter of minutes.

There have been many tributes for the work of the department during the period of the games. The Israeli team, for example, said that within 15 minutes the whole delegation was already outside the airport, having been through the various stages of accreditation and immigration entry procedures. The athletes were actually accredited in the airport rather than having to go to the Olympic Village to be accredited. Only those who had a problem or who had replaced somebody had to be accredited in the village. A Slovakian team representative said that the team was in the Olympic Village within two hours of touchdown—when at Atlanta it took 2½ hours just to complete entry formalities at the airport. A *Time* magazine journalist said that he spent more than 1½ hours at Atlanta airport going through Olympic accreditation procedures and over an hour at immigration clearance, while in Sydney it was less than 10 minutes in accreditation and even less time at immigration clearance. It is also worth reading an article by Bill Bryson in the *London Times* of 18 September. He said:

... instead of taking most of the morning to get through the airport, as I had stoically expected, I was out in comfortably under an hour. I am still so dazzled by the numbers that I must repeat them here: at 6.40 my plane touched down; at 7.08 I cleared customs; at 7.13 my bag tumbled on to the carousel; at 7.18 I stepped into a cab. On what was supposed to be the most chaotic day in the airport's history, I passed through in 48 minutes. My little regional airport in New Hampshire handles four flights a day of not more than 16 passengers each, and they still can't get you in and out of the airport in that kind of time.

I am not claiming it is all due to the Department of Immigration and Multicultural Affairs; I also recognise there are airport staff and baggage handlers and everyone else—

*Senator Vanstone interjecting—*

*Senator Patterson*—and the Australian Federal Police and Customs who do the immigration work on contract with immigration officers backing them up. I am not saying it was just the immigration department. I am sure, Senator Vanstone, you will get up and congratulate your staff too. Immigration had, in fact, trained a lot of the customs officers in immigration issues to make sure we had customs officers on every desk. Senator Vanstone is not enjoying this speech—I am going to get interjections in a moment. Senator Vanstone, you can talk about your customs officers and your AFP; I will talk about the immigration officers.

While staff of the Department of Immigration and Multicultural Affairs in New
South Wales have been heavily involved in the games, preparations have permeated virtually all areas in the department. By way of example I want to refer to the Translating and Interpreting Service, for which I have particular responsibility. The Translating and Interpreting Service assisted SOCOG with the provision of language services during the games. The Translating and Interpreting Service was of great interest to many of our overseas visitors, and we were able to showcase that service to our visitors. On 10 September, TIS Southern received a fax from SOCOG’s language manager of the Olympic Village saying:

Just wanted to pass on some positive feedback to you and your team. Staff here at the Village and at other venues are extremely happy with the service, and are finding it a great help to their operations. Visiting teams are also impressed by having such easy access to language services. I have had to call up numerous times myself to connect callers who have wanted a language not on site at the MLSB—a multilanguage Olympics phone board which we backed up with languages that were less frequently used. The letter continued:

The response time has always been good and the staff have been extremely helpful and professional. Not too many services would be able to provide a Swahili speaker at 21:30 on a Sunday night within about a minute! Thank you and keep up the good work!

That was the sort of service that we were able to offer the Olympic family when they were here in Australia, backing up SOCOG. —

In addition to the Olympic Travel Authority, the department also placed considerable resources internationally to facilitate the smooth entry of our international guests. Overseas departmental representatives contacted and made themselves available to assist the national Olympic committees of every country. Experienced Immigration officers were also placed in Africa and the Middle East in the lead-up to and throughout the Olympic period to service the needs of the region’s travellers and an airline liaison officer was placed in Johannesburg to assist African nationals transiting South Africa; and these measures were crucial in the success of our Olympic preparations. I thank those officers for their efforts.

The job is a long way from complete, and the department has set itself the target of supplying the same level of service for visitors and athletes involved in the Paralympic Games. Latest immigration figures show that 809 Paralympic family members have arrived in Australia with an expected 7,000 Paralympic family members participating in the games. I am sure the department will continue, with the assistance of other officers from other departments, Senator Vanstone, to show the same efficiency and friendliness to our Paralympic guests.

I would like to thank all the staff of the department for their dedication and preparation over what has been a very long period over the past few years. Your hard work has paid off.
Prime Minister: Television Coverage During Olympic Games

Senator O’BRIEN (Tasmania) (12.54 p.m.)—I want to touch upon matters relating to the same subject, that is, things that occurred at and around the Sydney Olympics. I first want to go back to an article written by Sydney Morning Herald journalist Alan Ramsey in a column published on 3 December 1988 which was entitled ‘New sales pitch for same old product’. In that column Mr Ramsey described the Prime Minister as a politician that seemed to have been around forever, even though he had postdated Mr Andrew Peacock by eight years. Alan Ramsey wrote:

And while as Liberal Party leader he has been buffed up in that elusive search for a more positive and sharper public image, the essential John Howard remains intact.

That was an observation which was spot on in 1988 and, despite Mr Howard now having spent some time in the Lodge, I think Mr Alan Ramsey could write it again tomorrow without fear of contradiction.

The latest attempt at a buff-up for Mr Howard came in the form of an aggressive pursuit of positive television coverage during the two weeks of the 27th Olympiad. The games provided the Prime Minister with the opportunity to associate himself and his government with achievement—not achievement of his making but achievement by others.

The Prime Minister spotted the political opportunity the Sydney Olympics would offer him some time ago. He decided that in order to maximise that opportunity he, and not the Queen of Australia, should officially open the games. It was a plan that would not only give him a formal, legitimate role to play but also a special and important place in the sporting history of this nation. But even when public opinion and his obsession with all things royal forced him to abandon his strategy to open the games, he still maintained that right was on his side because he told listeners to the AM program on 11 November last year:

Even though you might have the better of the argument the broader interest requires that you take a step aside.

He continued:

There are occasions on issues like this where the right thing to do for the public benefit is not necessarily to stand by the logic of your position but simply to recognise that things might be better. In other words, ‘I am right and everyone else is wrong.’

Alan Ramsey also pointed out in that December 1988 column that Mr Howard does not give up easily. Let us not forget that Mr Howard, for nearly all of his political career, was never the Liberal Party’s first choice as leader. He was always on the B list of the Liberal leadership stakes. Senators would recall that on the day that Malcolm Fraser lost the election in 1983 he called a surprised Mr Andrew Peacock. Mr Fraser told Mr Peacock he was prepared to do anything to stop Mr Howard from becoming the next Liberal Prime Minister. When in 1985 Mr Peacock called for a party vote in the Liberal leadership, Mr Howard refused to put up his hand. This despite the fact that he had been working flat out for months to try and bring down Mr Peacock.

As history records, the party room wanted Andrew Peacock but did not want his running mate, John Moore, as his deputy. The party room, for reasons known only to them, decided that Mr Howard would be a better deputy and duly voted him in. That was unacceptable to Mr Peacock. He saw the support for Mr Howard as a vote of no confidence in him and he, therefore, resigned and Mr Howard got the job by default. That is a bit of the history of Mr Howard’s role in the leadership of the Liberal Party.

As I said, even though Mr Howard was forced by public opinion to abandon his plan to formally open the Sydney Olympics, he was not prepared to give the plan up. He was not prepared to waste what he saw as a political opportunity. He applied the old political campaigning technique of ensuring that, if someone is attracting a television camera, you get in the shot as often as possible. So at the official opening of the 27th Olympiad there was Sir William Deane, the person chosen—and quite rightly—to officially open the games; and right behind him, in camera shot as often as possible, was the Prime Minister.
Things were to get even worse. On the first night of competition in the pool the Prime Minister, aided and abetted by a Channel 7 director, got more exposure than the swimmers; and they were the ones getting the gold medals and setting world records. My office counted 16 cuts to Mr Howard at the peak of the hysteria, although I must say I note that a woman rang a senior journalist to complain that Channel 7 cut to Mr Howard on 14 occasions. She obviously wanted to watch the swimming, as we all did.

Mr Howard’s media campaign to associate himself with sporting success continued for the two weeks of the Games, but the enthusiasm of Channel Seven to give him the exposure he desired had all but petered out by last Sunday.

Some political commentators, and I name Mr Paul Kelly of the Australian and Mr Mark Ludlow of News Ltd, argued that Mr Howard is a sports nut and that explained why he ran from Olympic venue to Olympic venue chasing gold medal ceremonies. Mr Howard does have some form as a sports nut. There is, for example, no doubt that Mr Howard is a cricket fanatic, but that is more to do, I would suggest, with his desire to associate with great traditions such as the Ashes Tests, his love of the monarchy, the mother country, and past glories, just as Bob Menzies also had a passion for the creams and the willow. Cricket is a game which many see as a game for gentlemen. It is certainly not an Olympic sport.

Senators who have any interest in sport at all would recall that during the 1987 federal election campaign one of the great tennis tournaments, Wimbledon, was being contested. Australia had a young champion in the final. His name was Pat Cash. The day after that great Cash victory, the then Prime Minister, Bob Hawke, was on the radio talking about the result and how important Cash’s backhand return and volley was in winning him this most coveted title. But his opponent, the current Prime Minister, missed all the action. He told a radio station that he had not bothered to stay up to watch the end of the match—he went to bed. That is not the behaviour of anyone with a passing interest in sport, let alone a sports fanatic or a sports nut.

Then there was the embarrassing gaffe by Mr Howard last year when he put out a media statement calling the Hockeyroos—they are, I might interpose, one of the country’s greatest ever sporting teams—the Australian women’s cricket team. This was the side that had just won a gold medal in Atlanta and, at that time, it had just won the Champions Trophy in Brisbane. They just won another gold medal at the Olympics. This is not the error a sports fanatic, a sports nut, would make.

I must say the government did turn on a reception for the Hockeyroos. It was tea or coffee and a biscuit in the corner of the Mural Hall. In contrast, the men’s cricket team was given a full-on reception that very evening with the cheer squad led by the Prime Minister. The Hockeyroos had earned more, in my view, than a cup of tea and biscuit. After all, hockey is played in 127 countries, not 10 or a dozen, or whatever the number is in which cricket is played, and our women’s hockey team are the world and Olympic champions.

The reality is that the Prime Minister was out to maximise any political advantage he could from the Sydney Olympics.

**Senator Boswell**—This is very, very churlish, even for the Labor Party!

**The ACTING DEPUTY PRESIDENT** (Senator Sherry)—Order! Senator Boswell.

**Senator O’BRIEN**—It is clear that he sought to be a player in the games and not a spectator. According to the letters to the editor page in the major newspapers, the Prime Minister’s high profile at the games—he apparently appeared at some 22 events—did not always receive a positive response.

A letter to the *Sydney Morning Herald* launched a tongue-in-cheek attack on that paper and on the ABC for their coverage. I will quote from that particular letter. The writer said:

What is wrong with the Herald and the ABC in their coverage of the Olympics? Why are they not covering Little Johnny and his missus in golden glory, like Channel 7 is? They’ll never get on, you know.
The Prime Minister also copped it in the Herald-Sun for attempting to:

...bask in the glory of Michael Diamond winning back-to-back gold for Australia.

The question was asked as to where the flak jacket was that he wore at Sale in Victoria when he appeared before the pro-gun owners rally and the writer stated:

What an insult that was to law abiding Australians.

And in the same edition of the paper a writer said:

Having sufficiently reconciled himself with the guns issue to be photographed with gold medallist Michael Diamond, I wonder if John Howard will whisper “sorry” in Kathy Freeman’s ear when he doubtlessly lines up for a photo shoot with her at some stage during the next week or so.

I suspect that person will not waste too much time wondering on that matter.

So the closing ceremony must have been somewhat of an ordeal for the Prime Minister. This spectacular show was about modern icons and reconciliation and the modern icons were many and varied. There was a lawnmower man, a Hills hoist, eskees, a giant thong, Crocodile Dundee, Elle Macpherson, The Shark, Strictly Ballroom, Priscilla Queen of the Desert and friends, a kangaroo with the Harbour Bridge in one hand and a fighter plane in the other, prawns, lizards, water buffalo, a giant blowfly over a massive barbecue, Bananas in Pyjamas, Slim Dusty and more.

While Mr Howard apparently looked very bemused and confused by all of this, I think the rest of Australia basked in it. This spectacular show was about modern Australia and how we now see ourselves. We have moved on, but the Prime Minister has not and, clearly, neither has Senator Boswell. The Ramsey column I referred to earlier also went to the matter of self-image and Mr John Howard. Alan Ramsey provided great detail in that article about Mr Howard’s study in the house he owned, and I presumed still does himself. We have moved on, but the Prime Minister has not and, clearly, neither has Senator Boswell. The Ramsey column I referred to earlier also went to the matter of self-image and Mr John Howard. Alan Ramsey provided great detail in that article about Mr Howard’s study in the house he owned, and I presumed still does, in Wollstonecraft in Sydney. Mr Ramsey wrote:

Everywhere you look—the walls, the bookcases, the cabinet, even the old coat stand—are pieces of John Howard’s life. Everything has its place, all of it arranged meticulously, even lovingly, from the Howard family tree portraits to his framed commissions as a Cabinet Minister in the Fraser Government to the myriad of the bric a brac of his life at school, university, law and politics.

Alan Ramsey continued:

Even down to the horned Viking headpiece of a distant school play, his school cricket cap, his rolled scarf, woggle and badges from the Boy Scouts.

Senator Mackay—Even his woggle?

Senator O’BRIEN—He had his woggle there, indeed. The Prime Minister’s Wollstonecraft study reflected his view of himself I guess and how he wanted this nation to view itself. I must say that is a view which is a thousand miles from the Australian self-image embraced last Sunday night. The Prime Minister’s bemusement at Sunday’s modern icons turned to outright denial when it came to the matter of reconciliation. Fran Kelly, on ABC Radio National on Monday morning, asked Mr Howard whether he accepted that the issue of an apology to Aboriginal Australia still needed to be dealt with. She was referring to Cathy Freeman calling on the government to say sorry. The Prime Minister simply dismissed the question. He said:

It’s an issue like 101 other political issues that will go on being debated.

The Prime Minister must have missed what everyone else saw at both the opening and closing at the Sydney games. The games, with the endorsement of most Australians, have put reconciliation very high on the political agenda. The Prime Minister must also have missed the point being made at the very beginning of the torch relay with the torch held high by Nova Peris-Kneebone with Uluru in the background. It also appears that he also missed the significance of Cathy Freeman lighting the cauldron—

Government senators interjecting—

Senator O’BRIEN—I must say it is not surprising that Senator Boswell and Senator McGauran have also missed it because the National Party has missed the bus and will soon be out of Australian politics and we will not have to worry about it.

There were other things that occurred, which I do not need to repeat, about the
closing ceremony involving Savage Garden, Christine Anu, Midnight Oil, Yothu Yindi. Mr Howard might think that reconciliation rates as low as 101 on his political agenda, but the rest of Australia does not. The Sydney Olympic Games provides the Australian community with the opportunity for a national stocktake. As a sporting nation we give ourselves an A plus. What we have to say is that the games have highlighted the fact that Mr Howard, as a leader, is suited to the fifties and sixties, not the year 2000. Reconciliation is certainly not high on Mr Howard’s agenda and never will be, but Sunday night highlighted the fact that it is very much high on the rest of Australia’s.

(Time expired)

The ACTING DEPUTY PRESIDENT—I call Senator Harris.

Senator McGauran—Mr Acting Deputy President—

The ACTING DEPUTY PRESIDENT—The speakers list I have does show that Senator Harris is next, Senator McGauran.

Senator McGauran—I rise to speak, provoked by the previous speaker.


Senator McGauran—if it is a strict speakers list, doesn’t it come to the government?

The ACTING DEPUTY PRESIDENT—There is a speakers list, yes. You have to sit down. Senator Harris has the call.

Senator O’Brien—Can I take a point of order on that comment, Mr Acting Deputy President?

The ACTING DEPUTY PRESIDENT—I have not recognised Senator McGauran. There is no point of order. I am calling Senator Harris.

Heavy Vehicles: Accidents

Senator HARRIS (Queensland) (1.10 p.m.)—I rise today to raise a matter of public interest relating to heavy vehicles. Approximately 2,100 serious incidents involving trucks occur each year in Australia, killing approximately 400 people and injuring approximately 1,700. The number of accidents per distance travelled appears to be about double that of other developed countries. The average cost of a truck accident involving a casualty is estimated at about $130,000 and the total annual cost of truck accidents is conservatively estimated at $500 million. A further tragic fact is that over half of the people killed or injured in truck accidents are car occupants. We also must incorporate the large number of near misses and unreported accidents involving heavy vehicles.

A report by Cairney in 1991 recommends the Road Authority should participate in research projects by making available accident data, licensed records, road geometry data and other relevant information that they may hold. The motor vehicle industry has a duty to contribute to the costs of research and to seek the reduction of the costs of these technologies and introduce better technologies as the technologies become competitive.

I would like to refer to a letter from John Lambert, who was an employee of Roaduser International. It is addressed to Mr Ken Matthews, Secretary to the Department of Transport and Regional Services. It states:

Dear Ken,

I write to raise with you a situation within your department that appalls me.

I initially advise that I was part of VicRoads Senior Management group for more than 5 years, so I am aware of how Government Departments work - both the good and the bad. However, even with that background I still find the situation detailed below appalling in its lack of balance and fairness.

There are two groups of parties in the Heavy Vehicle Investigation - the manufacturers and the “complainants.” And the role of ATSB should be to give both groups equal consideration in respect of the investigation and any published documentation. Yet ATSB has blatantly favoured the Manufacturers throughout the process.

This is emphasised by the publication on the ATSB website of the Status Report 1 on the implementation of the investigation recommendations, plus the Ford-Hendrickson response. The documents show the complainants in a bad light and/or make claims that are patently wrong! Yet at no stage were the complainants contacted in regard to checking any of the manufacturer’s claims! This is the latest in a long record of bias...
against the complainants, a situation that has supported the manufacturers in “playing the man and not the ball.”

I was an employee of Roaduser International last year and advise that to my knowledge, up to November 1999:

The manufacturers were given three opportunities to influence the writing of the interim report, and the complainants were given no opportunity;

Peter Sweetman, owner of Roaduser International in general refused to speak to the complainants but gave any amount of time to the manufacturers. Scott MacFarlane, chief engineer of Roaduser International, was considered to be unreliable in his response and statements by complainants. So I, as the other senior person at Roaduser International, took all complainants calls even after Peter took the action to reduce my involvement in this investigation;

I had to virtually insist that the interim report record that most “modifications” to complainant vehicles were made in order to fix the problems and generally by the manufacturer/dealer or with their approval. And even then the Interim Report was heavily biased in favour of the manufacturers, allowing them to freely quote in the transport media that there were no problems with their vehicles…

Since the release of the interim report, efforts to influence it and the final report to be balanced have been singularly unsuccessful. And in preparing the final report, I have been advised that Manufacturers again were given opportunities to review and influence the writing of the report while complainants were given no opportunity.

Further, Peter Sweetman’s role as Chairman of Australian Road Transport Suppliers Association has been seen as inconsequential in respect of a possible conflict of interest, and manufacturers communications have been assumed to be reliable, while complainants have been assumed to be unreliable.

Finally the fact that major deficiencies in the investigation and report have been advised to the ATSB has not been reflected in any way in the Status Report.

This situation is appalling in its unfairness and lack of balance. Given that during testing one of the vehicles darted to the right up to 1.5 metres and forced a lady with her children in a Commodore to drive off the road, and another darted a similar distance; given that some of these complainants have been financially ruined (leading in one case to family breakdown), the actions of part of your Department seem even less excusable.

Since 1982 major changes have occurred with heavy vehicles, including the installation of high-powered high torque engines with up to 14 litres capacity and between 18 to 21 gear range, thus generating the potential of heavy vehicles with high speed capabilities. The installation of large capacity fuel tanks and increased prime mover front-axle tare loads and the installation of air bag suspensions were all introduced without thorough engineering analysis, risk assessment and safety auditing.

With the increase in steer-axle tare mass, this has required a decrease in the proportion of the pay load transferred to the front axle and in response to the need to satisfy the legal front axle mass limit. This reduction in pay load over the front axle implies current prime movers have significantly less control over their loads relative to prime movers of the pre-1980 area. This leaves current drivers at the absolute razor’s edge when driving current model prime movers and semi-trailer combinations. The razor’s edge conditions are generated by the in-service dynamic loads. These in-service loads generate significant deviation from the vehicle’s static axle load and so promote opportunity for the vehicle to suddenly dart.

Since 1982 significant public funding has been spent on improving roads. Despite the obvious vast improvement in roadways, the number of heavy vehicle accidents and fatalities has not decreased. In fact, in the northern region of Tasmania alone, there have been at least seven reported accidents involving prime movers with airbag suspension since 10 July this year. Despite an improvement in road conditions, the number of heavy vehicle accidents and consequential facilities has not decreased. This causes me to ask the question: can there be some problem with the design of the heavy vehicles, particularly with the airbag suspensions?

The fact that Kenworth recently applied the fourth incremental major design change to the current Airglide 200 bogie suspension system indicates to me that they were aware of the existence of problem designs and deficiencies in their earlier vehicles. Hendrickson suspensions also recently applied a major change to improve the position of the
height ride control valve. In view of the sensitivity of the particular changes made by Kenworth and Hendrickson, the Road Safety Authority should first demand the recall and improvement of the earlier model airbag suspension systems and then a full engineering and risk analysis.

The federal government commissioned the Melbourne based company Roaduser International Pty Ltd to undertake the investigation into the specifications of heavy trucks and the consequential effects on truck dynamics and drivers. Before this commission, Roaduser International recommended the application of the airbag bogey system and encouraged it as road user friendly. This must have put Roaduser International in a compromised position. The federal government has given Roaduser International the task of investigating the dubious safety and reliability of the very suspension that they have recommended. Could this be why Roaduser International, in the investigation, opted for a partial disclosure and neutral findings against the major heavy vehicle manufacturers?

In the last couple of days I received phone calls from a lady in South Australia, Jodie. In this case she and her husband purchased a Mack vehicle in October 1999. In December of that year the vehicle rolled over, as a result— I am led to believe— of the failure of the airbag system. That resulted in the complete loss of the vehicle. There was an extensive amount of time spent on getting the vehicle back on the road. Before the insurance company would reinsure the repaired vehicle, it wrote into the insurance policy an exclusion on that vehicle if it failed as a result of the airbag suspension. So here we have a clear indication from the insurance industry that it has extreme concerns about the stability of these vehicles if they are fitted with airbag suspension.

I have on numerous occasions raised issues relating to both the report and the plight of the families who are involved in this heavy road users and consequential effects investigation. We have repeatedly raised issues for complainants. I would prefer to refer to the complainants as the owners of the vehicles. I think ‘complainants’ is a term which detracts from their plight. They are not complainants; they are owners of a piece of property which they find is deficient in consideration of the application that they purchased them for. I recommend that the Senate look very, very severely at this issue because of its relation to road safety. As I said earlier, half of the fatalities caused in relation to these heavy vehicles are the occupants of cars. And we only have to look at the news a couple of days ago to find an instance where two semitrailers collided—with a regrettable loss of life. (Time expired)

### Sydney Olympic Games: Attendance by Prime Minister

**Senator TIERNEY** (New South Wales) (1.25 p.m.)—I rise today to speak on the same matter as Senator O’Brien: the Olympics. According to the IOC chief, Mr Samaranch, this was the best games ever. And certainly, wasn’t that the truth. Australia can be remarkably proud of an event not only that showed the cultural heritage of this country but also where our athletes really punched above their weight and took out a huge medal tally. I saw a figure the other day which showed our medal tally on a per capita basis and Australia was way above the rest of the world. This shows what a great and proud moment it was for Australia when these games were staged and why, with 3.5 billion people watching, the whole credibility of Australia, the standing of Australia on the international stage, has gone up dramatically.

It is therefore of some regret to hear such a sour grapes speech from Senator O’Brien today. It would have to go down in parliamentary history as one of the most ungracious speeches that we have heard, given the terrific response nationally and worldwide to what has happened in Australia. In response to Senator O’Brien, it boils down to this: what is the proper role of the Prime Minister at such a time, and why would Senator O’Brien criticise the Prime Minister’s involvement in the games and the fact that he went along to support and cheer along Australia’s athletes?

The reason Senator O’Brien is so snaky about all of this is the total misreading of the Australian people by the Labor Party and in
particular by the leader, Mr Kim Beazley. Now let us have a look at what Mr Beazley has been saying about it recently. He is obviously right on the back foot with this one. He has been on radio speaking about this matter and misleading the Australian people. Let me quote what he says in response to one of the journalists, Mr Cooper:

That’s right. I was there in the crowd at the opening ceremony but the cameras didn’t pick that up either. But I had free tickets to all the events as Mr Howard had.

And then he goes on to say:
The most sensible thing for me to do, the most appropriate thing to do, was to hand mine back in, apart from the opening, closing ceremony.

It is a pity Mr Beazley is misleading the whole nation here. He did not have tickets to the Olympic Games at all. What he had was accreditation. He did not have any tickets to hand back in. So that is entirely misleading and he is now on the back foot because of the Labor Party’s totally inappropriate response to the Olympics.

But let us focus on Mr Howard’s response and the response of the Australian people to that. In an article in the Daily Telegraph today, Miranda Devine sums up the essence of this. This is the true picture of John Howard’s involvement in the Olympic Games and what the Australian people’s response to it was, and what the athletes of the Olympics thought about it. When you hear this you will see why the Labor Party has been so snaky about the matter. Basically, it is because they have been totally wrong-footed. Miranda Devine writes:

The sight of John Howard being hoisted up on the shoulders of athletes on Monday night is a nice reminder to his critics of why he’s Prime Minister.

Never in recent memory has a prime minister been more reviled—and more misunderstood—by the chattering classes, for want of a better phrase.

Despite—or maybe because of—an often hostile press, polls show him to be popular with Australia’s young people.

Yet the intelligentsia, academics, pundits, journalists, the inner-urban Liberal elites, never get why.

They turn themselves into knots explaining away his appeal to the grassroots Australians they secretly fear, and from whom he draws his strength.

At the Olympics he was in his element. He popped up everywhere, a grin from ear to ear … in an Akubra, doing the Mexican wave, putting his arms around medal winners, waving at the crowd.

To quote our Prime Minister:

‘Janette and I had an absolute ball [during the Games],’ he told the athletes on Monday night at their team celebration and the awards night at the Capitol Theatre. ‘We loved it. You couldn’t keep us away … We were filled with pride over what our country and our people are good at.’

The article continues:

He punched the air and was so passionate that basketballer Michele Timms said it was great to see ‘the Prime Minister being so pumped and motivational. I think we could use him as an athletes’ liaison officer in four years’ time if he’s got nothing to do.’

If you look at what happened, particularly at what happened the other night at the celebration event when the silver medal rowers hoisted him on their shoulders and carried him forward, it showed the response of the athletes of this Olympics to what John Howard had done for them. He was in the totally appropriate spot.

Can senators imagine Kim Beazley at that spot? I do not think that the rowers would have lifted Kim Beazley. Maybe they needed the weightlifters, but he would not have been lifted on their shoulders. Why would he have not been lifted on their shoulders? Because he did not show up. He did not go to any event. He totally misread what had happened. That is why—and I go back to the original statement by Senator O’Brien here today—we had such a sour grapes speech from the ALP. Their leader should have been out there at the games. Their leader should have been supporting the Australian team. Their leader should have been at these events. Australians were rightly proud of these games. The Prime Minister was rightly proud and that is why he was there. The so-called alternative Prime Minister, Kim Beazley, should have been there as well and we have had such a disgraceful speech from Senator O’Brien today because the Labor
Party totally misread the mood of the Australian people.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Order! I invite honourable senators to use a little bit more decorum while Senator Tierney is addressing the chamber.

Opposition senators interjecting—

Senator McGauran—I accept your invitation, Mr Acting Deputy President. But on a point of order, Senator Sherry was sitting in the chair just one minute ago. Is there not something to say that someone who sits in the chair should have a bit more decorum when he is out of the chair?

The ACTING DEPUTY PRESIDENT—Senator McGauran, you are being unduly provocative by extending the debate across the chamber. There is no point of order.

Senator TIERNEY—Thank you. Obviously we have so many interjections from the opposition because they are so embarrassed, not only by the performance of Senator O’Brien here today but also by the performance of their leader, Kim Beazley, in the Olympics. He can only try to duck and weave about this, misleading the Australian people in the statements he made on radio this morning. I hope when he gets up in the House of Representatives today he will set the record straight. The Prime Minister has read this correctly. He did not engage in any sort of cynical political exercise. But just out of his own enthusiasm for what Australia was achieving in the Olympics, he turned up and did the right thing and actually showed he is the true leader of the Australian people.

This is what sticks in the Labor Party’s craw. That is why they are so upset about this and why we had such a disgraceful performance here today from Senator O’Brien.

Local Government

Senator MACKAY (Tasmania) (1.35 p.m.)—I am not sure whose speech was more amusing, whether it was Senator O’Brien’s or Senator Tierney’s, but I am not on my feet today to talk about the Olympics. However, I would like to make one comment. When the government talks about getting the record straight, I suggest they look at yesterday’s Hansard and at Senator Alston’s comments on petrol. If I were a National Party member, I would not be very happy about it. He claimed that, firstly, petrol prices had in fact decreased since 1 July and, secondly, the government derived no pecuniary benefit from petrol price rises.

Senator Woodley—But he always gets every answer wrong.

Senator MACKAY—He does indeed. But the worrying thing is that Senator Alston was actually reading a brief. We can hope that today he will come in and corrects the record, because I fear he may have inadvertently misled parliament, something which is extremely serious.

Today I would like to deal with the relationship between the Commonwealth and local government. In particular, I would like to highlight the deterioration of this relationship over the last four years and what we believe needs to be done to restore it. Local government does not get the level of recognition it deserves from many people, including a great number of decision makers. This unfortunate situation creates a large number of myths and unfair stereotypes about local government. I guess the recent series of Grassroots on ABC TV has not done very much to dispel many of these untruths. Just as importantly, I think the councillors and staff of Arcadia Waters have done a lot to raise the awareness of the wider community about local government roles and responsibilities.

The lack of profile and recognition from the federal government for local government has been a big handicap, especially when you have a clear agenda at the federal level to absolve itself from any direct involvement in the sector. Of course, the coalition is on the record saying that local government is the creature of the states, full stop. Try as hard as they might, this government and this minister have not been able to absolve themselves from responsibility for local government. But as a result of the deal with the Democrats in relation to the GST, of course the financial assistance grants for local government were retained by the federal government. It is something that Labor moved
and we continue to support. This government is ignoring the opportunities and advantages that local government presents to the wider community and the federal government.

I would like to look briefly at some of these opportunities. Local government is at the very heart of the community. It is the sector of government which is closest to the people. It contributes to every facet of people’s lives, from post-natal care clinics to public works, to providing and maintaining community sporting facilities, to local employment projects, to senior citizen centres, et cetera.

Because of the size and diversity of the local government sector there is virtually no area in which local government does not engage in terms of service delivery or social and economic involvement. This, in addition to the important regulatory role played by local government in terms of planning and development and environmental management, is something I do not think is fully appreciated by many.

The local government national report for 1998-99 provides a quick thumbnail sketch of the size and contribution of the local government sector to the Australian economy. The report notes that in 1997-98 there were 730 local government bodies in Australia. Local government employs over 140,000 people. Its expenditure was over $9.7 billion and ranges in geographic size from one square kilometre to about 380,000 square kilometres. In terms of population, local government authorities range in size from 200 people to 800,000 people.

In economic terms, the Australian Local Government Association has stated that local government contributes approximately 1.6 per cent to Australia’s GDP every year, which is very significant. As these figures illustrate, local government is, in fact, an important institution, a critical institution and an absolutely critically important level of government within Australia. This is a point that this federal government is choosing to ignore by its mantra that local government is a creature of the states, there is no responsibility with the Commonwealth for local government and so on.

It has done its best to essentially unravel what was a good and healthy relationship, starting off with the 1997-98 budget, when the Treasurer, Peter Costello, froze the financial assistance grants escalation factor. This cut amounts to a shortfall of $61.4 million, $15 million per year aggregate, with no sign of that money being put back despite the claim by the Treasurer of a budget surplus of $13 billion.

The shrinking amount of funding is having a major effect on councils, and therefore communities. At a time when local communities around the country are looking for greater financial certainty and a more cooperative approach with government to develop their communities, this reduction is starting to have a major impact.

In Queensland, a reduction this year of about $50,000 in financial assistance grants was unfortunately announced for the Burnett shire, Isis shire and Gladstone city. There were reductions of around $100,000 for Bundaberg City Council and Calliope shire, something which in terms of these communities was very important, very significant and something with which they were extremely unhappy.

The difficulty is that the actual size of the pool is shrinking. If you take $15 million out at the beginning, in terms of freezing the escalation factors, it increases exponentially to the point now that $61.4 million is missing. The minister could not make the payments on time last year. This delay cost state governments about half a million dollars and, I have to say, a lot of heartache for local government, both in terms of administration and of waiting for the money.

The decline in financial assistant grants for local government needs to be seen in the broader context of steady growth in Australia’s GDP and increases in Commonwealth taxation revenue. Overall, local government has virtually been excluded from the so-called economic goods of the Howard government in terms of unexpected windfalls through taxation and so on.

For example, general purpose grants for local government as a proportion of GDP have fallen from 0.156 per cent in 1996-97 to
0.143 per cent in 1998-99. Over the same period, the roads component of financial assistance grants, something topical at the moment, has declined as a proportion of GDP from 0.07 per cent in 1996-97 to just 0.063 per cent. In the same period, GDP has grown from $534 billion in 1996-97 to $595 billion in 1998-99. I think local government has every right to feel hard done by when you look at its cut of the so-called economic growth in Australia. It has been virtually non-existent.

In terms of the current review that is being undertaken of the local government financial assistance grants, the government has chosen to exclude questions of interstate funding distribution and the quantum of funds available from the review of the act. It is particularly disappointing that the government has made this decision to not look into what are some clear difficulties of equity in relation to the per capita distribution. I think that by not addressing this—and I know there are a number of senators from the non-Victorian/New South Wales states who would have been lobbied in relation to this—the federal government has missed the opportunity to provide local government with the capacity to discuss the Commonwealth-local government financial nexus and how that nexus might move into the next century.

The last time this had a go was, I think, in 1991. Obviously things have moved on substantially. The nature of regional Australia has changed substantially. The demographics have changed but there is now no capacity to have a look at that because it has been removed. The ongoing impact of the GST on local government operations remains and it is a problem. Minister Macdonald claimed in this chamber that not one council has raised any issue in relation to the GST with him. I must admit I found this totally extraordinary. I did a quick tally of some of the councils that I have personally visited or received correspondence from in relation specifically to the GST.

I have to say that in visiting councils I do not think I have come across one council that has not raised the issue of the GST and the fact that they are not getting the required level of information from the government in relation to its impact. For one moment I thought that Senator Macdonald may not be quite accurate in saying that no local government entity had raised the issue of the GST with him, but when I asked councils as to why they had not, they simply said, ‘Well, why would you bother?’ So maybe he is right. If he is right, I think that is an indictment of the government and of the minister. Everywhere I have gone, and I have a list here of 15-odd councils that I have visited over the last two or three months, it has been raised with me unsolicited. Anyway, that is fine; if the government want to stick their head in the sand in relation to this, I think that is short-sighted but that is their privilege.

The GST has been a major impost on local government and the level of support from the federal government has been laughable—the equivalent of $2,000 per council and not one council has reported that the $2,000 goes anywhere near covering the costs. Further, we have had only three COAG meetings since this federal government came into power. Obviously COAG is the body where local government is represented at the highest levels and there has not been a COAG meeting for many years, and local government has missed out on that opportunity.

What we are trying to do, and what we will do in government, is rebuild the positive relationship that has existed between local government and the Commonwealth. I think credit does need to go back to people like Tom Uren, who is still very widely regarded in the local government sector, Brian Howe, Margaret Reynolds and a number of others who worked very hard to ensure that that relationship was strengthened. We will recognise that the quality and efficiency of service provision by local government is a significant factor affecting the living standards environment of many Australians.

We recently released a major platform re-draft, which was adopted by the national conference in Hobart. On reading the Labor Party platform, one finds that it is literally peppered with references to local government and the Commonwealth. I think credit does need to go back to people like Tom Uren, who is still very widely regarded in the local government sector, Brian Howe, Margaret Reynolds and a number of others who worked very hard to ensure that that relationship was strengthened. We will recognise that the quality and efficiency of service provision by local government is a significant factor affecting the living standards environment of many Australians.

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ment. I announced the redrafted platform in Hobart, which I talked about, and it was adopted. The rewritten platform provides for: implementation assistance for local government projects; the role of local government in environmental management; the need for local government involvement in pursuing employment and training opportunities in partnership with other spheres of government, business, unions and regional organisations; the role of local government in the formulation and implementation of regional development strategies—this is absolutely critical and something which was at the front and centre of the Working Nation program but has, of course, disappeared now; improving the provision of infrastructure for local communities, including promoting private infrastructure investment and the development of local and regional strategic plans; the development and implementation of strategies to increase participation of women in local government, and here again I would like to give due credit to Margaret Reynolds, who did a lot in that respect when she was the minister; reviewing the financial issues relating to local government, including the impact of the GST; and exploring changes in local government with respect to functions and responsibilities.

That is what I regard as a very positive agenda and something which we will pursue. The first step towards realising the potential of the platform involves formalising the links through an agreement which outlines the roles and obligations of both the Commonwealth and local government. Labor acknowledges the capacity of local government to create the communities that all Australians desire.

In many ways, we are the only western country that is not wholeheartedly adopting the notion of subsidiarity. We are the only western country that is not saying devolution of government and devolution of decision making is the way to go in the current environment. We are the only country that is saying local government have no real status by denying them a seat at the table in relation to COAG.

This is very serious. I know it is not the sexiest item on the agenda, particularly after two speeches in relation to the Olympics, but it is a very serious matter. We are committed to local government and we are committed to redeveloping the role and the relationship between local government and a federal Labor government.

Telstra: Besley Inquiry

Senator MARK BISHOP (Western Australia) (1.49 p.m.)—Prior to question time I want to make a few comments concerning the Besley inquiry. As we know, the Besley inquiry is the result of government policy that unless and until the inquiry certifies that Telstra’s service levels are adequate, there will be no sale beyond the current level of public ownership. This promise of an independent review prior to any sale beyond its 49 per cent current level of private ownership was part of the government’s election commitment.

There have been continual reviews of telecommunications services over many years. However, it is notable that this inquiry, the Besley inquiry, has solicited something in the order of 1,100 public responses. There are often claims that the consumer voice is not heard in the communications policy debate. This is one occasion where common concerns in matters of service have been placed in the public domain for all to see and comment on.

I will give a few statistics at the outset. There have been something in the order of 1,100 public submissions. The overwhelming majority of those submissions come from residential and business consumers. Very few submissions come from customers living in metropolitan areas. Of the submissions themselves, 54 seats held by government members have been the subject of submissions and 34 seats held by opposition members have been the subject of submissions. Of those 88-odd seats covered out of the 148 seats held in the lower house, 30 come from city electorates and 58 come from non-city electorates. So there has been an overwhelming dominance of submissions from non-city electors across the board.

Concerns evident in those submissions can be conveniently categorised into five different subsections. The issues raised by
customers mirror those raised in submissions from governments, community and regional representative bodies, consumer organisations and some members of parliament. The complaints or the issues raised fall into five broad categories: firstly, infrastructure; secondly, mobile telephony; thirdly, customer services; fourthly, fault repairs and connections; and, finally, the local call zones.

I turn first to infrastructure concerns. The adequacy of Telstra’s customer access network in regional and rural areas is doubtful, particularly as it relates to Telstra’s ability to fulfil the USO and advanced telecommunication needs of consumers. Consumers are concerned that infrastructure inadequacies are resulting in many services being unavailable due to outdated exchanges incapable of providing those advertised services. These services include call waiting, call return, message bank, faxstream and the like. Network infrastructure is often ageing, technologically outdated and poorly maintained, the submissions point out.

Inadequacies in infrastructure can delay or prevent new connections if exchanges are already overloaded and there is no remaining capacity for additional lines. This is particularly problematic with increasing numbers of customers seeking additional telephone lines to enable Internet access.

Access to new and existing technologies in country areas is being prevented by inadequate infrastructure. Where there is an inadequate bandwidth available or inadequate data transmission capacity, Internet access is either not possible or very slow and of poor quality. Connection speeds can be too slow and dropouts are frequent. Fax transmission problems are also occurring where this is the case.

Many submissions identified the causative link between the quality of infrastructure and service quality. Inadequacies are affecting the quality and reliability of voice and data transmission, fault repair and connection times.

There is also evidence of apparently irreparable problems. These include phones not ringing when the number is dialled or giving the engaged signal when people call the number, even though there is no-one using the line. Inadequate line quality or interference can also cause service drop-outs.

Telstra’s announcement yesterday that it plans to upgrade 1,250 exchanges is tantamount to an admission that existing infrastructure is presently inadequate to meet the current needs of consumers. This proves the inadequacy of present service levels, which require that Telstra remain primarily in public ownership.

The use of temporary cables and fault repairs for long periods without permanent repair appears to be an increasingly frequent occurrence. Cabling left above ground is prone to damage, which can cause further service interruptions and there are many complaints in writing of this particular occurrence. Infrastructure needs to be upgraded to a level appropriate for modern use. This is particularly important in country areas because there are significant differences between the adequacy of infrastructure in metropolitan and other areas.

I turn now to mobile telephony coverage. The coverage, reception and quality of mobile phones have been the subject of criticism in many submissions to the Besley inquiry. Many customers from country areas have limited coverage or no coverage at all. Many submissions conclude that the CDMA coverage is far inferior to the analog service it has now replaced. There are large regions where no signal is available at all. Some customers have entered contracts for mobile services based on coverage maps and information which are clearly incorrect and overstate the regions covered.

The critical importance of mobile telecommunications in the country was stressed in a number of submissions. In cases of medical or natural emergency where there is no access to landlines or faults to landlines occur, mobile coverage is critical. The costs of satellite equipment and call charges render it prohibitively expensive for most.

I turn now to customer service levels and fault repair systems. Many customers are very disappointed with Telstra’s and other carriers’ customer service levels. In the case of faults, often faults reported are not re-
corded or actioned. Commonly, technicians do not show up on the days when customer service officers have arranged appointments. Customers have remained home to wait for technicians to arrive and it seems that frequently and recurrently they do not.

Internal procedures allocate technicians to jobs on a strict priority basis. This removes the ability of technicians to plan and organise their work efficiently as they are not advised of the location of a job until completion of the previous job. Due to massive staff reductions, technicians service large geographical areas. Wasted time travelling due to the inability to plan work is an obvious consequence.

Some customers suggest these efficiencies are the reason for declining service levels. Telstra has discontinued its onsite cable location service which detected Telstra cables on private land. This leaves residents liable for damages they cause to cables that Telstra will not locate for them. Maps detailing cable locations are often inaccurate and do not suffice for this discontinued service.

Telstra does not provide a free fault reporting service and reporting faults to Telstra often involves lengthy waiting times, incurring significant mobile charges. Directory assistance problems have been identified, with Telstra unable to find requested numbers or customers having problems getting through to directory assistance because lines are busy. Centralisation of call centres has resulted in staff having little local knowledge and understanding of complaints and problems. They often deny Telstra’s liability when faults are experienced, even when Telstra is at fault. Obviously, staff are under pressure, understaffing is prevalent and customers are subject to lengthy waiting times.

Telstra’s focus is on dealing with customers in the shortest time possible rather than solving their problems. This is resulting in complaints that service operators are unfriendly, unhelpful and discourteous. Technical staff are now required to service large regions and as such have limited or no local knowledge. Many submissions indicate that blame for delays does not lie with technical staff; rather, management and management procedures are at fault.

Customers have encountered difficulties seeking responses to billing inquiries and correction of frequent billing errors. Delays in fault repairs and the adequacy of fault repairs received criticism in many submissions. It is argued that time frames for repair should be the same Australia-wide, contrary to the present customer service guarantee.

On the issue of local call zones, a number of submissions called for an extension of local call zones to include the nearest regional centre. Declining services in rural areas mean that smaller towns do not generally provide the range of services required by nearby residents. If there is no point of presence within the local call zone, Internet costs can be very high as customers pay STD rates to connect to their ISP. Telstra is presently undertaking its own internal review of local call zones.

Customers have indicated that Telstra has not acted upon claims for CSG entitlements, requests for information and application forms. Often Telstra fails to pay after conceding liability for CSG compensation, it was alleged in a number of submissions to the inquiry. Frequent failure to adhere to CSG obligations and the inadequacy of the quantity of compensation to compensate for business services were issues raised in submissions.

The CSG is widely considered to be deficient in its time frames and the fact that it does not cover the disability equipment program, fax lines or ongoing faults is a recurring theme in some submissions. Most customers blame the Telstra hierarchy—that is, management and executive—and their inflexible work practices and procedures for service delays or inadequacies. The commercial decision to get rid of so many staff has been an instance where shareholder interest has been put before service levels. Many fear this will only worsen if Telstra is fully privatised.

Telstra’s obvious failure to provide non-metropolitan areas with the infrastructure required for modern life is blamed on commercial imperatives and shareholder interests taking precedence over customer needs. Many submissions expressed concern that the disparity between metropolitan and
country service levels will increase if Telstra is fully privatised.

Remote and rural areas require high quality telecommunication service levels for education, safety and business purposes and, in particular, GST related obligations. Internet access to government, banking and other services that are increasingly not available in these areas is gaining significance for those living beyond metropolitan areas. Many of the customers who have made submissions may be statistically invisible. However, few telecommunications services, or lack or absence thereof, have a significant impact on their lives and their concerns should not be dismissed. Anyone who believes that these are isolated cases is out of touch with reality.

MINISTERIAL ARRANGEMENTS

Senator ALSTON (Victoria—Acting Leader of the Government in the Senate)—I inform the Senate that Senator John Herron, the Minister for Aboriginal and Torres Strait Islander Affairs and Minister representing the Minister for Health and Aged Care, the Minister for Aged Care and the Minister Assisting the Prime Minister for Reconciliation, will be absent from the Senate for question time today. Senator Herron is opening the 26th annual conference of International Transcultural Nursing at the Gold Coast in Queensland. During Senator Herron’s absence Senator Macdonald will take questions directed to the Aboriginal and Torres Strait Islander Affairs portfolio and questions on reconciliation. Senator Newman will take questions relating to the Health and Aged Care portfolio.

QUESTIONS WITHOUT NOTICE

Economy: Australian Dollar

Senator JACINTA COLLINS (2.01 p.m.)—My question is to Senator Alston, representing the Prime Minister. Does the Acting Leader of the Government share the view of the Treasurer, Mr Costello, which he expressed back on 30 June 1995, that ‘a nation’s currency is a mark of how its economy is perceived in international markets’? Does he agree with Mr Costello’s assessment that, at US$70.9c to the dollar, which was its value at that time—and again I quote—‘the mark that has been given to our currency is a fail, an absolute fail’? If so, what mark would he give to the Australian dollar at its current level of US$53.75c?

Senator ALSTON—I suppose there are those who would argue that the lower it goes the better it is for exports, but we do not take that view. The view we do take is that you need to look at the circumstances on each occasion when making judgments. We do not normally comment on the level of the currency, but I think it is a fair comment to make that most of the experts around the world concede that the US dollar has been remarkably strong in recent times and all those currencies that have open trading systems can find themselves marked down accordingly. It is not necessarily a reflection on the state of the economy. I would have thought that most of the indicators were very positive.

We are certainly committed to having a strong and stable economy. We hope that that will be reflected in all of the external indicators. It is simplistic in the extreme to go back over a period of a couple of years and, by reference to what might have been said then, to try to analyse what it is that might be impacting upon the value of the Australian dollar today. I think you will find that overwhelmingly the view that is taken around the world is that, because the US dollar is so strong, other countries will have problems because that attracts investment into the US. The US is going through the longest bull run in history. There are remarkable investment opportunities in the United States and many countries are finding that there is capital outflow as a result of that attraction. We would all like to have the strength of the US economy. Certainly there is a lot that we can do on that front, and we are committed to doing it.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. How can the minister justify his claim that the weakness of the Australian dollar is due to the strength of the US dollar when the Australian dollar has fallen over the last month not only against the US dollar but against currencies such as the Algerian dinar, the Bulgarian lev, the Bangladeshi taka, the
Venezuelan bolivar and the Mongolian tugrik?

Senator ALSTON—If we are in the business of making invidious international comparisons, perhaps we could look at who is still on the anti-Telstra privatisation cart, because if there is one thing that struck me about the opening ceremony of the Olympic Games it was the fact that North and South Korea marched together. What does that tell you? It tells you basically that they now have a much greater degree of commonality. I will bet you any money you like that the policy positions are going in one direction—the North Koreans will take the same view as the South Koreans. In other words, you will be left absolutely naked on the issue. You will not have anyone around: you have lost them all. You lost Cuba a long time ago. You lost Albania and now you are going to lose North Korea. I know that is a tragedy for you, but if you want to look at the state of the Australian economy, you will find that all the indicators are positive. The annual rate of economic growth has been above four per cent for 13 consecutive quarters—(Time expired)

Training: Levels

Senator LIGHTFOOT—My question is addressed to Senator Ellison, the Minister representing the Minister for Education, Training and Youth Affairs. Will the minister advise the Senate what efforts the Howard government is undertaking to increase training opportunities for young Australians and what have been the results of these initiatives and how do they compare with previous years?

Senator ELLISON—This is a timely question and a very good question in light of the figures released by the National Centre for Vocational Education Research this week. What we have released this week are record figures for people in training in this country—just over 268,000 Australians in training, an increase on those 1999 figures from the previous year by 22.3 per cent. That is excellent news for all Australians. Senator Lightfoot has asked: what has this government been doing to get those figures? I can tell the Senate that, since coming to office, this government has announced funding of $2 billion for the New Apprenticeships scheme over the next four years. As well as that, we have established the Rural and Regional New Apprenticeship Scheme, delivering incentives of up to $5,000 per trainee to employers in non-metropolitan centres.

We have also invested $43 million in the Australian Student Traineeship Foundation, boosting numbers from just over 2,800 students under Labor to more than 57,000 students under the coalition. We will also invest $22 million in the Jobs Pathway program, which is essential to provide assistance to some 70,000 young people in building a pathway from school to employment. We have also provided a five-year package of $288 million in funding for vocational education and training in schools. This has been a great success story, because what we are about is catering for the 70 per cent of young Australians who leave school and who do not go to university. Of course, as I mentioned earlier, there has been this great increase in the number of Australians in formal training. Of those 268,000-odd Australians, 67 per cent are under 24 years of age—67 per cent of that record figure of Australians in training are under 24. And, of course, around one-third of these young trainees are women. That is a great increase on past figures. In fact, when this government came to office, there were some 120,000 people in training, and we have now announced this figure of just over 268,000 Australians in training. This is good news for Australia and especially for young Australians.

What has been particularly pleasing is that there has been strong growth in higher-level qualifications being obtained by apprentices: 74 per cent of qualifications are now being undertaken at the AQF3 level, which represents a 27 per cent increase over the past 12 months.

Senator Carr—That’s where the biggest subsidies are.

Senator ELLISON—I hear Senator Carr interjecting, and well he might. He might well want to listen to the success of the New Apprenticeships scheme, which he is always busy attacking but does not want to listen to the good news that we have here today. The fact is that we have more people undertaking higher qualification levels, that we have
more women being involved in training and that we have 67 per cent of people under 24 in Australia partaking in these record figures of Australians in training. This year the federal government will invest $370 million in financial incentives—

Senator Carr—Where is the growth?

Senator ELLISON—for employers and for the creation of approximately 140,000 New Apprenticeships places. That is the growth we are talking about—through you, Madam President, to Senator Carr. He talks a lot about the growth. We are talking about 140,000 New Apprenticeships positions—

Senator Carr interjecting—

The PRESIDENT—Senator Carr, cease interjecting.

Senator ELLISON—And that spells good news for Australia, especially for young Australians and for those women who are increasing their participation in training in this country. With the establishment of 300 New Apprenticeships one-stop shops around the country, it is now easier than ever before for people to participate in vocational training and to get that first step in the door to establishing a career—(Time expired)

Inflation Forecasts: Australian Dollar

Senator HUTCHINS (2.10 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Can the minister inform the Senate what impact the plummeting dollar, which currently is at a level of 53.99c to the US dollar and dropping, will have on the government’s inflation forecasts contained in the budget, given that these were based on a dollar value of approximately US60c?

Senator KEMP—Let me just make a number of comments. Senator, we are just over two months into the financial year, so I think the government—

Senator Conroy—Are you predicting a rise in the dollar?

Senator KEMP—No. What I am saying to you, Senator, is that the government’s forecasts are made twice a year. You will have to wait for the forecasts which come out in the mid-year review. Let me make a number of other points. The Australian economy, of course, is one of the world’s great growth economies. It is quite clear that the Labor Party, in their efforts in this chamber to continually talk down the economy, are obviously embarrassed by the fact that this economy is, as I said, a strongly performing economy, an economy which is enjoying very high rates of growth in productivity, rising real wages and comparatively low inflation. Australia is in many ways the envy of many countries. I think it is a great pity that we continually hear the Labor Party trying to talk the economy down.

Senator HUTCHINS—Madam President, I ask a supplementary question. Can the minister confirm that the government benefits from higher inflation driven by the GST and a collapsing dollar, as this helps inflate GST collections through the higher prices consumers have to pay?

Senator KEMP—The government which believed in high inflation was the former Labor government. Senator, if you can cast your mind back to the previous government, inflation, from memory, under the 13 years of Hawke, Keating and Robert Ray governments totalled an average of over five per cent over the 13 years. Senator, we are a government with a low inflation record; you were a government with a high inflation record. I think it is very clear what the aims and objectives of this government are—to have low inflation and stable, strong growth.

Rural and Regional Australia: Services

Senator EGGLESTON (2.13 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Macdonald. Could the minister inform the Senate how the coalition’s Rural Transaction Centre Program is further enhancing services in regional Australia?

Senator IAN MACDONALD—Senator Eggleston is a senator who is interested in rural and regional Australia and who actually hails from a part of rural Western Australia. He will be interested to know that the Rural Transaction Centre Program is returning services to rural and regional Australia—services that left during the sad days of Labor’s occupancy of the government benches. In Labor’s day, services left the bush. Labor simply looked the other way as banks closed their doors in regional Australia.
their doors in regional Australia and closed—I emphasise—some 266 post offices in their last six years in office.

Senator Eggleston, you will be pleased to know that, under our program, rural and regional communities—small communities in country Australia—are getting services back. If any of the Labor Party senators, apart from Senator Ludwig, that is, were interested in going and looking at these RTCs, they would understand what a great boost they have been to the communities where they have opened and what a great confidence booster it is for the communities involved.

I am pleased to tell the Senate that the government has authorised an extension of the Rural Transaction Centre Program. We will be involving licensed post offices more fully in the program. They have been involved. A number of RTCs are already at LPOs, but we will be involving them more. We will be relaxing the criteria for self-funding from one to two years up to a maximum of five years. There will be a broader range of Commonwealth services and products available and there will be more coordination with state and territory agencies.

I am also pleased to advise that the government is looking at engaging a network of field officers to go out and help small communities with their RTC applications. Very shortly we will be opening another five RTCs in rural and regional Australia. Senator Eggleston will be pleased to know that one is being opened in Kojonup in Western Australia. I thank Senator Eggleston for his support for that application. So the program goes on.

I appreciate Senator Eggleston asking these questions. I would have thought, perhaps, that the shadow minister for regional services might have been interested enough in this program to ask a question. I understand why Senator Mackay from Tasmania does not ask me about this. Recently in question time a concerned citizen named Christine rang Senator Abetz’s office in Tasmania. This concerned citizen, Christine, the concerned constituent—wanted some information on the Rural Transaction Centre Program. She wanted to know how many RTCs there were in Tasmania, and was there a delay in the roll-out. It just so happened that Senator Abetz’s office thought this call was a fraction strange, so they noted the number on the telephone and rang it back. Do you know who answered the phone? ‘Good afternoon, this is Senator Sue Mackay’s office.’ So now I know why Senator Mackay does not ask me any questions about rural transaction centres. She gets her staff—Christine, a very popular name in the Labor Party, the concerned constituent—to ring around coalition senators’ offices. So that explains the situation. (Time expired)

Honourable senators interjecting—

The PRESIDENT—Order! Shouting across the chamber is disorderly. We will proceed with question time when the chamber comes to order.

Share Options: Company Executives

Senator FAULKNER (2.18 p.m.)—My question is directed to Senator Alston as Acting Leader of the Government in the Senate. Is the Acting Leader of the Government aware that the Managing Director of the Commonwealth Bank, Mr Murray, has recently called for the government to be more sympathetic to senior corporate executives with company share options? Given that according to the Commonwealth Bank’s annual report Mr Murray received a salary package of $2 million plus for the year ended 30 June 2000, and that he owns CBA shares worth $4 million plus as well as share options worth in excess of $50 million, how much sympathy does the government believe executives like Mr Murray deserve? Just how many hundreds of Commonwealth Bank branches does he have to close, how many staff does he have to sack, how many workplace agreements does he have to sabotage to earn public sympathy about the tax treatment of his own Commonwealth Bank shares and options scheme?

Senator ALSTON—This is certainly right out of Central Casting for the left wing of the Labor Party. You absolutely detest anyone who earns a living. I do not know why you are so ungrateful. Most of you lot wouldn’t earn a quid out in the real world. Here you are, being well looked after—

Opposition senators interjecting—
The PRESIDENT—Order! There is too much noise on my left, and I draw your attention to the question, Senator.

Senator ALSTON—I didn’t see Mr Murray’s comments but I would assume that he was not talking about himself. He was talking about—

Senator Carr interjecting—

The PRESIDENT—Senator Carr, cease shouting.

Senator ALSTON—The way the question was expressed was that he said that share options should be given more sympathetic consideration. Senator Faulkner chooses to say that he was talking about his own personal situation. I would presume quite the contrary. I would presume that he was more concerned to ensure that not just employees of the Commonwealth Bank but employees generally were in a position where they were able to get some rewards for their commitment and their level of endeavour. In other words, he was concerned to see people rewarded on the basis of productivity gains. We know you want to squeeze them all down, that you want them to get a flat rate level of income.

Opposition senators interjecting—

The PRESIDENT—Order! Senator Conroy and Senator Carr, you have both been sitting there shouting during this answer. Your behaviour is totally unacceptable.

Senator ALSTON—Share options are a very important and highly legitimate means of rewarding employees. Indeed, you will find that that is one of the single most important reasons why Silicon Valley is so successful. Many people will actually forgo decent wage levels for the sake of getting the opportunity to participate in a start-up. That, I assume, is part of what Mr Murray was talking about. He may also have been anticipating the review coming out of the House of Representatives committee on employee share ownership schemes. Again, I think he was making the point that you ought to reward people for their contributions, give them a stake in the enterprise and enable them to take advantage of it. I do not accept for a moment that he was saying that he personally was disadvantaged but he would like a lot more. I know that is the way you would like to play it. I know you will put out all those newsletters, I know that you will get up at branch meetings—

Senator Carr—You can’t get much more than $52 million. How much does he want?

The PRESIDENT—Order! Senator Carr, you have been interjecting persistently, and that is disorderly behaviour. If I thought it was wilful, it would be different.

Senator ALSTON—His problem is he cannot help himself; and neither, I suspect, can Senator Faulkner. This is the very sort of issue that the Labor Party finds irresistible: the politics of envy. It is simply a matter of pointing to a few high flyers. Why do they say that there is a tall poppy syndrome in Australia? Because of people like Senator Faulkner, who bitterly resent the fact that some people are actually very successful. On the one hand you talk about the brain drain, never concerned that you might have to pay going market rates to ensure that you are able to attract the best to this country—and we do, by and large. The CEOs of this country are at a pretty high level. But of course they would not be if you got your chance and you wanted to scrap all those incentive schemes. I acknowledge the fact that there is a very deep political divide here. It is one that we welcome. I am indebted to Senator Faulkner for simply underlining the fact that Labor’s commitment is to ensure that ordinary workers do not get the productivity gains reflected in their increased pay packets, and that those who speak out on their behalf are silenced or intimidated, or basically put down as earning far too much for the likes of those who could barely earn a living if they were not in this chamber. I think you ought to go back and have a look at what Mr Murray really said. I will do that, but I certainly have not heard anything to date that would persuade me that there is any validity in the criticism.

Senator FAULKNER—Madam President, I ask a supplementary question. I thank Senator Alston for his glowing defence of the underdog in this instance. But, Minister, given that Mr Murray has presided over the ramping up of bank fees by hundreds of millions of dollars and the denial of a decent
salary increase for Commonwealth Bank staff, how much sympathy does the government believe Mr Murray has shown to rural and regional banking customers whose branches have been closed, small businesses and pensioners who have borne the brunt of fee increases and, lastly, his own staff, who through their meagre wages have allowed Mr Murray to earn an annual salary package of $2 million plus, with shares and options laid on?

Senator ALSTON—As all of my colleagues are acutely aware, you lot privatised the Commonwealth Bank. You were the one that went down this path with your ears pinned back because you knew at the time that it was actually a very good way of getting it active in the marketplace.

Senator Faulkner interjecting—

Senator ALSTON—I find it useful to have on the record today from Senator Faulkner that, one, the Labor Party in government would set the level of fees for senior executives. I find that a useful policy commitment. I also find it very useful that he is in favour of determining where the branches open and where the branches close. That is also a very helpful comment because I think you will find that most major companies in this country will be—

Senator Faulkner interjecting—

The PRESIDENT—Senator Faulkner, this is your question.

Senator ALSTON—very encouraged to hear that that is your approach. It is not our approach. We have made very clear we—

Senator Faulkner interjecting—

The PRESIDENT—Order! Senator Faulkner, you should sit down as soon as the time expires.

Research and Development: Funding

Senator STOTT DESPOJA (2.26 p.m.)—My question is addressed to the Minister for Industry, Science and Resources. In light of the minister’s comments in this place yesterday that he would ‘welcome the opportunity to spend more money in these areas’—meaning science and innovation—can the minister explain the government’s rationale behind cutting funding to public research and education by $500 million under its Australian Research Council funding proposal? Doesn’t this contradict recommendations made yesterday by 10 of Australia’s most eminent scientists, published in the Australian, as well as the views of James Wolfensohn of the World Bank that Australia must spend more money on research and development or suffer the consequences of cementing our position in the knowledge economy as an old economy?

Senator MINCHIN—I begin by reminding the senator that I am not responsible for the ARC. That is a magnificent program in Australia, but I suggest she direct her question on the ARC to the responsible minister, who is not me. In relation to the government support for research, science and innovation, as I said yesterday, there is a very substantial commitment despite the fact that we inherited only four years ago one of the most disastrous budgetary situations any government in this country has inherited and inevitably there had to be restrictions in spending. We were left with a situation where this country simply could not afford a
number of the programs which this mob op-posite had so irresponsibly entered into. We had an increase in the government debt of some $70 billion in five years, and they left us with $10,000 million in debt every year. So, unfortunately, very tough decisions had to be made and thank God we had a government that did make those tough decisions at the time, that ensured we did survive the Asian crisis of the mid to late nineties.

However, I am pleased that, despite that situation, in relation to science and innovation, as measured by the budget documents we regularly release, we do have an investment of some $4.5 billion. The $4.5 billion being spent this year is the highest dollar amount ever spent by any government in this country on science and innovation programs. We have introduced a range of new programs. We have the new Innovation Investment Fund, which is extremely successful. We have the Commercialising Emerging Technologies program, which is extremely successful. We have strongly supported the CRC program. We have improved the Pooled Development Fund program. We continue to support, to the tune of nearly $800 million per annum, business investment in research and development. I have widely acknowledged that the major problem this country faces is a very long history of a business community that has not invested sufficiently in research and development, and that is one of the most important matters which I think we have to address as a nation and which it is important the government address in its response to the Miles report and the Batter-ham report.

Senator STOTT DESPOJA—Madam President, I thank the minister for his answer and ask a supplementary question. As a minister with purported commitment to in-novation, does the minister support the decision by the government to cut $500 million from public education and research under the ARC proposal? Is the minister aware of the review the government’s empty rhetoric and record to date have been deemed inadequate by a range of organisations and groups?

Senator MINCHIN—I strongly support Minister Kemp’s reforms to higher education research. It is critical that higher education in this country is much more oriented towards the business community, that there is much more collaboration with industry in higher education research. In relation to the ARC, current spending is around $250 million per annum—a substantial investment by this government. One of the recommendations coming to us is that that should be doubled over a five-year period. As you know, one of our major achievements was to double the investment in the National Health and Medi-cal Research Council, which is having its budget doubled over a five-year period. One of the most attractive proposals being put to us is to double the ARC investment over a five-year period, and I for one certainly hope that the budget situation allows us to symp-pathetically consider that recommendation.

Taxation: Employee Benefit Arrangements

Senator COOK (2.31 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware of a letter dated 11 March 1998 from Mr Jim Killaly, the Deputy Commissioner of the Large Business and International Division of the Taxation Office to a well-known, aggressive Sydney tax planner? The letter states:

Thank you for your response to the Sec 264 no-tice issued ... as part of our review of employee reward plans ...

Just what review is Mr Killaly referring to? Was the government aware of the review? And, if so, what were the findings of the re-view?

Senator KEMP—I do not have any par-ticular information on that letter of March 1998. I know it will come as a shock to you, Senator, but I have not brought all those files
in. I will look at that letter and see whether I can provide you with any further information.

Senator COOK—I ask a supplementary question. Given the answer, doesn’t this letter from Mr Killaly prove that the ATO has been reviewing employee benefit arrangements for some time now? Given that Mr Mike D’Ascenzo, the ATO’s second commissioner, has confirmed to a parliamentary committee in relation to the abuse of employee benefit arrangements that ‘we would have kept government informed all the way through the process’, why did it take until 30 June this year for only half-hearted action to be taken in relation to non-complying super funds and controller super funds?

Senator KEMP—Senator, can I inform you that the government always act promptly on these matters when we are informed by the tax office. Senator, let me assure you that, when there are concerns over major tax avoidance arrangements, the government will always act promptly—

Senator Abetz—Unlike you!

Senator KEMP—as I am reminded by my colleague Senator Abetz, unlike the Labor Party in its 13 years and, in particular, unlike you personally in relation to R&D syndicates.

Private Health Insurance: Rebate

Senator KNOWLES (2.33 p.m.)—My question is directed to the Acting Leader of the Government in the Senate, Senator Richard Alston. Will the Acting Leader of the Government inform the Senate of how the government’s 30 per cent private health insurance rebate, which is taking the pressure off public hospitals by encouraging people to insure themselves, has been received by the Australian public, and is the minister aware of any alternative proposals for this type of measure?

Senator ALSTON—Senator Knowles’s question is probably the best possible example of the policy divide between the two major parties. There is no doubt at all that the 30 per cent private health rebate scheme has been an overwhelming success, a gold medal performance—one which the great majority of the Australian people have been very loudly applauding. They have also, of course, been voting with their pockets. At the end of June, when the Lifetime Health Cover policy came into effect, the proportion of the population with private health hospital cover had risen to 41.2 per cent. That is nearly eight million people, an increase of nine percentage points since the end of March—in other words, over a mere three months—which brought us back to the June 1992 levels, at which time Mr Keating and Mr Howe were busy trying to dismantle the system. We all recall the efforts of Dr Blewett, who fundamentally hated the private health system. They drove it down to levels as low as just over 30 per cent of the population. The growth in the number of Australians taking up private health cover helps reduce pressure on the public hospital system by financing up to an additional 400,000 procedures per annum in private hospitals, equivalent to well over 10 per cent of the total public hospital caseload.

Contrast this performance with that sneaky little effort that occurred on the very same day that Cathy Freeman was out there winning a gold medal for Australia. What we had was Mr Beazley putting out a press release announcing that Labor was going to back the private health rebate. This, of course, is pure convenience. This is called gold medal opportunism, because it comes about six months after Mr Beazley was out there describing the policy as a ‘dreadful failure’, a ‘complete and monumental failure’—I think this might have been when they were in Ballarat. If you recall what came out of Ballarat, they said that they were up there to put the finishing touches on policy, to do some finetuning on costings; it turned out that Mr McMullan was not even there, so he could not. Then, when Mr Beazley was asked about innovation and R&D, he said, ‘We are going back to the drawing board.’ So, on the one hand, you are starting from scratch; on the other hand, you have got all your policies pretty much to the finished position. It is a nonsense. They are making policy on the run. As we know, the bill only passed thanks to the intervention of the Labor Premier of New South Wales, Mr Carr. Now Labor claims that it supports the non-means tested rebate.
The silence from Ms Macklin has been deafening since that announcement was made. Can anyone believe for a moment that the left wing of the Labor Party is going to roll over on that one? Ms Macklin has said on the rebate that she does not accept any evidence that it ‘will make any difference either to waiting lists ... or to private health insurance’. Of course, the numbers have gone dramatically in the opposite direction. She has also said:

It is simply tossing good money after bad. ... There is no evidence that the drop in private health insurance is creating pressure on public hospitals.

She has said that it is ‘wasting money on a grand scale’ and she refers to the ‘inevitable failure of this scheme’. On it goes. In other words, Ms Macklin is simply waiting until, if Labor ever got to government, she can reverse this policy as quickly as possible. Remember l-a-w law, remember the Commonwealth Bank privatisation, remember what Cheryl Kernot said about Labor and Telstra—

The PRESIDENT—Mrs Kernot, Senator.

Senator ALSTON—Mrs Kernot, who sadly will not be with us after the next election, but I am sure that will be a great relief to the Labor Party because she is a constant reminder to them of their duplicity in terms of policy. She knows that Labor would privatise Telstra as quick as a flash, and I will bet she would tell you, if you asked her, that she knows what Ms Macklin would do in relation to the private health rebate. In other words, this is a purely opportunistic play—short-term politics designed to get them through to the election in the faint hope that they can then pull the rug out. It just won’t wash. (Time expired)

Taxation: Employee Benefit Arrangements

Senator CONROY (2.38 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Given the statement by Mr D’Ascenzo, an ATO second commissioner, which was referred to in the earlier question by Senator Cook, that the ATO would have kept the government informed all the way through the process in relation to the abuse of employee benefit arrangements, can the minister confirm that the government were in fact kept informed of the abuse of EBAs? How much revenue was at risk and continues to be at risk from the abuse of EBAs? How long have the government been aware, and when did they become aware, of the threat the abuse of EBAs poses to tax revenue?

Senator KEMP—As Senator Conroy knows, there is quite a history to this particular matter. The tax office appropriately always seeks to close down tax avoidance schemes. Senator Conroy asked me about the risk to revenue. Let me say, Senator Conroy, that there have been some wild figures thrown around—

Senator Murphy—What does the tax office say?

Senator KEMP—Thank you for the interjection, Senator. We always appreciate your helpful comments. The Australian tax office has always said, Senator Conroy, that employee benefit schemes are ineffective. The ATO has started legal processes, as you are aware, to strike them down, and the courts are the proper place for these issues to be decided.

Senator Murphy—Where’s the revenue?

Senator KEMP—On the cost to the revenue, I have just stated that, as far as the tax office is concerned, these employee benefit schemes are ineffective and the tax office is taking action in the courts—

Senator Murphy—For how much?

The PRESIDENT—Order! It is not appropriate to shout out questions while the minister is answering.

Senator Robert Ray interjecting—

Senator KEMP—Senator Ray, the man of the Collins class submarine fame, is worried about the cost to public revenue. What a pity, Senator Ray, that when you happened to be a minister you were not worried about it. I am saying to Senator Conroy that, as far as the issue of revenue is concerned, the schemes are ineffective and the tax office has started legal processes to strike them down. Therefore, it is wrong to talk of lost revenue. The tax office is confident that these schemes will be struck down in the courts. For that reason, Senator Ray, it is quite
wrong to talk about lost revenue. That is the point.

Opposition senators interjecting—

The PRESIDENT—Order! There are far too many senators on my left shouting questions.

Senator KEMP—Let me say that the government, with the tax office, is taking all required action to make sure that these tax avoidance schemes are not effective.

Senator CONROY—Madam President, I have a supplementary question. Does the government stand by Mr D’Ascenzo’s statement that the ATO would expect to recover $1.5 billion from the abuse of EBAs if all ATO court action were successful? If so, can the minister inform the Senate how many court actions for recovery of the $1.5 billion have been commenced to date?

Senator KEMP—I have stated that the Australian tax office has started proceedings. As far as the actual number and the actual status of those proceedings are concerned, I will obtain the information from the tax office and I will inform you.

Senator Robert Ray—What do you do for living?

Senator KEMP—Senator Ray, what did you do in six years as a minister for defence? Stare at the ceiling; that is what you did. You were absolutely hopeless, and you have got the cheek to question other ministers. What a joke you really are.

Timor Gap Treaty: Negotiations

Senator BOURNE (2.42 p.m.)—My question is addressed to the Minister for Industry, Science and Resources, Senator Minchin. I refer to the upcoming renegotiations of the Timor Gap Treaty. Is it the case that under new international law the usual way to divide resources in cases such as the Timor Gap is via a dividing line halfway between the two coastlines? If this division were used, what percentage of the resources would Australia be entitled to? How much more or less than this percentage will Australia be pushing for in the renegotiations, and why?

Senator MINCHIN—I can confirm to the Senate that the government has agreed to enter into negotiations with the UN transitional administration and East Timorese representatives on future arrangements for the exploration and development of oil and gas in the Timor Sea, and the first round of those negotiations will take place from 9 to 12 October in Dili. We put out a joint release about that matter on 18 September involving me, the Attorney-General and the Minister for Foreign Affairs. The aim of those talks is to reach agreement on a replacement treaty for the Timor Gap, to enter into force at the time that East Timor does gain independence, which we would expect to occur sometime late next year. The current treaty arrangements with the transitional administration will expire then, and we do want a smooth transition to new arrangements. It is critical that the new treaty does maintain investor confidence in the Timor Gap. Without that, there will be no financial or employment benefits for either the East Timorese people or us. We do want arrangements that, quite appropriately and reasonably, ensure that both countries can share in the benefit of those resources, and we will take a very sensible approach to those negotiations. We do have an approach, a framework, to take into those negotiations, but obviously that is a matter for us and the parties involved in those negotiations and not a matter for public discourse.

Obviously, we are very keen to ensure the future health and prosperity of East Timor and are very keen to ensure the sensible development of the oil and gas resources of the Timor Gap in a way which benefits East Timor. That is crucial to their future success. Further to that, I am announcing today that we are taking two initiatives under the auspices of the Ministerial Council of the Australia-Indonesia Timor Gap Zone of Cooperation. We are providing funding of $US700,000 per annum for the next two years to train East Timorese people in administration and policy development in relation to the Timor Gap—the treaty and the resources—and also the formation of a steering committee to look at petroleum related training and employment for East Timorese in the Timor Gap petroleum fields and associated areas. So we are working very closely with both the UN and East Timorese
representatives to ensure that this is a significant industry for East Timor and that they share appropriately in the resources of that field.

Senator BOURNE—Madam President, I ask a supplementary question. I thank the minister for that answer, in particular for the last bit about the training program, which, as far as I can see, is a very good one. I ask the minister: why does he believe how much Australia is going for is not a matter for public discourse? Surely, if we are going for fifty-fifty, as the new international law says, then there is no problem anywhere. If we are not going for fifty-fifty, surely it is a matter for public discourse. If we are going outside what new international law prescribes, then surely it is something that there should be public discussion about before Monday, 9 October. I ask the minister again: are we going outside what new international prescribes, the fifty-fifty between the coastlines? If we are, in which direction are we going? What are we asking for?

Senator MINCHIN—To its credit, the previous government came up with the ZOCA treaty. That has worked extremely well and is based on the law as we know it in relation to international treaties. There are assertions about what international law may now say in relation to these beds and dividing lines, but I am not going to engage in speculation about what may or may not be the position we take in those negotiations. They will be full, fair, frank and sensible negotiations between us, the UN and the East Timorese representatives in order to ensure a sensible outcome and that we have a framework within which to negotiate. I am not going to indulge in speculation about it.

**Taxation: Employee Benefit Arrangements**

Senator SHERRY (2.47 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Can the minister inform the Senate whether, if an individual holds a private binding ruling—known as PBRs—which states that contributions to an employee benefit trust do not attract fringe benefits tax and another taxpayer who does not hold a PBR enters into the same type of employee benefit trust arrangement, the second taxpayer is entitled to the same taxation treatment as the person who holds the PBR? If so, does this mean that an individual PBR can be used to mass market an employee benefit trust scheme, or any other type of employee benefit arrangement scheme that has a PBR, to many hundreds if not thousands of taxpayers?

Senator KEMP—Private binding rulings apply to the individual taxpayer who asks for them and they apply in particular to the details of the scheme which has been stated. In other words, someone in receipt of a private binding ruling who has not fully disclosed the nature of the scheme clearly cannot rely on that particular private binding ruling if he has not given full and accurate information to the Taxation Office. The general principle is that the individual can rely on a PBR but it applies only to that particular individual and does not apply to other taxpayers.

Senator SHERRY—Madam President, I ask a supplementary question. That is unfortunate for those who do not have a PBR and are in the same circumstances. What action has the Liberal-National Party government taken to ensure that aggressive tax planners have not used individual PBRs as a means to mass market EBA tax rorting schemes such as employee benefit trusts and controlling shareholder superannuation?

Senator KEMP—It has been clear from the very start, as I understand it, that private binding rulings can apply only as I have stated in my earlier answer to Senator Sherry’s question. The basis of that is well known. I am aware that some mass marketing schemes have attempted to imply that they have rulings which can apply to a wider range of taxpayers. For the reason I have stated, that cannot be done. It would concern the government, as it would concern the Taxation Office, if there were any case where taxpayers are not being given accurate and appropriate information.

**Venture Capital: Level**

Senator CRANE (2.50 p.m.)—My question is to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate what the government is doing in the area of venture capital to
support emerging and innovative Australian industries? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Crane for that important question in the context of what I regard as a very important focus in this country on innovation. Five years ago, as Labor came to the end of its term in office, small companies that wanted to grow and commercialise their ideas in this country faced very real difficulty raising venture capital for their operations. We recognise as a government that seed capital and start-up funds for innovative companies in this country are crucial for our economic prosperity. So I am pleased to advise the Senate that Venture Economics, which is a recognised international company which benchmarks venture capital investment, reports that committed private equity capital in Australia doubled from 1998 to 1999 to a record $1.2 billion. That happens to be six times the amount of investment in venture capital that existed in the final year of Labor’s term in office. In addition, the number of funds formed last year was double that formed in 1998. This is a magnificent success and one of which our government is rightly proud.

Of course, this has not happened simply by accident. I think it is widely acknowledged that there has been a reluctance on the part of Australian financial institutions and super funds to invest in the more risky early stages of business development. In our 1998 industry policy we put a particular focus on venture capital, awareness of the importance of venture capital and ways in which that could be stimulated in Australia, because that is critical, for all the discussion that goes on on the other side, to innovation in this country. The venture capital industry has properly recognised our support. Of course, getting the economic fundamentals right is essential to the growth and development of venture capital, but the most important initiative was the decision we took last year to halve the rate of capital gains tax in this country. The benefits of that are really starting to show up, particularly in the venture capital industry. Not only was there a cutting by 50 per cent of the capital gains tax rate but there was our Innovation Investment Fund program, with $230 million in it, which has been an outstanding success. I announced recently that we would create a revolving fund for the Innovation Investment Fund program so that any proceeds the government received from its investments, like those from the very successful LookSmart investment, would be reinvested in innovation. At the moment we have invested $81 million in 35 early stage companies since that program was formed.

The biotechnology industry, which I regard as being critically important, is one of the key beneficiaries of this new environment for venture capital. It had $81 million of venture capital invested in it last year. Unlike Dr Lawrence, the new shadow minister for industry, we actually do support the biotech industry very strongly. I was delighted that last night’s recipients of the Prime Minister’s prize for science were in fact two scientists working in this field. I do note that, while the shadow minister for science, Martyn Evans, welcomed their winning the prize and recognised the importance of biotechnology, particularly in agriculture, we have a shadow minister for industry who is overtly and obviously totally opposed to biotechnology in relation to agriculture, which is very disappointing for the future of policy development on the other side. The future for the venture capital industry looks very strong. A PricewaterhouseCoopers survey shows that expectations are that funds under management will increase by 130 per cent over the next three years. Our Commercialising Emerging Technologies program and our venture capital awareness program are underpinning the tremendous growth in this. One of the tragedies is that we lost 13 years in the development of this industry with the world’s worst capital gains tax arrangements in place under the previous government. (Time expired)

Taxation: Employee Benefit Arrangements

Senator LUDWIG (2.54 p.m.)—My question is to Minister Kemp, the Assistant Treasurer. Can the minister confirm that a Sydney based tax officer, Lowman Chow, and another officer travelled to Canberra in March 1998 to seek senior ATO support to
recommend to the government that FBT apply to employee benefits trusts from the time of the May 1998 budget? If so, why was the advice subsequently ignored by the ATO and the government? Since March 1998 has the government received further advice on the need to shut down employee benefits trusts? If so, what action has it taken or does it plan to take to close down these multibillion dollar tax rorts?

Senator KEMP—As far as the visit to Canberra is concerned, gosh, again I did not bring the travel file down. It is a bit of a problem. Senator Cook asked whether I had brought down various files and the answer is that I have not brought down the particular file. Senator, I have to admit to you that, as far as travel in the tax office is concerned, they do not actually report to me about their detailed travel each day. Frankly, I would be worried if they did because it would mean that they were not focusing on the major key issues. I will look at the other aspects as far as the travel is concerned and I will find out whether they did in fact travel to Canberra and what advice they gave me. Then I will consider whether I should inform you of that or whether this was regarded purely as advice to ministers. But I will check on that as you have raised that with me.

Senator LUDWIG—I ask a supplementary question. Could the minister also explain how his proposal to deny deductibility to contributions made to non-complying off-shore super funds results in a negligible financial impact? Does this really mean that the billions of dollars of contributions claimed as a tax deduction and made to off-shore super funds prior to 30 June resulted in no greater loss of revenue to the Commonwealth than if they had been appropriately taxed?

Senator KEMP—I think I have dealt with that matter in relation to the issues which were raised by Senator Conroy. Probably just over a year ago the ATO put out a press statement regarding these particular funds and indicated that those funds were ineffective as far as tax law was concerned and that it is pursuing through the courts those people who have used those particular tax avoidance schemes.

**Australian Federal Police: Funding**

Senator PAYNE (2.58 p.m.)—My question is to the Minister for Justice and Customs, Senator Vanstone. The annual report of the Australian Federal Police for 1999-2000 was tabled yesterday. I ask the minister: what does the report show about the effectiveness of the government’s increased investment in the Australian Federal Police?

Senator VANSTONE—I thank Senator Payne for a very astute question. She has had a longstanding interest in the Australian Federal Police, as of course have a number of other senators who are very pleased to see, as the community is pleased to see, the increased funding going to law enforcement under this government. The Federal Police’s success, in particular in relation to drug detection and seizures, is highlighted in the report—and it is at an all-time high. Of course, they continue to target other areas of major criminal activity. The statistics really do show that the Australian Federal Police initiatives under Tough on Drugs are making a major contribution to dismantling criminal syndicates here and overseas. The Federal Police have not been focusing on small users and small peddlers; they have been focusing on the Mr Bigs of the drug world and they have been spectacularly successful.

Australian Federal Police initiatives provided tangible results in preventing 1,661 kilos of illicit drugs from reaching our streets. Of this haul, cocaine constituted 814 kilos, which was up 164 per cent on last year, which was an increase on the previous year in any event; heroin was 501 kilos, about the same as last year’s record seizures; amphetamines were 234 kilos, up 100 per cent on the previous year; hallucinogenic drugs were six kilos, which was about the same as last year; and the remaining approximately 100 kilos comprised cannabis and other substances. The seizures included 510 kilos of cocaine in one operation—Australia’s largest cocaine seizure to date and the first seizure of cocaine chemically treated with the intent of avoiding detection. That was the black cocaine seizure. There was an increase in the number and size of drug seizures, which reflects the AFP’s strategy of targeting the Mr Bigs.
In the year, the Australian Federal Police also established a new people smuggling strike team to target organised crime associated with illegal immigration. Other Australian Federal Police investigations, excluding drug offences and ACT offences, resulted in 1,443 offenders being apprehended for over 3,000 offences. Proceeds of crime are also being targeted—$46.2 million in proceeds were identified, $13.1 million were restrained and $17.3 million were recovered. The Australian Federal Police contributed, in addition to their very successful achievements in drug seizures—

Senator Bolkus—There’s still bucket loads coming in. It’s on the streets.

Senator VANSTONE—Senator Bolkus says bucket loads are coming in. If he has direct knowledge of drugs coming in—I do not infer that he does—and he wants to speak with authority I am happy to arrange an interview with the Federal Police and he can give them the information he has. Drug usage rates are not going up as dramatically as the seizure rates. Senator Bolkus does not know what he is talking about.

In addition to this excellent achievement, at the same time the Australian Federal Police contributed more than 200 personnel to UN missions overseas, such as in East Timor. They have developed a cooperative approach with other Commonwealth agencies and with state agencies. New employment arrangements aided their operational capacity, giving them greater flexibility. They have continued to position themselves to meet challenges posed by electronic crime. They had 190 electronic crime referrals during the year, relating to unauthorised access, child pornography and using the Internet to harass. (Time expired)

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

PARLIAMENTARY LANGUAGE

The PRESIDENT (3.02 p.m.)—Yesterday, 3 October, Senator Faulkner raised a point of order in relation to an answer of Senator Vanstone that in the answer the minister had slurred a member of the House of Representatives, namely, Mr Duncan Kerr. Senator Faulkner asked that I carefully check the Hansard record and note what Senator Vanstone had said, note his belief that it was a clear breach of the standing orders and report back to the Senate. The relevant rules of the Senate are given in standing order 193. I quote from Odgers, 9th edition, page 227.

It is for the chair to determine what constitutes offensive words, imputations of improper motives and personal reflections under this standing order. In doing so, the chair has regard to the connotations of expressions and the context in which they are used.

All suggestions that members have lied, that is, deliberately and knowingly made untrue statements, are disorderly.

It is for the chair to judge whether that implication is present in any particular instance. I have examined the Hansard record, and, having regard to both the connotation of expressions used and the context in which they were used, I do not believe that what Senator Vanstone said in relation to Mr Duncan Kerr did impute an improper motive to him; therefore, it is not in breach of standing orders.

ANSWERS TO QUESTIONS ON NOTICE

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.04 p.m.)—Pursuant to the provisions of standing order 74(5) I seek an explanation from the Acting Leader of the Government in the Senate on behalf of his ministerial colleagues in the Senate as to why I have not received answers to 127 questions on notice within the prescribed 30 days.

Senator West—How many?

Senator FAULKNER—One hundred and twenty-seven questions which I have placed on the Notice Paper. Because there are such a significant number of questions in relation to this, instead of detailing them and taking a great deal of time—

Opposition senators interjecting—

Senator FAULKNER—I know this is important to my colleagues and as a result I have asked the Table Office to prepare a document, which I commend to my colleagues. It makes very interesting reading.

Opposition senators interjecting—
Senator FAULKNER—It does give an indication of the elapsed time involved. In the first instance, I shall table a list of the 127 overdue questions which has been prepared by the Senate Table Office. I request that the Acting Leader of the Government in the Senate provide an explanation. I seek leave to table the document.

Leave granted.

Senator ALSTON (Victoria—Deputy Leader of the Government in the Senate) (3.05 p.m.)—I am not able to greatly assist Senator Faulkner other than to say that 127 questions do take a fair bit of time and expense to deal with. I am advised by Senator Hill’s office that Senator Faulkner’s office has been provided with reasons for the delay in respect of some of those matters, but others are beyond the control of Senator Hill’s office. Efforts are being made to ensure that all chiefs of staff are as responsive as they can be and that the answers are forthcoming as quickly as possible.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.06 p.m.)—I move:

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

We have had an unsatisfactory explanation from Senator Alston—and a disappointing one in the context that Senator Hill’s office was advised last week that I would be asking for a proper explanation from the government in relation to this extraordinary number of questions that have remained unanswered to this date. It is important to make this point: as all senators would know, questions on notice are an important method for the parliament to ensure accountability of executive government. Of course, the government appears to be increasingly finding it just too difficult to provide this accountability to parliament, as we can see by a quick glance at the Senate Notice Paper.

Senator Jacinta Collins—Who is the worst offender?

Senator FAULKNER—I will name them, Senator, but give me a chance. I do commend to senators the list of unanswered questions that has been tabled in the Senate today. I have been asked by my colleagues to give some examples, so let me give one: on 23 November 1998, straight after the last election, I placed a question on the Notice Paper, directed to the Prime Minister, seeking details of the nature and extent of departmental changes following the administrative changes made by the then new second Howard government. This particular question on notice, No. 168, has been on the Senate Notice Paper for over 680 days. It has remained unanswered for almost 700 days when the Senate has ordered that questions should be answered within 30 days. That is the situation. Neither the Prime Minister—of course, you would not expect him to have the courtesy—nor Senator Hill, who represents him in this chamber, have had the courtesy to give any apology or explanation for this outrageous delay. Nor have the vast majority of the other ministers set out on the list that I have tabled today given any explanation or given me the courtesy of advice about the delay in answering questions on notice; nor has there even been any indication of when I might receive an answer.

That is absolutely unacceptable. All senators in this chamber know this. I do want to make one exception. Instead of naming the culprits, let me name the one minister who I do not hold responsible at this level: believe it or not, it is Senator Hill acting in his capacity as a portfolio minister, as minister for the environment—not Senator Hill representing the Prime Minister, as he does in this chamber. The Prime Minister has a world record of 681 days in relation to a question on administration of government departments, staffing and accommodation. But I have to say that 127 overdue—

Opposition senators—That’s a gold medal!

Senator FAULKNER—If it is a gold medal, I am sure Mr Howard will be present to see it. But 127 overdue parliamentary questions is an astonishing indictment of the Howard government. Do not forget that this is the government that came to office full of sanctimony about their approach to parliament and to accountability in this chamber and in the House of Representatives. But their actions speak louder than words. In this case, their non-actions speak louder than
words. While these overdue answers to questions are spread right across the ministry, I want to highlight particularly the 14 overdue answers to questions from the Prime Minister and another 14 from the Treasury portfolio. I actually believe that the junior ministers, the very junior and ordinary ministers in the government, like Senator Macdonald and a few others, probably take note of the tardiness shown by their betters—

Senator Robert Ray—Their seniors.

Senator Faulkner—the senior ministers like Mr Howard and Mr Costello. They follow the lead. They follow the example that has been set by the senior ministers. I have to say in relation to the pathetic, weasel words of Senator Alston that my office did accord Senator Hill’s office the courtesy of advance notice of raising this issue this particular sitting week. I do think the explanation given was false. I think it contained untruths from Senator Alston, which is probably part and parcel of the way he does business in this place, because the only feedback my office has received has come from Senator Hill in relation to his own portfolio responsibilities.

I would ask the Acting Leader of the Government in the Senate, if he is up to the task, or Senator Hill when he comes back from his overseas jaunt, that every action be undertaken by the government to address this serious situation of grossly overdue answers to questions on notice and that they be answered without further delay. If they are not, there are other courses of action open to senators in this circumstance. It is reasonable for the parliament to expect a minimal level of parliamentary accountability, a capacity for senators to scrutinise the actions of the executive in the parliament, and it is more than reasonable to expect that ministers in the Howard government front up to their responsibilities and answer the questions on notice within the 30 days they have available to them. If that is not possible—and we acknowledge on this side of the chamber that at times there may be reasons where it is not possible to give an answer within the time frame available—at the very least, at the very minimum, we demand an explanation of why that cannot be done. We expect some courtesy from government ministers when they are unable to fulfil the orders of the Senate. We have not received that courtesy. The parliament has not had a capacity to exercise this very important accountability mechanism, and Senator Alston and the government had better lift their game in relation to this matter. It is the least that can be expected in relation to this important parliamentary accountability mechanism.

Question resolved in the affirmative.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Share Options: Company Executives

Senator Mackay (Tasmania) (3.15 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Communications, Information Technology and the Arts (Senator Alston), to a question without notice asked by the Leader of the Opposition in the Senate (Senator Faulkner) today, relating to Commonwealth Bank company executives’ share options.

I would have to say that the contribution of Senator Faulkner highlighting the lack of accountability of government is a pretty hard act to follow. Again today, Senator Alston continued the own goal strategy. Yesterday we had the own goal on petrol, when Senator Alston said that, since 1 July this year, the price of petrol had gone down. Then there was another own goal in which he said that the government did not derive any benefit from increased petrol prices. Today we had a third own goal, in his capacity of representing Senator Hill, in relation to the salaries of CEOs. What Senator Faulkner was seeking was the government’s view in relation to the salary package of Mr Murray, the head of the CBA, which, as outlined by Senator Faulkner, is $2 million a year plus an extra $52 million in share options.

Senator Alston’s response was, firstly, that it is the politics of envy and, secondly, how dare we impugn Mr Murray for just earning a living—just earning a living with $2 million a year plus $52 million in share options. The own goal part was as follows: who, in February this year, came out and criticised CEO remuneration? Who was that person, in the quiet period over the Christmas break, who sought to make political capital in rela-
tion to this? It was the Prime Minister. The Prime Minister made several statements in relation to what Minister Alston calls ‘the politics of envy’.

What we are talking about here is a CEO who earns $2 million a year and has $52 million in share options. Although opposed every step of the way, he has attempted to impose AWAs on staff employed by the Commonwealth Bank—and not very successfully, I might say. This is the same bank that has closed its doors on 600 communities in the last decade. Just this year, 50 branches of the Commonwealth Bank have closed, and that is equivalent to about seven per month. Overall, the Commonwealth Bank have closed 438 branches and slashed more than 13,000 jobs. It is of particular note to people like us, over half the branches that closed—over 250—serviced rural and regional Australia, which is over half. A further 282 branches will close as a result of the merger with Colonial, and 4,500 more jobs will be lost.

To add insult to injury, the Commonwealth Bank recently increased giroPost transaction fees from $2 to $3. As most people who come from regional Australia know, giroPost is a service that is provided through Australia Post by the Commonwealth Bank and others. That is what the Commonwealth Bank has done (a) to its employees and (b) to its regional constituents.

Today we saw the temerity of Senator Macdonald, who has presided over a total disaster in relation to the rural transaction centres, answering yet another dorothy dix question. He can answer only dorothy dixers; he does not answer questions anywhere else. The government’s response to the closure of branches in rural and regional Australia has been, to date, 13 rural transaction centres. The government itself said that, by the end of June this year, there would be 70 rural transaction centres up and running. The Deputy Prime Minister, Mr Anderson, said that by the expiration of the five-year period of this program, which we are now halfway through, there would be 500 centres up and running. What have we got here? We have got a totally failed program and we have got confirmation by Minister Alston of what I believe and what the Prime Minister believes: that this is an obscene salary package.

Senator Alston says that we are just indulging in the politics of envy and that all Mr Murray is doing is attempting to earn a living—a living that most Australians could never aspire to earn in their entire lifetimes. And, in the face of major regional bank closures and a dreadful campaign in relation to his own employees, Minister Alston is defending it, against the wishes of the Prime Minister. The government have done nothing in relation to the closures in regional centres. All we have got in response are a measly 13 rural transaction centres from a failed program which has not delivered the government’s own goal of 70 by the end of last financial year. It is an absolute disgrace.

Senator McGauran (Victoria) (3.20 p.m.)—It must be a very bad week for the Commonwealth Bank this week, because a Senate report was handed down yesterday which criticises them in relation to treatment of some of their customers. I have had constituents contact me this week in regard to a closure of the Commonwealth Bank in Edenhope, and now we have a full-frontal attack from the opposition on their managing director and his salary.

Far be it from me to defend the Commonwealth Bank, but I will defend the minister at the table. He was not defending the salary, as you put it, Senator Mackay. What are you saying? What is your policy? Are you saying you will cap the salaries of the managing directors of all the big companies, of the Commonwealth Bank, and all the banks? Is that your policy? We assume it is. That is what Senator Alston put to you: what is your suggestion? I think the Prime Minister, as a politician, works four times as hard as any managing director of BHP, AMP, Commonwealth Bank or National Bank. I think that ministers have as much responsibility and deserve salaries equal to those of the CEOs.

I am not going to stand here and defend their million-dollar salaries or their share options per se, except to say that the shareholders have a power to check and balance the salaries of those directors and managing
directors—and we have seen the shareholders do this. This government has brought in a far tougher regime to check and balance the reporting and financial responsibilities of directors so that shareholders can respond and check and balance the directors. Corporate law has toughened up on these directors, who think they can just dip into the shareholders’ funds without accountability. That is something that this government has done, and we have seen the results of that.

We have seen the results within AMP. There has been a huge move out of directors who have not performed according to their salaries. In Bonlac, the dairy company in Victoria, their directors were on huge salaries, and they have been brought to account by the shareholders and moved out. We have also seen this in several other companies—BHP, for example. I believe the director and the managing directors of BHP are probably the highest paid in the country, and there have been major changes within that structure because there is accountability. The corporate law has been changed so shareholders get the reports from the directors and can bring those directors to account.

Senator Mackay, with respect to your concern regarding the Commonwealth Bank, I would just say that it reinforces the government’s four pillar policy. While we have competition between the banks, you will have the checks and balances in place. Therefore, I would hope you would support this government’s four pillar policy. Do you at least do that, Senator Mackay? You nod your head, but you do not know.

The DEPUTY PRESIDENT—Order! Address the chair, please.

Opposition senators interjecting—

The DEPUTY PRESIDENT—Order! Senators on my left, would you please come to order. Senator McGauran, address the chair and try to ignore those interjections—they are totally unruly. Senator Forshaw and Senator Carr, come to order.

Senator McGauran—There is a lot to say for what the minister at the table did say: that this really is the politics of envy. There is a broader agenda here—why don’t you admit it? The next speaker is, I suspect, Senator Hogg. They put up their A-team on issues like this, and Senator Hogg is one of them. It is a shame he sits so far back in the opposition’s team. Why doesn’t he admit that there is in fact a broader agenda here—that is, the politics of envy? This is the old Labor Party, the old unionists, knocking the tall poppies, just as they were with the Olympics this afternoon. They were even knocking the Olympics and the Prime Minister’s efforts in the Olympics. What sour grapes! What sort of opposition are you? You are just knockers. At least bring some policy to the table and we will debate that. You are so sour on people’s salaries. You are so sour on the Olympics and you have an inability to enjoy, like every other Australian, the 16 days that Australia put on. But, no, you had to find the angle, just as you are trying to find the angle with the Commonwealth Bank. (Time expired)

Senator Hogg (Queensland) (3.26 p.m.)—Following the exposition of the Liberals’ policy on the four pillars—

Senator Carr—By the National Party.

Senator Hogg—by the National Party, I would suggest that Senator McGauran take one of those pillows and have a little sleep. Just getting back to the issue that is at stake here, the issue at stake is, of course, the question of the high salary and the high remuneration that is paid to Mr Murray. Senator McGauran should look very closely at what his own Prime Minister said in an interview with Neil Mitchell on 3AW on 11 February this year. In response to questions in this general area, particularly about Mr George Trumbull of AMP, the Prime Minister said, with respect to this type of remuneration:

Oh indefensible. I mean I said this on your program before Christmas. And I think people in highly remunerated corporate Australia have got to understand that at a time of strong national economic prosperity, it only encourages wage claims through our whole community and understandably if people appear to over remunerate themselves. And there’s no way you can defend an arrangement of that magnitude. No way at all.

In the same interview, the Prime Minister goes on to say:
But there’s a limit and in egalitarian Australia that is beyond the limit and I can understand the anger of ordinary people at that kind of pay ...

We have here the notice for the Commonwealth Bank’s meeting on 26 October. Agenda item 7 is to pass on to the CEO of the Commonwealth Bank 250,000 options and 42,000 shares, valued in the order of $2.45 million in excess of what he already has. That is a special item on the agenda for the forthcoming meeting of the Commonwealth Bank on Thursday, 26 October. This is a person who has received a 272 per cent pay increase since 1994. You try to find any worker around Australia who has had a 272 per cent pay increase since 1994. They have not. This is the sort of contempt that the actions of the Commonwealth Bank breed. If you look at the remuneration of the CEO, you will find that he receives 75 times the average rate of pay of an average worker within the Commonwealth Bank. I am reliably informed that the average worker in the Commonwealth Bank receives about $28,500 a year, yet the CEO receives $2.045 million—almost 75 times more.

Senator McGauran—He’s not worth it.

Senator HOGG—Absolutely. Yet this is the bank that is cutting branches—438. You referred to one in your speech, Senator McGauran, that has been closed in your area. I had one closed in my area on 11 April this year. I wrote to the local area manager of the Commonwealth Bank, and I actually got a response.

Senator Carr—What did it say?

Senator HOGG—The response says absolutely nothing. It says:

By way of explanation, the Bank’s decision to close a branch is only taken after a thorough investigation of many factors, including both current and future business trends, customer usage and the alternative services available in the surrounding area.

The bank go on to say:

Our decision to close the Carina branch—which is in my area—

was in response to community changes. Our business levels have fallen far short of projections and are insufficient to support our continued operations in this area.

Senator Mason (Queensland) (3:31 p.m.)—Madam Deputy President—

Senator Forshaw interjecting—

Senator MASON—Thank you for that welcome, Senator Forshaw. The Labor Party’s approach on this issue reflects a deep malaise, as you would expect, within parties of the Left. What we have is a party that wants to put caps on corporate salaries. The Labor Party likes to cherry pick a few ideas from successful ideologies like ours and then tries to jettison the rest. What members of the Labor Party do not quite realise is that, just as Mr Blair is learning in England, you have to actually believe in something. You cannot just be a party of opportunism which does not believe in anything. I have never quite worked out whether these days members of the Labor Party believe in the market or they do not. They went to their national conference in Hobart and they were all in favour of free trade. Part of the union movement is in favour of fair trade. I am never quite sure what they believe in. Years ago it was much easier. They used to believe in socialism. Some believe in social democracy. It was corporatism under Mr Hawke and then it was Keynesianism. What is it now?

Senator Carr interjecting—
Senator MASON—It is not even pragmatism, Senator Carr. It is worse: it is just opportunism. That was reflected in what the Labor Party did over the GST. I have always said—and I will say it again—that I had no problems with the ALP opposing the GST. What was absolutely pathetic was the fact that they did so not because it was not the best thing for this country but because they thought it would be electorally popular. That is the loathsome part of the Australian Labor Party in the year 2000—they knew it was the best thing for this country and they deliberately opposed it against all the economic predictions. Every other country on earth has a system like we have in this country, except Botswana. They wanted to keep that system. This is the party that wants to protect the wholesale sales tax system. Finally, when we got the tax through this place and the public accepted it, we did not hear about it any more. Members of the public would realise, of course, that for months and months these people opposed it and finally, when the public accepted it, we did not hear a whisper. Then they want to talk about ideological failure. This party stands for nothing except opportunism. They believe in absolutely nothing.

Senator Forshaw interjecting—

Senator MASON—If you do not believe me, Senator Forshaw, have a look at Mr Blair’s problems in England. It is the same problem: that is, a party that believes in nothing has nothing to go back to. Senator Carr, we have our differences all the time but I will say this: at least you believe in something. Many in your party do not. Obviously the Labor Party do not know their economics too well either. They spoke about—

Senator Ian Campbell—They want to nationalise.

Senator MASON—That is right; they want to nationalise the banks. Regarding all the criticism today about the value of the Australian dollar, had this country not had a floating exchange rate during the Asian economic crisis, we would have been devastated. I commend the Australian Labor Party for supporting the floating of the Australian dollar. I give credit where credit is due.

Senator Carr—It’s not floating now; it’s sinking.

Senator MASON—There are good and bad aspects of that, but all those people listening on the radio ought to know the facts. The facts are that in 1995 the inflation rate was 5.1 per cent. It is now 1.8 per cent. Productivity was down in 1995 and now it is up. What were real wages under the ALP? They were zero. What are they under us? They have gone up 3.7 per cent. Labor is the party of low productivity, low wages. It is a party that wanted to support and protect the wholesale sales tax system. The people of Australia will reject it at the next election, mainly because it stands for nothing.

Senator GIBBS (Queensland) (3.36 p.m.)—Madam Deputy President, I am speechless. I just cannot follow that act. That was absolutely superb! I think I might just throw in the towel! I really thought that we were talking about the Commonwealth Bank. I will do my best to follow the senator opposite.

Senator Ian Campbell—Make it your personal best!

Senator GIBBS—Okay, here we go. I noted that in Senator Alston’s answer to Senator Faulkner’s question he said he was sure that Mr Murray was not resorting to self-interest or the self-interest of other corporate people. That astounds me. My colleague Senator Hogg went into great detail about the salary that Mr Murray earns—in excess of $2 million, and shares and share options in excess of $50 million. I have a document here which says that, during the past three years, all executives of the Commonwealth Bank, including Mr Murray, have received $129 million worth of share options. If this isn’t self-interest, what is? It astounds me that Mr Murray can ask the government to be more sympathetic to senior corporate executives who have company shares. I would have thought that the sympathy should go to the general public and, in particular, to the poor and disadvantaged in our society who happen to be clients and customers of the Commonwealth Bank.

An article in the Financial Review today refers to the increase in fees from $2 to $3 by
the Commonwealth Bank. If you want to take your own money out of the bank, over the counter, you have to pay a fee of $3. I think the article actually sums it up when we are talking about the disadvantage in our community. It is titled ‘CBA fee claims don’t wash’:

Surely the Commonwealth Bank’s spokesperson, Mr Hugh Harley, was speaking in jest when he was quoted as saying that all pensioners and disabled people would receive a full fee rebate under the bank’s new fee hike.

This was on 14 September. To continue:

The CBA’s special rebate is only for aged and service pensioner customers prior to October 1997 and it provides, from November this year, two over-the-counter transactions, or a mix of other transactions up to a value of $6 a month. The bank also has a “relationship rebate”, equal to one in-branch transaction for pensioners with every $2,000 worth of business. The value of this “relationship” will fall by 50 per cent from November 1 when pensioners will need $3,000 in savings for every in-branch transaction after the first two allowed.

It is worth noting that other customers—such as carers, disability pensioners, unemployed—are not eligible for the “special rebate”—obviously some customers are more valued (or less valued) than others.

I think that is pretty typical of what is happening with the Commonwealth Bank.

I am running out of time, but I want to note that this fee increase of $2 to $3 has been put on the Australia Post giroPost network. There are 2,800 outlets of giroPost in Australia. Particularly in the regional and rural areas, this is the service that people today have to rely on. It is the only service in some areas because all the banks have closed. The banks have closed because of greed. They do not want to service people because they think a small rural community is just not worth servicing. So this service is the only service that these people have and it is absolutely appalling that for every transaction that people in the country make they have to pay $3. It is just not on. The government has to do something about the greed of the banks. It is getting worse and worse. Charges and fees are going up all the time. Do something about it. (Time expired)

Question resolved in the affirmative.

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**East Timor: Timor Gap Treaty**

**Senator BOURNE (New South Wales)** (3.41 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Industry, Science and Resources (Senator Minchin), to a question without notice asked by Senator Bourne today, relating to the renegotiation of the Timor Gap Treaty.

In doing so, I will just go over the sorts of things that I was asking, which seemed to me to be perfectly reasonable. Senators will recall that the renegotiation of the terms of the Timor Gap Treaty, which will divide up the resources already found and which will continue to be found in the Timor Gap between Australia and East Timor, will start next Monday, 9 October, in Dili, and go on for three days. And that is only the first round. The question that I asked Senator Minchin was basically: are we going to stick to the new international law, which, as I understand it, came into effect after we negotiated the first Timor Gap Treaty with Indonesia? So things have changed in international law. The new international law is, as I also understand it, that the resources, or rather the area which belongs to the two nations, will be divided up halfway between the two coastlines.

I was in East Timor a couple of weeks ago with other members of Parliamentarians for East Timor, including my colleague Senator Allison and also Senator McGauran. One of the questions most urgent to the East Timorese to whom we spoke, and we spoke to a lot of executive members—I think I have got that right; it is a term we are not used to in Australia, but it is basically similar to Australian ministers and working very closely with UNTAET—was that they are most urgently interested in the renegotiation, obviously, of the Timor Gap Treaty. They are desperately in need of money to do many things, including rebuilding a nation which was utterly destroyed by the Indonesians when they left. They need this money. At the moment they are working on, I think, a budget of about $US50 million a year. They believe that the Timor Gap Treaty would bring in—I am getting these figures out of my head, so I hope I have them right—

**Senator McGauran**—If they are out of your head, they won’t be.
Senator BOURNE—Thank you, Senator McGauran! The Timor Gap Treaty would bring in about $100 million after four years for at least 20 years. That would probably go up after those 20 years, because of course there is a lot more exploration going on there. There has been exploration in the past, and this area looks like a very large oil and gas field. In fact, I have a brochure here from Woodside Petroleum—one of the companies which has been looking at the Timor gas and petroleum fields—and they are very enthusiastic. They think it is a very large field that could involve several other very large fields.

Obviously, the Timorese need money. One of the questions is: where are the Timorese going to get the money that they need? One of the answers, obviously, is Australia. I can tell the government now—I am sure they know it; they do not need me to tell them—that Australians really care about what happens to the East Timorese. They really care about what happens to East Timor from now on. They really want East Timor to succeed. It is in Australia’s interests that East Timor succeeds. It is in Australia’s interests to have a stable and prosperous neighbour to our north, one of our nearest northern neighbours. One of the best ways we can do that is to renegotiate the Timor Gap Treaty fairly, reasonably and generously and, as my colleague Senator Murray says, so that the proceeds of those fields go substantially and fairly to the East Timorese.

From Senator Minchin’s answer—I believe that his department, if not he, are leading these negotiations—I fear that this will not be the case because he refused to say what they were intending to do regarding the negotiations. He told me that it was not a matter for public discourse. Of course it is. If we are not going to be doing what international laws say we should be doing, if we are going to be trying to negotiate otherwise, we should have a public debate about that. Australians will want to know and they will want to have an influence on that. He kept using the word ‘sensible’. He never once used the word ‘generous’. He never once used the word ‘fair’. No, I think I am wrong. I think he did use the word ‘fair’. I think he said that he hoped the negotiations would be ‘free, fair’ and something else. That was the only time he used that word. I think that we ought to be mostly trying to make these negotiations generous. Heaven knows, they deserve for us to be generous to them and heaven knows it is in our best interests to be generous at this point, which will mean that the East Timorese people can get on their own feet. (Time expired)

Question resolved in the affirmative.

PETITIONS

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

Kalejs, Mr Konrad
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned wish to draw the attention of the Senate to the inadequate investigations to date, regarding the activities of alleged Nazi war criminal, Konrad Kalejs during World War II.
Your Petitioners ask that the Senate should: ensure that the Australian Federal Police investigate to the full extent all available evidence pertaining to Konrad Kalejs’ war time activities. And that, the Australian Government fully explains to the Latvian authorities Australia’s new laws of extradition.
Further, that if the Latvian Government fails to apply to extradite Kalejs that the Parliament of Australia legislate to extend changes to the Citizenship Act facilitating a civil process to enable Kalejs’ deportation.

by Senator O’Brien (from 64 citizens).

Australia Post: Deregulation
To the Honourable the President and Members of the Senate in Parliament assembled.
The Petition of the undersigned shows that we are opposed to the Howard Government’s proposals to deregulate Australia’s postal service as they will drastically reduce the revenue of Australia Post resulting in adverse impacts for most Australians including increased postal charges, reduced frequency of services, a reduction in counter and other services currently provided and a loss of thousands of jobs.
Your petitioners request that the Senate reject the Howard Government’s proposals and support the retention of Australia Post’s current reserved service and the uniform postage rate, the existing cross-subsidy funding arrangement for the uniform standard letter service and require a government assurance that no post office (corporate or licensed) will close due to these proposals.
Further we call on the Senate to support the expansion of the existing community service obligation of Australia Post to encompass a minimum level of service with respect to financial and bill paying services, delivery frequency, a parcels service and access to counter services, whether through corporate or licensed post offices.

by Senator O’Brien (from 13 citizens).

Goods and Services Tax: Sanitary Products

To the Honourable the President and members of the Senate in the Parliament assembled:
The Petition of the undersigned are gravely concerned that given currently tampons, pads and liners have attracted no taxes in Australia since 1948, the introduction of the GST will find an additional 10 per cent on these products.

Your Petitioners ask that the Senate insist the Minister include the above mentioned products in the GST free list. Currently condoms, sexual lubricants, suntan cream, and folate tablets are under consideration by the Health Minister to be GST free. The fact that half of the Australian population experience menstruation for 30-40 years of their life through no choice of their own means that these products should be included in the GST-free list.

by Senator O’Brien (from 216 citizens).

Petitions received.

NOTICES

Presentation

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

That the time for the presentation of reports of the Community Affairs References Committee be extended as follows:

(a) provisions of the Gene Technology Bill 2000— to 1 November 2000; and

(b) public hospital funding—to 28 November 2000.

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

That the Senate notes the continuing failure of the Howard/Costello Government to honour its promise that the goods and services tax would not increase the price of petrol and that for the first time ever the Howard/Costello Government is collecting more in fuel taxes from rural and regional motorists than from city motorists.

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

That the Senate—

(a) notes:

(i) the determination of the Federal Court that found in favour of the Wik and Wik-Way Peoples’ native title claim over part of their traditional lands and waters on Cape York Peninsula,

(ii) that this decision was made following a 20-year struggle by the indigenous owners to return to their traditional lands, and

(iii) that the determination applies to less than one-fifth of the original claim and that a determination over the remaining land and waters is still under consideration;

(b) congratulates the Wik and Wik-Way People on this wonderful outcome and determined pursuit of recognition of Wik law; and

(c) calls on the Commonwealth and Queensland Governments to do whatever they can to facilitate a favourable and speedy outcome for the traditional owners over the remaining lands and waters subject to claim.

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


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

That the time for the presentation of the report of the Legal and Constitutional Legislation Committee on the provisions of the Privacy Amendment (Private Sector) Bill 2000 be extended to 10 October 2000.

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


Withdrawal

Senator McGauran (Victoria) (3.46 p.m.)—On behalf of Senator Coonan, pursuant to notice given at the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notice of motion No. 2 standing in
Senator Coonan’s name for the next day of sitting, business of the Senate notices of motion Nos 2, 3 and 4 standing in Senator Coonan’s name for five sitting days after today, and business of the Senate notices of motion Nos 1, 2, 3, 4, 8 and 9 standing in Senator Coonan’s name for nine sitting days after today.

Presentation

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


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

That the following bill be introduced: A bill for an Act to amend the Commonwealth Electoral Act 1918 to provide for truth in political advertising, and for related purposes. Electoral Amendment (Political Honesty) Bill 2000.

Senator McGauran (Victoria) (3.48 p.m.)—On behalf of Senator Coonan, and on behalf of the Standing Committee on Regulations and Ordinances, I give notice that at the giving of notices on the next day of sitting I shall withdraw business of the Senate notice of motion No. 1 standing in Senator Coonan’s name for the next day of sitting for disallowance of the Dairy Structural Adjustment Program Scheme. I seek leave to incorporate in Hansard the committee’s correspondence concerning this instrument.

Leave granted.

The correspondence read as follows—

Dairy Structural Adjustment Program Scheme 2000, made under clause 10 of Schedule 2 to the Dairy Produce Act 1986

8 June 2000
The Hon Warren Truss MP
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Minister

I refer to the Dairy Structural Adjustment Program Scheme 2000, made under clause 10 of Schedule 2 to the Dairy Produce Act 1986. This instrument formulates a scheme to grant payment rights to entities who meet the conditions set out in the scheme, the division of payment rights into units, the registration of those units, and the making of payments by the Australian Dairy Corporation to the registered owners of those units.

The Committee notes that under section 37, the Dairy Adjustment Authority may cancel a unit in a payment right if an entity fails to comply with a direction from the Authority to comply with the entity’s undertaking to transfer a unit to a primary producer. However, neither that section, nor any other provision in the Scheme, makes provision for the rights of the primary producer to whom the unit has not been transferred. The Committee would appreciate your advice as to whether a primary producer, in such a situation, is intended to have any rights against the defaulting transferee.

Subsection 47(1) provides for the payment of a fee of $50 in various circumstances. However, the Explanatory Statement does not indicate the basis on which the amount of $50 has been arrived at and the Committee would appreciate your advice on the basis that was used to set that fee.

The Committee would be grateful for your advice on these matters as soon as possible to enable it to finalise its consideration of the Scheme.

Yours sincerely
Helen Coonan
Chair
11 September 2000
Senator Helen Coonan
Chair
Standing Committee on Regulations and Ordinances
Parliament House
Canberra ACT 2600
Dear Senator Coonan

Thank you for your letter of 8 June 2000 regarding the Dairy Structural Adjustment Program Scheme 2000.

Section 37 of the Scheme relates to Clause 21(4) of Schedule 2 to the Dairy Produce Act 1986 which provides for transfers of ownership of units to be reflected in the register maintained by the Dairy Adjustment Authority (DAA). A transfer of ownership of a unit is not to be registered unless the transferee is an eligible entity or, where this is not the case, the transferee makes a written undertaking to the DAA that it will assign the unit to an eligible entity within 60 days after the transfer of the unit.

The objective of this provision is to enable limited transfer of unit ownership within a defined
pool of eligible entities, principally primary producers. Transfer is, however, permitted to non-eligible persons as an interim measure and for a limited period to cater for circumstances where ownership may be acquired by default such as through bankruptcy and foreclosure action by a financial institution. In these circumstances the non-eligible entity provides an undertaking to the DAA to dispose of the unit to a primary producer within 60 days.

Section 37 relating to cancellation of units only applies where a non-eligible entity does not act on its undertaking to the DAA to dispose of the unit within 60 days. As you note, the DAA may cancel such units following an additional 60 day period allowed for disposal. This provides the means by which the register can be limited to eligible entities as contemplated in the Act.

In regard to your second query, all fees related to the Scheme were determined on the basis of an estimate of the cost involved in providing the service. I note in this regard that the fees established are in line with those imposed by other bodies for similar administrative services to partially offset administrative costs of the service and to discourage frivolous requests.

I trust this information is of assistance.

Yours sincerely
Warren Truss
Minister for Agriculture, Fisheries and Forestry

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

That the following bill be introduced: A bill for an Act to provide a Charter of Political Honesty, and for related purposes. Charter of Political Honesty Bill 2000.

Senator Brown to move, on 31 October:


COMMITTEES
Selection of Bills Committee
Report

Senator McGAURAN (Victoria) (3.50 p.m.)—On behalf of Senator Coonan, I present the 15th report of 2000 of the Selection of Bills Committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 15 OF 2000
1. The committee met on 3 October 2000.
2. The committee resolved to recommend that the following bills not be referred to committees:
   - ACIS Administration Amendment Bill 2000
   - Commonwealth Electoral Amendment Bill (No. 1) 2000
   - Fuel Quality Standards Bill 2000
   - National Health Amendment (Improved Monitoring of Entitlements to Pharmaceutical Benefits) Bill 2000
3. The committee deferred consideration of the following bills to the next meeting:
   (deferred from meeting of 6 June 2000)
Tobacco Advertising Prohibition Amendment Bill 2000
(deferred from meeting of 27 June 2000)
Gene Technology (Consequential Amendments) Bill 2000
Gene Technology (Licence Charges) Bill 2000
(deferred from meeting of 15 August 2000)
Coal Industry Repeal Bill 2000
Indigenous Education (Targeted Assistance) Bill 2000
Trade Practices Amendment Bill (No. 1) 2000
Treasury Legislation Amendment (Application of Criminal Code) Bill 2000
(deferred from meeting of 29 August 2000)
Sex Discrimination Amendment Bill (No. 1) 2000
(deferred from meeting of 5 September 2000)
Crimes Amendment (Forensic Procedures) Bill 2000
Maritime Legislation Amendment Bill 2000
(deferred from meeting of 3 October 2000)
Aged Care Amendment Bill 2000
Australian Research Council Bill 2000
Australian Research Council (Consequential and Transitional Provisions) Bill 2000
Corporate Code of Conduct Bill 2000
Farm Household Support Amendment Bill 2000
Freedom of Information Amendment (Open Government) Bill 2000
Human Rights (Mandatory Sentencing for Property Offences) Bill 2000
Taxation Laws Amendment (Superannuation Contributions) Bill 2000
(Helen Coonan)
Acting Chair
4 October 2000

NOTICES
Postponement

Items of business were postponed as follows:

General business notice of motion no. 686 standing in the name of Senator Ridgeway for today, relating to the establishment of reconciliation committees, postponed till 9 October 2000.

General business notice of motion no. 702 standing in the name of Senator Ridgeway for today, relating to the exhibition of indigenous art works in the National Gallery of Australia, postponed till 9 October 2000.

General business notice of motion no. 689 standing in the name of Senator Ridgeway for today, relating to Aboriginal deaths in custody, postponed till 10 October 2000.

DOCUMENTS

Motion (by Senator Cook) agreed to:

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 Commissioners for the 2 years up to and including 30 June 2000;

(c) a copy of the report in regards to the transfer pricing project known as the 207 project and supporting documents pertaining to the 207 project strategy;

(d) all agenda documents, supporting documents and minutes of meeting in regards to the Aggressive Tax Planning Steering Committee, chaired by Mr Kevin Fitzpatrick and Mr Michael Bersten, since the inception of the committee; and

(e) a copy of the report into the Australian Taxation Office product rulings, ‘Review of Produce Rulings Project 98/99’.

COMMITTEES

Legal and Constitutional References Committee Reference
Motion (by Senator McKiernan)—as amended, by leave—agreed to:
That the following matter be referred to the Legal and Constitutional References Committee for inquiry and report by the first sitting day in August 2001:

The management arrangements and adequacy of funding of the Australian Federal Police (AFP) and the National Crime Authority (NCA), in particular:

(a) the current capability of both agencies in terms of:
   (i) the management of staff resources, including numbers, attrition rates, skills mix, operational/support ratios and allocation of resources against priorities,
   (ii) information technology capability and hardware, and
   (iii) other resource issues;
(b) the resourcing of the AFP and NCA, including their current budget allocations and 2000-01 forward estimates, in relation to their respective charters;
(c) the relationship between the new AFP certified agreement and AFP budget management and any other issues associated with the implementation of the certified agreement;
(d) the appropriateness of any performance indicators or other mechanisms used to measure the overall effectiveness and efficiency of the AFP and the NCA and to measure the effectiveness and efficiency of each operation carried out by each agency;
(e) the mechanisms, if any, which are in place for long-term strategic law enforcement policy decision-making and oversight of Commonwealth law enforcement priorities, operations and budgets;
(f) the recommendations of, and the Government’s response to, the Ayers Report; and
(g) whether the requirement the Government placed on the AFP after the Ayers Report to find $50 million in internal savings has in fact been achieved and, if it has, if this was at the expense of operational capacity.

DERBY TIDAL ENERGY PROJECT

Motion (by Senator Bolkus) agreed to:

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.

GREENFLEET

Motion (by Senator Allison) agreed to:

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 1 920 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 revegetate 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.

**PERSONAL EXPLANATIONS**

Senator MACKAY (Tasmania) (3.53 p.m.)—by leave—I will not take up a lot of the Senate’s time with this, but as it deals with a member of my staff I feel that I should set the record straight. I refer to some comments made by Minister Macdonald today, on the say-so of Senator Abetz, as to inquiries made by my office to Senator Abetz’s office in relation to the status of rural transaction centres in Tasmania. I want to absolutely clarify what happened here, because it relates to a member of my staff, not me. This is the first time I have done this since I came here in 1996.

The departmental web site was unavailable and I was due to do an interview in Tasmania on rural transaction centres, so I asked a member of my staff to ring a government senator. I said, ‘Ring Senator Abetz’s office. He is in the south. That is where I understand the new rural transaction centres are going to be.’ She did that. There was no intention at all on her part or on my part to hide the fact that she came from my office. To be honest with you, if you were going to do that, why would you ask for some information that was already available on the public record and refer to the fact that the web site was down and therefore unavailable? What we were attempting to do was get the facts. I think it is a sad day when one senator’s office cannot ring another senator’s office to check facts that relate to government policy without having it raised in question time. I think it is typical of Senator Abetz.

The DEPUTY PRESIDENT—A personal explanation is to explain where you have been misrepresented.

Senator MACKAY—I would suggest that in future Senator Macdonald, rather than taking Senator Abetz’s say-so, should perhaps give me the courtesy of calling me in relation to it, given that it relates to a member of my staff, and be less reliant on Senator Abetz.

**MATTERS OF URGENCY**

**Indigenous Australians: Government Policy**

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 4 October, from Senator Bolkus:

Dear Madam President,

Pursuant to standing order 75, I give notice that today I propose to move:

‘That, in the opinion of the Senate, the following is a matter of urgency:

The continuing failure of the Government to acknowledge the real causes of Aboriginal disadvantage, as evidenced by the ill-considered comments made by the Minister Assisting the Prime Minister for Reconciliation (Mr Ruddock) to the French newspaper Le Monde last month regarding the causes of Aboriginal disadvantage.’

Yours sincerely,

NICK BOLKUS

(Senator for the State of South Australia)

Is the proposal supported?

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

The DEPUTY PRESIDENT—I understand that informal arrangements have been made to allocate specific times to each of the speakers in today’s debate. With the concurrence of the Senate, I shall ask the clerks to set the clock accordingly.

Senator BOLKUS (South Australia) (3.55 p.m.)—I move:

That, in the opinion of the Senate, the following is a matter of urgency:

The continuing failure of the Government to acknowledge the real causes of Aboriginal disadvantage, as evidenced by the ill-considered comments made by the Minister Assisting the Prime Minister for Reconciliation (Mr Ruddock) to the French newspaper Le Monde last month regarding the causes of Aboriginal disadvantage.

This motion is not raised lightly by the Labor Party. It is a motion that we raise more in regret and we raise it more in frustration. Today we would rather be addressing our successes as a nation at the Sydney Olympics—what they mean for this nation’s future and how we can build on them. But once again the debate in this country on social
progress has been hampered by the Howard government. One of the major steps forward at the Olympics was the way we demonstrated to the world our cultural diversity—our indigenous culture, its representatives and its problems were all clearly on stage, as was the rest of multicultural Australia. Cathy Freeman, for one, gave momentum to the wheels of reconciliation. But unfortunately, within hours of the end of the Olympics, Minister Ruddock has put his foot on the brake of those wheels. In doing so, he has demonstrated once again that this government is not relevant to this nation’s future.

Samela Harris said in the Advertiser this morning:

“At the very moment the country stands tall after the dazzling production of a major international event, one lousy polly brings us crashing down to laughing stock.”

And it is something that we have to overcome once again. Australia basked in the glory of international attention because of a most successful Olympics—our achievements there, the achievements of the Olympics overall, its organisation and its major events. But as we reflect on those major events, on the opening and closing ceremonies, let there be no doubt in any one of us. These are the ceremonies that John Howard would not have organised. These are the ceremonies that John Howard would have found too politically correct. Let us also remember that these ceremonies were successful, not least for the fact that they reflected the soul of this nation. But as we bask in this attention, once again we are confronted by a government in denial. Yet again we are embarrassed internationally by this government seeking to share its ignorance with the world through Minister Ruddock’s ill-chosen and ill-informed remarks in Le Monde. They would have us ignore the fact that indigenous Australians’ land was stolen, their children were stolen, their culture destroyed, their sites desecrated. They would have us forget all this. The root cause of the disadvantage, they would have us and the world believe, is the fact that Australia’s indigenous cultures did not have the wheel and that contact with Europeans should have occurred earlier.

The arrogance and stupidity inherent in such a comment is that it ignores the predominant and real causes of indigenous disadvantage. It ignores those important society structures that were existent before white men came to this country. It ignores the results, from no conscious discriminatory actions, by the latter settlers of this continent. It ignores the fact that thousands of indigenous Australians, and in fact some whole language groups, died out before even seeing a non-indigenous person, as epidemics of European diseases preceded their actual presence. Surely a lack of resistance to introduced diseases was a factor of disadvantage far greater than the presence or the absence of the wheel in indigenous culture. It ignores the fact that indigenous Australians were denied wages or the vote until relatively recently. It ignores the fact that indigenous people were victims of frontier warfare and that this warfare was a part of past government policy. The minister, in what he pompously describes as his ‘wide and discursive interview’ with Le Monde, does not deny the comment. Once again he demonstrates his ignorance. He denies the existence of the stolen generations. He refuses to make an apology. He refuses to accept any responsibility for indigenous disadvantage, refuses to grant compensation to those affected by past government policies which have led to present disadvantage and, finally, when asked, ‘Why are the Aborigines the most disadvantaged minority in Australia?’ he intimates that they were not advanced enough. I will quote at length the minister’s reply to this question; it is worth placing on the record. He says:

“Of all indigenous peoples on the planet, if you compare them with the Canadian or American Indians, Australian Aborigines came into contact with developed civilisations the latest. The Aborigines were hunter-gatherers. They had no knowledge of the wheel ... whereas American Indians lived in a more structured society.”

Minister Ruddock has defended these comments by saying that they are purely factual. They are not. As Samela Harris says in response to the Prime Minister complaining that we are inflaming the situation:

“Naughty us! How dare we ask that a politician appointed with the tender task of reconciliation be
versed in some basic anthropological understanding?

Even more worrying for the future of indigenous policy under this government, the minister states that only 20 years has passed since governments changed from a purely paternalistic approach to Aborigines to one enabling a degree of self-government. However, he goes on to say:

... nothing proves that this self-government has produced better results ...

Does he mean by that comment that he and the Prime Minister are now advocating a return to the paternalistic policies of our past? Certainly his view of indigenous people, as stated in this article, points to a minister sympathetic to such an approach. After all, as he said, they did not have the wheel!

On ABC Radio on Monday, the Prime Minister, in trying to defend his minister, said:

What we have to do I think is to move on. I think overwhelmingly what we have to do in all of these things is to try and focus on practical solutions and once again if I can make the point about practical reconciliation I think we need to focus on ways of diminishing disadvantage not perpetually debate the why of the past.

Yet around the same time that he was making this statement, the Prime Minister met with the Chief Minister of the Northern Territory yesterday to discuss diminishing indigenous rights to own and control their land in the Northern Territory—the control and ownership of land, which allows indigenous people to participate in the economy and thereby redress welfare dependency and economic and social disadvantage. And, at the same time, the Prime Minister’s own minister for reconciliation tells the international press that the reason that indigenous people are disadvantaged is that they came into contact with Europeans too late and that they had not developed the wheel.

This is a complete displacement of responsibility from the past government policies that are the key cause of indigenous disadvantage. It is a distorted view of history. Not having the wheel did not stop Cathy Freeman from being one of the fastest women in the world. But this is the continuing mantra of a government which has refused to apologise, which has denied the existence of the stolen generation, which has taken mainstream essential services that are provided to all Australians and relabelled them as a policy of practical reconciliation and which now is trying to absolve the failed policies of past government from indigenous disadvantage and to shift the blame back to the indigenous people themselves. In fact, the minister could not have been more to the point when he said in _Le Monde_, ‘We refuse to be held responsible ...

Comments on the indigenous ‘lack of the wheel’ show this minister and this government for the backward thinking government that it is. It is completely discredited thinking to argue that a society’s intelligence, ingenuity and sophistication can be measured by what it built. It is an attempt to sanitise black history for the world media.

The government is now trying to deny the seriousness of the remark. Yesterday the Prime Minister would not repudiate the minister’s remark, saying that the comments were taken out of context. He did not deny that they had actually taken place, he did not deny that they were stated; he merely said that they were stated out of context. The most fundamentally depressing thing about these comments is that they come from the minister for reconciliation. It is a demeaning, patronising argument run by the minister and sanctioned by the Prime Minister, and it is completely at odds with the thrust of the reconciliation debate and the reconciliation process. The thrust of that process is that past government policies are responsible for the disadvantage experienced by indigenous people today.

Above all, the comments of Minister Ruddock, the minister for reconciliation, are symptomatic of a government that continues to stay in denial. The people of this country have shown, through the bridge walks and the recent Olympic events, that they want to move on with reconciliation, with or without this government. This has been borne out in a very telling way by Sir Gustav Nossal, one
of the minister’s members on the Council for Aboriginal Reconciliation, who said yesterday—and I think this is probably the view of an overwhelming and increasing number of Australians—that he thinks the Prime Minister is a sideshow to this event. Reconciliation will come, but John Howard will go first.

Senator FERRIS (South Australia) (4.05 p.m.)—The urgency motion that has been brought before this chamber today is yet another very clear display of Senator Bolkus’s hypocrisy whenever indigenous issues are raised in this place. In fact, his urgency motion today is little more than a political stunt, rather than an actual concern for the real, practical issues that are of most concern to indigenous people.

Senator Bolkus interjecting—

Senator FERRIS—Mr Acting Deputy President, I heard some of Senator Bolkus’s most outrageous statements in silence, and I would ask that he observe the same courtesy to those on this side of the chamber. During 13 years of Labor government, the living standards and opportunities of indigenous people were left to languish in this country. The federal Labor government, of which Senator Bolkus proudly proclaims he was a senior member, did little or nothing to improve the situation, even though close to $16 billion was spent—more than a parliament house every single year of their government, and for what? As is now widely acknowledged, indigenous affairs in this country were an absolute disgrace when the Howard government came to power in 1996. After 13 years of Labor, the life expectancy of Aboriginal men and women in this country was 15 to 20 years lower than the rest of the Australian population, and infectious diseases were 12 times higher among indigenous people than among other Australians. How can Senator Bolkus stand in this place today and throw stones at this side of the chamber?

There are even worse statistics. The infant mortality rate amongst our indigenous population was three to five times higher than for the rest of the population under the Labor government of which Senator Bolkus was a senior member. Where was Senator Bolkus when under the previous Labor government there were 250 Aboriginal communities without even electricity in this country and 134 communities without any sewage treatment systems of any sort? Where was Senator Bolkus then, standing in this place and proclaiming the need to refocus priorities? Could this possibly be the man who today alleges our failure to acknowledge the real causes of Aboriginal disadvantage? It is difficult to believe this man’s audacity.

It is very important to look at the context in which Mr Ruddock made his comments in a very long interview with the French newspaper. As Mr Ruddock said himself on radio this morning, ‘Of course our indigenous people are significantly disadvantaged, and that is a matter that I have acknowledged over a very long period of involvement.’ But what about Senator Bolkus’s involvement? When he was in the Labor cabinet, he was at the table while these issues were being discussed. He knew those statistics and year after year he sat there taking part in the budget discussions and knowing where the focus should lie. Minister Ruddock went on to say:

I want to make it very clear that in terms of my personal observations that any remarks I make are never intended to be divisive and should not be seen to be so ... we’ve worked very hard on the reconciliation process, as well as on the programs to address those needs.

The previous Labor government left an absolutely disgraceful legacy in this country, with indigenous unemployment rates of 23 per cent, two and a half times higher than the rest of Australia. In 1996, when we got to government, only three per cent of indigenous Australians were self-employed compared with 8.5 per cent for all Australians. Don’t talk to us about disadvantage when the focus for 13 years could have been on addressing some of these issues. Furthermore, over 70 per cent of indigenous students in years 3 and 5 could not even read or write at a proper level. Once again, this was nearly two and a half times higher than for non-indigenous students. Where was Senator Bolkus? He was at the cabinet table. He was there when the budget discussions took place. He was there when the policy was set. Why didn’t he target these issues?
Senator Bolkus criticises this government. He should be hanging his head in shame at the legacy that his government left. It was an absolutely inhumane and disgraceful legacy. In 1990, when the Labor Party had already been in government for seven years, there were only 1,600 indigenous Australians studying at university. Today, after our practical measures have been put in place and thanks to our determined approach, the number of indigenous students is now 8,000. This is compared with 1,600 after seven years of their having their very proud hands on those policy levers. And in 1995, when Senator Bolkus and his colleagues had had 13 years in government to improve the plight of indigenous people, there were only 800 young men and women who were indigenous people in apprenticeships learning a trade. Today, very proudly, after four years in government we have 4,800 indigenous Australians in apprenticeships. What a pity Senator Bolkus is no longer in the chamber. He should be hanging his head in shame at these statistics.

Senator Bolkus claims in his motion that there is ‘the continuing failure of the government to acknowledge the real causes of Aboriginal disadvantage, as evidenced by the ill-considered comments of the Minister for Reconciliation, Mr Ruddock’. I think the record that Senator Bolkus has left for this country—and he is now judged on it as a proud senior member of the Labor government of those days—is far worse, far more ill-considered, far more disgraceful and far more inhumane. Despite the rhetoric and accusations that are continually levelled at our government by Senator Bolkus and his colleagues, we are spending this year alone a record $2.3 billion on indigenous specific programs, including $1 billion in funding to ATSIC. This is more than any other government in our history. Shameful, Senator Bolkus; your record was shameful.

To rectify the neglect of indigenous health under the previous Labor government, we have increased spending on indigenous health since we came to office by more than 50 per cent. By 2002-03 this level of spending will have increased by 62 per cent in real terms. How can Senator Bolkus claim that we have no understanding of the needs of indigenous people? Whose priorities are better focused now? Under this government, indigenous infant mortality has dropped substantially, there are now record numbers of indigenous Australians in higher education and school retention rates have also improved significantly. Furthermore, most interestingly, the rate of indigenous deaths in custody is now lower than the non-indigenous rate, and thank goodness for that.

Over the past two years I have convened a series of roundtables for indigenous women in my state of South Australia. These meetings have given indigenous women and their families an opportunity to talk about those issues that are of greatest concern to them and to discuss practical ways to address those issues. They have included the serious problems of family violence, drug abuse, unemployment, truancy, homelessness, welfare dependency and the lack of educational opportunities—interestingly enough, issues that many women in remote and rural communities raise with me as issues to be addressed. These women want nothing more for their families than the rest of Australia want for their families. In this government, under our policies, picking up the disgraceful record that was left to us, we have been addressing these issues.

Far from facing criticism from the likes of senior shadow ministers such as Senator Bolkus, we are very proud to address our record. Minister Ruddock is a senior member of our government. Anyone who knows Minister Ruddock knows where his priorities lie—with indigenous people, practical reconciliation and practical policies.

Senator RIDGEWAY (New South Wales) (4.15 p.m.)—I am always amazed, when I come into this chamber to speak on issues of this sort, to hear that somehow statistical facts justify the expression of an attitude. It seems to me that we are addressing the recent comments by the federal Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister on Reconciliation, Mr Phillip Ruddock, to the French newspaper Le Monde in relation to indigenous Australians. I am prompted to address this matter on behalf of the Austra-
lian Democrats because the minister failed to retract his comments. Only yesterday, the Prime Minister publicly praised his minister for his decency and compassion towards indigenous people. In his comments, the minister stated that aborigines were disadvantaged in contemporary Australia because of their late contact with European culture and their failure to develop a structured society as evidenced by agriculture and the use of the wheel. As an indigenous person, I state quite plainly that I find the minister’s comments personally insulting. They are indicative of an unacceptable level of ignorance for someone with the responsibility of a ministerial portfolio, particularly when that portfolio carries with it the responsibility of promoting better relations between black and white Australians and better relations between this government and indigenous Australians.

In contrast to the Prime Minister’s praise of the minister, it has been reported that Dr Evelyn Scott and Sir Gus Nossal, in their capacities as the Chair and Deputy Chair of the Council for Aboriginal Reconciliation, have described the comments as ‘regrettable’ and said they ‘did not help reconciliation’. Dr Scott and Sir Gus have taken the unprecedented step, on the part of the council, of seeking a meeting with the minister for a ‘please explain’, and so they should. The former chairperson of the council, Mr Patrick Dodson, also described the comments as being ‘derogatory, divisive and not constructive towards reconciliation’.

The Australian Democrats would go even further in firmly rejecting Mr Ruddock’s implicit argument that technology is an appropriate measure of cultural development. We say that all fair-minded Australians would be appalled to hear such 1950s type nonsense uttered by a senior member of the national government. Accordingly, the Australian Democrats call on the Prime Minister to remove Mr Ruddock from a post which is clearly beyond his capacity. We are prompted to make this very serious recommendation to the government because comments of this nature are simply no longer acceptable. They are irrelevant and not meaningful in modern day Australia.

Members of the Liberal-National Party coalition seem to believe that they have the ability to reinterpret this country’s history to justify their own inadequacies, especially when those inadequacies relate to indigenous affairs. There is a consistent pattern within the leadership of the coalition of denigrating indigenous Australians on the basis of their cultures and from a position of entrenched paternalism. For example, in 1993 Mr Tim Fischer said:

At no stage did Aboriginal civilisation develop substantial buildings, roadways or even a wheeled cart.

Like Mr Ruddock, Mr Fischer went on to advise that dispossession was bound to occur when the Europeans ‘discovered’ this continent. In other words, they would have us believe that this was the ‘manifest destiny’ of Aboriginal peoples in what was to become Australia—the land of terra nullius. Not surprisingly, the current Prime Minister came to Mr Fischer’s defence and they successfully rode out the public storm. But that was seven years ago. Since the 1996 elections, we have had to put up with similar nonsense: a member of the government in this chamber being forced to explain publicly his comments and, lately, a radical attempt to reinterpret history as to whether there ever was a stolen generation.

Let us put all of this into context. Do we want to have useless and destructive debates to get people to the line on measuring the consequences of disadvantage within indigenous communities, or is it enough to describe suffering by blaming the shortfalls—if there are any—on the victims? This is the violent, intolerant idea being perpetuated by comments like those of Minister Ruddock. I thought we were trying to move on. It would seem to me that surely the minister is obliged to assist in changing moral attitudes that perpetuate the violent idea of indigenous people not being tolerated as members of Australian society. The idea that all humans are equal is a prevailing principle in the social and political ethos of this nation, and it is surely a reasonable question to ask whether the minister had this in mind at all when he made his comments, particularly in relation to reconciliation.
We now have a national document of reconciliation. We have had hundreds of thousands of Australians take to the streets to demonstrate their support for the objective of reconciliation and social harmony in this country. Surely this is what the minister is supposed to be supporting. How is it possible that we have a minister for reconciliation who seems stuck in the paternalism of the Darwinian age, reflecting an attitude poorly suited to the position held? This minister should know better. His comments must always be reflected in the light of the job he undertakes. As the Australian declaration towards reconciliation explains:

Reconciliation between Australia’s indigenous peoples and all other Australians is about building bridges. It is about respecting our differences. It is about giving everybody a fair go. It is about building on the strengths of common ground. It is not about cheap shots or misguided, perhaps poorly expressed, attitudes and it is not about slurring another culture for its difference. It is certainly not going to be achieved by the federal minister for reconciliation peddling distorted and ill-informed stereotypes of ‘primitive’ Aborigines who are to blame for their present status as the most disadvantaged sector of the Australian community. There is no compelling reason for assuming that a difference in ability of people somehow justifies how we express the interest or views of indigenous people as against other Australians.

The idea of a fair go or equality in this country, I thought, was meant to mean that we are promoting the principle and the ideal rather than dealing with the question of asserting facts that express an attitude which the minister seems so determined to defend. It is about ethical conduct in the way the minister performs his role—the actions that he takes, the comments that he makes and the consequences of such actions. He must perform his duties ensuring that his comments are compatible with the broader role of his position, and I do not believe for one moment that the minister’s comments will further the goal of reconciliation. In the absence of any retraction from Minister Ruddock, or some plausible explanation from the minister—although I acknowledge that he has been on radio publicly—on behalf of the Australian Democrats I call on this chamber to support my call for the dismissal of the minister for reconciliation from his position.

Senator CROSSIN (Northern Territory) (4.22 p.m.)—It is post-Olympics Australia, and Australians should be basking in the warm afterglow of a successful Olympics. Indigenous Australians embraced the games and Australia’s athletes have done Australia proud. Our indigenous athletes have performed admirably and, of course, Cathy Freeman has reinforced her place in the heart of this nation with her gold medal win. There have been many positive signs for the ongoing tentative process of reconciliation between indigenous and non-indigenous Australians during the last few weeks, notwithstanding the fact that our sports-mad Prime Minister, who was in full-time attendance at the Olympics, chose to go to the basketball rather than show his support for Cathy Freeman when she ran in the finals of the 400 metres. Politics is about the symbolic, and his failure to be there spoke heaps to both indigenous and non-indigenous Australians about his lack of support for reconciliation. As Michelle Grattan said in her article in the Sydney Morning Herald yesterday, ‘Despite the Prime Minister, the Games will move reconciliation on.’

In the Olympic ceremonies, indigenous culture featured prominently as part of Australian culture generally. Indigenous culture was promoted as something of which all Australians should be rightfully proud—part of our contemporary heritage. It was portrayed as being an integral part of the presentation that we wanted the world to see. In fact, if there had been no indigenous content at either the opening or the closing ceremony, there would have been loud cries of criticism and condemnation. But symbolic imagery to do with reconciliation was subtly included in the opening ceremony and more overt political comments on reconciliation were made in the closing ceremony of the Olympics, with the apparent approval of the 100,000 people at the stadium and millions of Australians viewing the event via television. The reconciliation process seems to have taken another step forward, despite the
undermining actions of this government. And then what happens? The minister for wrecking reconciliation, Mr Ruddock, cannot help himself. He chooses an international forum, probably hoping that no-one will notice it over there, and allows his ignorance of indigenous issues to come to the fore at a time when probably more international media attention is focused on Australia than at any other time in recent history.

There was Mr Ruddock, who came out with divisive comments sufficient to dim the warm post-Olympics afterglow which the Prime Minister had hoped this government would bask in for longer than it has. Mr Ruddock dropped himself right in it by expressing uninformed comments to a French newspaper which were more akin to those of the master of divisive politics, Denis the Burke, the Chief Minister of the Northern Territory, who recently called for the term ‘reconciliation’ to be dropped. As an aside, we should remember that Mr Burke is the man described by one prominent media commentator in the Territory as being the ‘Forrest Gump of the North’. To anyone who may be somewhat confused, I do not think that his referring to Mr Burke in that way was meant as a compliment. We know why Mr Burke has been making his inflammatory, divisive comments about the reconciliation process. He is just up to his old CLP tricks, as sad, cynical and pathetic as they are. He is just in normal CLP pre-election mode, relying on a strategy of creating divisions between indigenous and non-indigenous Territorians in the lead-up to the Northern Territory election in order to retain his office.

Labor leader Kim Beazley has pointed out in recent media interviews how easily Mr Ruddock’s comments can be refuted. They are on the public record and I do not need to repeat them here. Now that controversy has broken out over his divisive comments, Mr Ruddock has responded by saying that his comments on Aboriginal development were ‘never intended to be divisive and should not be seen to be so’. Minister, they obviously were divisive. Look at the response. In fact, you probably knew that they were divisive at the time that you said them. Furthermore, you should have understood that they would have been interpreted as such—that is, if you had any real understanding of indigenous issues. Not surprisingly, it does not appear that the Prime Minister will take any action on his minister’s comments. He obviously does not intend to sack him or to get him to stand aside, as he should, or to even refute or retract those comments or to apologise. Publicly he has stated that he will not even reprimand Mr Ruddock and has defended him by saying that Mr Ruddock is known in parliament for his ‘decency and compassion towards indigenous people’. The real problem, as I see it, is that Mr Ruddock’s comments are symptomatic of the government’s whole attitude to indigenous issues. It is their failure to understand, their obvious lack of desire to learn and the fact that they do not want to understand for which they should be condemned. Whether it be reconciliation, the stolen children, self-determination, native title issues, Aboriginal land rights or human rights, this government has been found to be wanting.

One of my proudest moments in the last six months was crossing the Sydney Harbour Bridge with over 300,000 other Australians in support of the reconciliation process. We know that the Prime Minister did not attend on that day but sent Ministers Ruddock and Herron. He could see the level of support from the general public for reconciliation and he knows by now that that support has crossed party political lines. There have been other walks of that nature all around this country. Clearly the Australian people, both indigenous and non-indigenous, have embraced the reconciliation process. But what has amazed me at times is the tolerance and willingness of indigenous Australians to participate in the reconciliation process. It often seems to be overlooked or glossed over that it is indigenous Australians who have been subjected to and who have suffered the most because of the occupation of Australia by non-indigenous Australians. It is indigenous Australians who are constantly expected to compromise when it comes to their property rights, whether it be native title or under the NT land rights act. It seems that it is always indigenous Australians who are asked to
make more sacrifices than anyone else when it comes to reconciliation.

As I travel around the Northern Territory I am honestly amazed, and humbled, at the high level of tolerance and patience of indigenous Australians in their dealings with non-indigenous Australians, in particular in recent years, the members of this federal government. It is disappointing that this government continues to undermine something which is so crucial to the development of Australia as an inclusive society.

The real issue now is this: how seriously is the indigenous community expected to take Minister Ruddock when he speaks about reconciliation when he has shown no understanding of what reconciliation entails? As Cathy Freeman so aptly said during the course of the games, ‘Let the wheels on reconciliation turn,’ and they will, and it is the Australian people who will ensure that they turn, despite the actions and words of this government.

Senator COONAN (New South Wales) (4.30 p.m.)—I believe that no-one in this with an interest in indigenous issues—and I do hope that is everyone—could fail to acknowledge the comparative disadvantage that besets the majority of people of Aboriginal and Torres Strait Islander descent. It is an abiding concern. Despite vast amounts of taxpayers’ funds poured into programs—in the order of $2.3 billion per annum—these disadvantages persist. I also think that, because there is a tendency to despair about the problems in Aboriginal communities, it is all too easy to forget about the positive policy initiatives undertaken by this government and, indeed, the many Aboriginal success stories.

I also think that the debate is about to undergo a quantum shift in direction. At the forefront of the political rethink on Aboriginal welfare, for instance, is indigenous leader Noel Pearson, who has rightly condemned the corrosive effects of passive welfare and has earmarked the need for development of greater self-sufficiency and business skills as but one of the pathways out of indigenous dependence on welfare.

The Labor Party’s approach to indigenous disadvantage is unfortunately wedded to the old-style approach. This is an approach that is limited to exposing historic wrongs rather than dealing with the reality of existing disadvantage and providing for future needs. It is an approach that is more concerned with defining victims and victimisation than with providing a fair go for contemporary indigenous Australians. It is pretty obvious that the debate has moved on, and there is a national commitment to create a fairer Australia for indigenous Australians. The real question in the debate this afternoon is how to deliver programs that will do that—how to deliver the best system for indigenous Australians.

We cannot afford to have a poverty of ideas in dealing with these issues. The current debate has been characterised by a poverty of ideas. Wider issues of dispossession and colonisation cannot be tackled unless tight and focused attention is given to existing problems. Aboriginal people need what every other Australian needs and expects—the usual things. I do not devalue them by listing them quickly—good health care, education, housing and access to justice and employment. In effect, it is the chance to live a full life and have hope for the future. There has been some absolutely outstanding examples where indigenous Australians have been able to break the cycle of poverty. One I came across just recently—it is a personal story—was at the Gwyder Valley Cotton Growers Cooperative up in Moree. The Aboriginal communities there have been included in the economic prosperity of the valley from cotton growing rather than marginalised and treated to nothing but welfare handouts. It is a very interesting example of what can be done when Aboriginal people are given an opportunity to participate in the mainstream economic life of a community.

Nor should we discount for one moment the ability of indigenous communities to identify their own problems and come up with their own solutions. Many indigenous leaders have told parliamentary committees—and I have been a member of some of them—about their ideas and their ways of dealing with problems in their own communities. During the mandatory sentencing in-
quiry in the Northern Territory, for instance, the Senate Legal and Constitutional References Committee was told about programs run by indigenous elders who took their young folk out of harm’s way, out into the bush, and taught them life skills and Aboriginal skills. For seven years the Walpiri elder Mr Johnny Miller has provided a desert clinic or camp to wean petrol sniffers off that dreadful addiction. That is, of course, all about connection with culture, pride in who you are and self-respect. The additional challenge is to break the cycle of idleness through lack of education and employment opportunities. That challenge provides, of course, the potential for partnerships to be forged between government, the private sector and Aboriginal communities to identify and address these problems.

Rather than sneer at the minister, the Hon. Philip Ruddock, a man with impeccable credentials for his job, it is time the Labor Party looked at what would really assist in addressing Aboriginal disadvantage, rather than exploit these issues for political gain. Senator Bolkus and the Labor Party simply do not have a moral monopoly over indigenous issues. All Australians have a sincere commitment to addressing the disadvantage and, by any measure at all, this government is doing so with a good deal more success than any past government. In fact, I am sure that previous speakers have referred to some of the outstanding successes that this government has achieved in identifying core priorities for the indigenous communities and in providing massive amounts that have been dedicated to targeted programs.

I mentioned a little earlier that current expenditure across portfolios is running in the order of $2.3 billion per annum. That incorporates and builds on new initiatives announced over the past four years of this government, including a 50 per cent increase in spending on Aboriginal health since 1996—a recognition of the fact that Aboriginal health is and remains a problem that must be addressed. Further initiatives include a $27 million national indigenous English literacy and numeracy strategy announced recently by Minister Kemp; the $55 million indigenous employment policy announced by Minister Peter Reith in last year’s budget; continuation of the $30 million extension of the ATSIC-Army Community Assistance Program, also announced in last year’s budget. In fact, indigenous specific housing programs account for 20 per cent of estimated total Commonwealth spending on public and community housing. Finally, this year’s budget included further evidence of the government’s commitment to practical reconciliation, the centrepiece being an expansion of ATSIC’s Community Development Employment Projects. Who could seriously doubt the commitment of this government and the commitment of Minister Ruddock to the addressing and the identification of the true causes of disadvantage of Aboriginal and Torres Strait Islanders? (Time expired)

Senator McKIERNAN (Western Australia) (4.48 p.m.)—In rising to speak to this urgency motion moved earlier today by my colleague Senator Bolkus, I make the point very early in the piece that I do not stand here to sneer at Minister Ruddock, the Minister Assisting the Prime Minister on Reconciliation. But I do intend to condemn Mr Ruddock for the appalling comment that he made to the French newspaper Le Monde.

Senator Faulkner—That is very generous of you, because you would be entitled to sneer.

Senator McKIERNAN—I will not, but I do believe that, because of the position the minister holds, it is worthy of more than a sneer; it is worthy of condemnation. Indeed, it is worthy of the resignation of the minister if not the sacking of him. I put the minister’s comments in the same light as those comments made by his Senate colleague Senator Ross Lightfoot in this place on 28 May 1997, when he said:

I, in effect, said that Aboriginal people in their native state were the lowest colour on the civilisation spectrum. The omission of the words ‘in their native state’ was quite wrong and put a different slant entirely on what I had said.

That is what Senator Lightfoot said some three years ago. But within a matter of a couple of hours, Senator Lightfoot was back in this place unreservedly apologising and
withdrawing those statements, saying that he no longer stood by them.

Senator Faulkner—He was forced to.

Senator McKIERNAN—He was forced to, but we have different standards applying here. Senator Faulkner—standards that apply to backbenchers and standards that apply to ministers. Minister Ruddock holds this very important position of minister for reconciliation, and he was speaking on a matter within his portfolio when he said, and I quote in full the derogatory comments he made:

Of all indigenous peoples on the planet, if you compare them with the Canadian or American Indians, Australian Aborigines came into contact with developed civilisations the latest. The Aborigines were hunter-gatherers. They had no knowledge of the wheel ... Whereas American Indians lived in a more structured society.

Minister Ruddock has to be condemned by all fair-minded persons, including those within his own party, for those comments, not only because the comments are actually wrong but also because he is the minister for reconciliation. He is the person who is supposed to be bringing people together, bringing indigenous Australians together with other Australians and building a harmonious community. In fact, what the minister is doing by making those comments is actually dividing Australia and denigrating Australia internationally. The double standards that apply have to be brought to mind as well. In the instance I mentioned before, in a matter of a couple of hours Senator Lightfoot withdrew the appalling comments repeated in this Senate some three years ago. He withdrew them at the instigation of the Prime Minister, but the Prime Minister will not intervene when it concerns one of his own cabinet colleagues who has the responsibility for reconciliation between our indigenous people and the Australian population. That, too, has to be condemned.

I heard Minister Ruddock on the ABC Radio National program this morning, apparently speaking from Geneva, and he himself did not resile from the words that were reported. He did not apologise for those words. He said that he stood by the words within the context in which he had said them in an hour-long interview with Le Monde. That is a problem that all of us politicians have when we speak to media organisations—we always run the risk of being misquoted. I recall that the reporter questioning Mr Ruddock on this radio this morning had three pages of the Le Monde report in front of her and was quoting from them. However, the minister went on to say that the context was not the actual article of Le Monde; the context was the hour-long interview, which ranged over a number of subjects, I know that the practice with many ministers—and indeed with the tribe of PR persons who travel with this particular minister—is to have a tape recorder going in the background. Indeed, the minister and his enormous number of staff could now have transcribed that interview, and that, in turn, could be tabled in this place in his defence if indeed there is a defence.

I personally do not think there is a defence, in this instance, of this particular minister. Minister Ruddock, I think, has been a friend of mine over many years. We have served together and worked together on a number of matters within this parliament, but on this occasion the minister has got it wrong; he has got it dramatically wrong. What he should be doing instead of trying to defend the indefensible is offering his resignation to the Prime Minister, and the Prime Minister should be accepting it at first instance. If he chooses not to do that—

Senator Abetz—Come on, Jim, you don’t believe that.

Senator McKIERNAN—Senator Abetz shakes his head, as indeed every government backbencher shakes their head when their ministers are under attack. But if you have a standard that you want to stick to, that is what actually should happen. It should not go to the Prime Minister to sack this minister. If the minister operates with any particular standards, it should be he who offers his resignation to the Prime Minister.

That has not happened on this particular occasion, but the Prime Minister has some responsibility in this matter too. He is the chief minister in the government, and he is the one who is supposed to look after the standards and principles of the government and the government ministers. When he
came into that job in 1996, many years ago—it seems longer than four and a bit years; it seems like one heck of a long time—he was going to change things and he was going to set certain standards. Of course we have seen the standards that have been set and how they have been bent, and we are seeing how they are being bent again in this particular instance. It is unfortunate that much of the goodwill that has been gained during the Olympic Games in Sydney has now been lost by the minister’s ill-timed and downright rude comments about our indigenous people. As I said at the beginning in condemning the minister, he should resign.

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (4.45 p.m.)—The motion before us, when stripped of its blatantly divisive and mean-spirited politics, is a genuinely noble issue for us to consider. I refer of course to the issue of Aboriginal disadvantage. But as has become the hallmark of Labor, they will try to use—and indeed abuse—and hijack any issue of community concern and make it into a political plaything.

The issue of Aboriginal disadvantage in this country is vexed and difficult. Labor can try to politicise the issue and seek to denigrate the excellent minister for reconciliation, the Hon. Philip Ruddock. Labor can use their pejorative terms and give vent to their mean-mindedness, but do these antics in any way assist in overcoming Aboriginal disadvantage? No, not one single bit. Overcoming Aboriginal disadvantage is not even mentioned in the motion before this Senate today. Labor claim that we as a government fail to acknowledge the real causes of Aboriginal disadvantage. If Labor know the ‘real’ causes, as opposed to the ‘unreal’ causes, of Aboriginal disadvantage, then in this debate they could and should spell them out to us, detail the solutions, and then explain why, during their 13 years of stewardship of the Aboriginal affairs portfolio, the disadvantage continued absolutely unabated.

Actions speak so much louder than words. Affected expressions of concern by Labor will not relieve one single case of diabetes or glaucoma, and they will not help the lack of education, lack of job opportunities, or domestic violence. What will reduce these examples of disadvantage? Former Labor senator, Graham Richardson, when he was health minister, highlighted the need for health care. What did Labor do after that was highlighted to them by their own Labor minister? They did absolutely nothing. I am delighted to say that, since we have come to government, we have increased expenditure on indigenous health care by 51 per cent, and our policy will increase it, in real terms, by 62 per cent by the year 2002-03. Those sorts of actions and commitments to the real needs of the Aboriginal community are so much more meaningful than the empty words and affected commentaries by people such as Senator Bolkus.

The motion, in its mean-spirited way, seeks to criticise the minister for comments published in a left-wing French newspaper. You can just imagine the Labor caucus: a glass of chardonnay in one hand, a little café latte ready to come in a few minutes time, sitting around reading the French newspaper *Le Monde*. That seems to be the thing that Labor busy themselves with these days: reading left-wing French newspapers. For Senator McKiernan’s benefit, these so-called ill-timed comments by Minister Ruddock appeared on 2 September 2000—over four weeks ago—but they only came to the attention of the Labor Party only in recent times. I assume that it was even before then that the minister actually gave his interview. Because they are in the public domain now, the week after the Olympics, somehow it is the minister’s fault. That is the sort of spurious assertion that is used to build the Labor Party’s case against Minister Ruddock.

I have had the opportunity to read the whole of Mr Ruddock’s commentary as it appeared in *Le Monde*. I have to say that I did not find anything extraordinary about the comments. Let me simply say to the Labor colleagues opposite: if you are interested in reading newspapers, I suggest you get away from *Le Monde* and other French left-wing newspapers. Try reading something like the *Herald Sun* and look at yesterday’s cartoon in it. That might draw your attention to the real issues that are concerning the Australian people today.
As Parliamentary Secretary to the Minister for Defence, I am delighted with our whole of government approach to Aboriginal disadvantage. We now have the Army actively involved in developing infrastructure for Aboriginal communities. Whilst I know that certain elements would seek to be critical of that partnership, and they get wide media coverage, the Aboriginal communities on the ground that are the beneficiaries of our policies are saying that they are wonderful initiatives and should be replicated in other remote communities. But of course the chattering classes from the suburban areas would have the government condemned for undertaking such activities when they are in fact making a real difference on the ground for Aboriginal communities.

This is another tawdry little exercise by the Australian Labor Party. Not having any policies of their own to set before the Australian people, they seek to denigrate a senior minister who is doing a fantastic job in the area of reconciliation. Along with his colleague Senator Herron, he is not dealing with mealy-mouthed words but with real, practical reconciliation in the areas of health, education, employment and domestic violence. The actions of this government speak a lot louder than the words of the opposition.

Question resolved in the affirmative.

COMMITTEES

Scrutiny of Bills Committee

Report


Ordered that the report be printed.

Public Accounts and Audit Committee

Report

Senator COONAN (New South Wales) (4.53 p.m.)—On behalf of Senator Gibson, I present the following report of the Joint Committee of Public Accounts and Audit: Report No. 377: Guidelines for government advertising. I seek leave to move a motion in relation to the report and to incorporate the tabling statement in Hansard.

Leave granted.

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

The statement read as follows—


The audit report, tabled on 29 October 1998, had reviewed the processes surrounding the Community Education and Information Programme (CEIP), an advertising campaign conducted in the months prior to the announcement of the 1998 election. The CEIP and the Auditor-General’s subsequent report had caused much debate.

In his audit report the Auditor-General suggested that more specific guidance on the use of government advertising would be helpful. He stated that:

If the Parliament has concerns over the future usages of government advertising, it is primarily a matter for the Parliament and/or Government to develop and adopt appropriate guidelines that clearly define and articulate characteristics of government advertising which differentiate between Government and party-political material.

The committee has statutory links with the Auditor-General and took note of his concern. The committee decided, on behalf of the parliament, to review the audit report.

During its deliberations the committee decided to focus on the issues in which it could be instrumental in delivering a positive outcome—the development of new guidelines for Commonwealth government advertising.

The committee took as a starting point the guidelines suggested by the Auditor-General in an appendix to his report. These were compared to the existing guidelines first released in 1995 and with other guidelines in both Australian and overseas jurisdictions. These included guidelines proposed by the Australasian Council of Auditors-General, the audit offices of Queensland, Victoria, and the guidelines of the United Kingdom and New Zealand governments.

The committee has a proud record of bringing down consensual reports. This issue of government advertising guidelines is highly controversial (party political).

However the committee determined that it wished to produce draft guidelines for government to
consider which, while not perfect nor totally agreed by all committee members, do represent the majority and largely consensual view of the committee. The report however does contain some comments where there remained some disagreement within the committee. No doubt my colleagues will expand on this point later.

Underlying the committee’s guidelines are the principles that good government requires the provision to the public of comprehensive information about government policies, programs and services which affect them, and that governments may legitimately use public funds for providing this information. A third underlying principle is that government advertising should not be conducted for party political purposes.

(I note in passing that the Auditor-General concluded when he reviewed the CEIP that the expenditure on this program conformed with the law, was legitimately for the purposes of the Commonwealth, and was within the terms of the Constitution.)

The committee’s guidelines stipulate and provide guidance in the following areas:
- material should be relevant to government responsibilities;
- material should be presented in an objective, fair, and accessible manner;
- material should not be liable to misrepresentation as party political; and
- material should be produced and distributed in an efficient, effective and relevant manner, with due regard to accountability.

In concluding, the committee considers that the current advertising guidelines, which have been in place since 1995, have needed to be reviewed. The committee believes its guidelines are a significant improvement and will assist those involved in government advertising campaigns.

Finally, I wish to thank the members of the Sectional Committee for the time and dedication in conducting this inquiry. I also thank the secretariat staff who were involved— the secretary to the committee, Dr Margot Kerley; sectional committee secretary, Dr John Carter; research officer, Ms Rebecca Perkin and administrative officers Ms Laura Gillies and Ms Maria Pappas. I commend the Report to the Senate.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (4.54 p.m.)—I would like to speak on this particular report of the Joint Committee of Public Accounts and Audit. The history of this report goes back to the 1998 election and to the cynical $16 million GST promotional pre-election advertising campaign which pushed the Howard government’s proposed new tax system without mentioning the goods and services tax. This resulted in a huge amount of community outrage. I complained to the Auditor-General about the use of taxpayers’ funds to promote a Liberal Party policy proposal. There were also complaints lodged about the funding source—the Advance to the Minister for Finance. Those complaints were dated 18 and 29 August 1998. When the election was called at the end of that month, Labor expressed massive concerns about the way this so-called government information campaign ran into the first few days of the election campaign after the issue of the writs for the election when, of course, the caretaker conventions are supposed to be in place. The Auditor-General responded in October 1998 with a scathing report on the use of public funds for political advertising. Mr Barrett, the Auditor-General, called for parliamentary consideration and determination of appropriate guidelines. The Auditor-General also appended in his report on the CEIP his draft guidelines for government advertising.

In January 1999 the Joint Committee of Public Accounts and Audit heard evidence from the Australasian Council of Auditors-General and the Australian Labor Party about the way in which government funds should be used for advertising. Despite numerous invitations, the coalition parties refused to appear to defend their actions in this regard or put their views before the committee. It has taken the committee until now, October 2000—more than two years after the CEIP campaign hit the airways—to table recommended guidelines. The process has been very slow and, of course, the government has obstructed the process at each and every step along the way. But the point is this: if these guidelines, as recommended by the Auditor-General, had been formulated and given the tick by the parliament before early 1999, you would not have had the government’s $133 million GST advertising campaign—same with the guidelines recommended by the Joint Committee of Public Accounts and Audit. The $46 million chains campaign could not have been put to air if
the advertising guidelines contained and recommended in this report had been in place. They could not have passed the prohibitions and requirements on political advertising contained in the guidelines agreed by the joint committee’s bipartisan report.

There was an appalling waste of money from March through to July this year. It hit an all-time record for squandering public money on advertising. It could have been much better used in a whole range of areas—in public health, hospitals, schools and the like. I tabled a graph earlier this year showing how the advertising campaigns of the former Labor government—such as superannuation and Working Nation—were dwarfed by the Howard government’s GST splurge advertising campaign. The average of $2.8 million per month spent by Labor on government advertising from 1989 until 1996 has ballooned out to $10 million a month spent by the Howard government in the last two years—more than triple Labor’s average.

Had these guidelines been in place in 1999, this waste would have been stopped. No political propaganda—the political imagery that has been funded by the public purse—could have been broadcast. With these guidelines in place, there would have been no chains campaign, no unadulterated political propaganda from the government, no political imagery. We would not have had to listen to the dulcet tones of Joe Cocker unchaining his heart to the payment of $269,000. The government would not have been able to adversely and inappropriately refer to the previous Labor government’s tax system which, of course, was described as the so-called chains regime. The $120,000 Who magazine spread using fake people and rock bands espousing the new tax system in a highly political manner would never have been published. Under these guidelines, as proposed, the appalling $15 million Lifetime Health Cover scare campaign, with its emotive umbrella imagery and cowering families, would never have seen the light of day either. The truth is that everybody is covered for their lifetime under the Medicare umbrella. It was another waste of $15 million on unadulterated political propaganda.

Advertisements, under the committee’s recommendations, will have to be factual, unmotive and non-political. Under these new rules, there will be no way in which an incumbent government can score points off its opponents on the way through using taxpayers’ funds to do so. Of course, it will not surprise the Senate to know that the opposition would have wanted these guidelines to go further, but we say they are a reasonable starting point. They are a reasonable starting point, as were those guidelines that were originally recommended by the Auditor-General. It has taken a $133 million Liberal Party indulgence, relentless pressure from the Australian Labor Party and recommendations from the Auditor-General to bring these tougher and tighter guidelines before the parliament.

If the government will not bite the bullet on advertising in the face of public disgust at Mr Howard’s deviousness and wastefulness, Labor, again, will have to take the initiative and step in to try and fix this problem. We have taken the first step because Mr Beazley introduced a private member’s bill into the House of Representatives in June this year. That was Labor’s Government Advertising (Objectivity, Fairness and Accountability) Bill 2000 which, in fact, included the draft guidelines which had originally been proposed by the Commonwealth’s Auditor-General, appended to his original CEIP report—his damning report on the misuse of taxpayers’ money by the Howard government in its GST promotional advertising campaign.

As far as the opposition is concerned, we will now consider very carefully the guidelines that are contained in this joint committee report, which we supported. This is a bipartisan report and we supported these guidelines on the committee. They are based on the Auditor-General’s recommendations and they go further in some important areas—perhaps not as far in others—including the application of a political test. We will consider this report in the context of our expressed desire to have guidelines on government advertising put in place, put in legislation, and made enforceable. We challenge the Howard government and all parties in the
parliament to take the same step that we have and to support our efforts to ensure appropriate guidelines are enforced in legislation. This is a step in the right in the direction and it is welcomed by the opposition.

Senator MURRAY (Western Australia) (5.04 p.m.)—The Australian Democrats have taken a great deal of interest in the Labor Party’s campaign on government advertising and accountability. I sit on the Finance and Public Administration Senate Committee with Senator Faulkner and on the Joint Committee of Public Accounts and Audit. We were impressed by Labor’s strong pursuit of some abuses in government advertising on accountability grounds. The report before us is not just a bipartisan report: it is a cross-party report and it is supported by all four parties on that committee. I take the view, however, that the recommendations can be strengthened. It is the approach of that committee to try to achieve a consensual position. That does not necessarily result in a minimalist, lowest common denominator approach, but in this particular case it has not resulted in the highest bar approach either. I think the legislation that should attach to such recommendations needs to be improved and I give notice to the Senate that the Australian Democrats will indeed try to do that when the moment arrives.

We have, as I said, been impressed by Labor’s strong pursuit of some abuses in government advertising on accountability grounds, but we have also observed that Labor’s prior engagements with some accountability issues, such as the Prime Minister’s code of conduct for ministers or the need for independent appointments on merit to government agencies, committees and boards, have been marked more by the raising of political heat and less by the offering of legislative solutions. Therefore, we were pleased to see Mr Beazley introduce his bill and pleased to hear the commitment by Labor for a legislative solution.

We thought the excellent accountability work done by Senator Faulkner and his colleagues in regard to government advertising would have been perceived to be just another politically motivated witch-hunt, unless it demonstrated a determination to change the law and the practice governing these matters permanently. What is interesting about the report before us is that on a cross-party unanimous basis there is an agreement that the advertising guidelines and practices which are available to the executive of this government, and indeed available to the executive of any government, are sorely deficient and need considerable correction. So we wish to commend the JCPAA on producing this report. We wish to commend the Labor Party on showing a willingness to introduce legislation to improve standards in this area. We give clear notice that we will in fact go further than the Labor Party and hope to encourage them to be even more accountable than they are proposing to be. With those brief words, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

DOCUMENTS
Auditor-General’s Reports
Report No. 13 of 2000-01

The ACTING DEPUTY PRESIDENT (Senator George Campbell)—In accordance with the provisions of the Auditor-General Act 1997, I present the following report of the Auditor-General: Report No. 13 of 2000-01—Performance audit—Certified agreements in the Australian Public Service.

DELEGATION REPORTS
Parliamentary Observer Delegation to the June 2000 Elections in Zimbabwe

Senator MURRAY (Western Australia) (5.09 p.m.)—On behalf of the Australian Parliamentary Observer Delegation to the June 2000 elections in Zimbabwe, I present the delegation’s report entitled The Parliamentary Elections in Zimbabwe, 24-25 June 2000. I seek leave to incorporate in Hansard the tabling statement by the delegation leader, Senator Ferguson, who is absent from the Senate on leave.

Leave granted.

The statement read as follows—

Australia’s strong system of representative democracy, and its effective administration of elections, have been acknowledged internationally for many years. Australian officials and Members of
Parliament are frequently called on to observe the conduct of elections overseas.

I am pleased that the Australian Parliament was able to send observers to Zimbabwe’s parliamentary elections, held on Saturday 24 and Sunday 25 June. The elections were witnessed by 300 international observers. In addition to the Parliament’s delegation – Senator Murray, Mr Kim Wilkie MP and I – Australia was ably represented on the Commonwealth’s observer group by Senator Sandy Macdonald, Ms Julie Bishop MP and former Senator David MacGibbon.

After three days of intensive briefings in Harare, our delegation split up into three teams which spent between four and six days in the provinces of Zimbabwe, including the polling days on Saturday and Sunday and the counting day on Monday 26 June. We made a point of visiting some of the more remote areas of the country, as well as the main population centres. The areas we visited are listed in the report.

The elections were held against a backdrop of civil unrest, including the occupation of commercial farms by veterans of Zimbabwe’s liberation war, and escalating violence and intimidation – particularly in rural areas – in the months preceding the election.

In common with most international observers, we have no doubt that the pre-election violence was intended to ensure the re-election of President Mugabe’s ZANU-PF party. In the 20 years since Zimbabwe was formed, ZANU-PF has grown accustomed to running the country as a one-party state. The ruling party received a rude shock in February, when its draft constitution was rejected at a national referendum. The draft constitution, which would have enabled the government to seize commercial farms without compensation, had been opposed by the newly-formed Movement for Democratic Change (MDC), as well as by civil society organisations under the umbrella of the National Constitutional Assembly.

Shortly after the referendum, the invasions of commercial farms by the war veterans and their supporters began. The invasions heralded a breakdown in the rule of law in Zimbabwe, and a bid to crush dissent against the rule of ZANU-PF before the elections. The rhetoric of the ruling party – repeated endlessly in Zimbabwe’s state-controlled electronic media, and in the state-controlled Herald daily newspaper – condemned the opposition MDC as enemies of the state, merely for challenging the power of President Mugabe and ZANU-PF.

The application of this rhetoric was devastating. Over 30 people were murdered, most of them supporters of the MDC. The delegation met with many non-government candidates and supporters who had been forced into hiding in the weeks before the election, and whose families had experienced physical assault and destruction of property.

Our delegation met with an MDC party agent who had been physically assaulted two days before polling commenced. We also witnessed widespread intimidation by war veterans of farmers and their workers, in the form of directions to the workers as to where they were to vote and for whom.

Quite obviously, all this had a stifling effect on freedom of association, election campaigning and voter education. We have no doubt that the violence and intimidation of the pre-election period must have influenced the result in some constituencies.

A particularly unfortunate aspect of the violence was the indifference shown by Zimbabwe’s once-respected police force. The police effectively ignored an order from Zimbabwe’s courts that the farm occupations were illegal, and thereafter did as little as possible to control the behaviour of the war veterans and ZANU-PF’s operatives. This contrasts markedly with the visible police presence at every polling and counting station we visited, which contributed greatly to the generally peaceful conduct of voting and counting on Saturday, Sunday and Monday 24 to 26 June.

Thankfully, we were told by virtually all the people we visited that the presence of international observers contributed to a more peaceful environment in the days immediately before and during the weekend poll. Despite witnessing some incidences of intimidation, we were generally satisfied with the orderly conduct of the voting on 24 and 25 June and with the count of votes on Monday 26 June.

Inevitably we noted some irregularities, but from our observations we do not think those irregularities were widespread. At the polling stations we visited, it would have been very difficult to tamper with the vote in any significant way. Multiple voting did not appear to be a factor. We are also of the opinion that the vote was accurately, if slowly, counted on the Monday in a very public process.

This is not to suggest that the administration of the election was satisfactory. The conduct of the voting was hampered by inconsistent procedures and the last-minute nature of many important election preparations. The preparations were not helped by a power struggle, in the weeks leading up to the election, between the Electoral Supervi-
The accuracy and availability of the electoral rolls were criticised by many people we spoke to during our observations. Several polling stations we visited on the first day of voting had still not received supplementary rolls, which contained the names of people who had registered late. It is likely that many registered voters were denied a vote as a consequence.

More seriously, many people who had registered to vote — but whose names did not appear on the published rolls — were turned away from polling stations despite producing a receipt. While such people were cleared to vote at a late stage, that advice only filtered through to many rural polling stations late on the Saturday or on Sunday. In general, the proportion of electors turned away at polling stations we visited was disturbingly high, ranging from 10 to 16 percent.

In another example of late preparations, the full list of polling stations was only published on Friday 23 June — the day before voting commenced. At that time many domestic election monitors had still not received their accreditation. Domestic monitors were thus absent from many rural polling stations we visited on Saturday 24 June, when the bulk of the voting took place. Most of these committed volunteers still stationed themselves outside their polling stations, determined to contribute to the electoral process as best they could.

In some polling stations the delegation visited in the Midlands province, the only party polling agents accredited were those representing the ZANU-PF party. With no non-government polling agents and no domestic monitors, safeguards against intimidation and electoral fraud were obviously limited.

Of the 120 seats being contested at the election, ZANU-PF won 62 and the MDC secured 57 seats. One seat went to a third party, while an additional 20 members of Parliament are appointed by the President and a further 10 members are appointed by the Chiefs of Zimbabwe. ZANU-PF had held virtually all of the seats in previous Parliaments.

The MDC, which at the time of the elections had existed for just nine months, dominated the urban seats and denied ZANU-PF the two-thirds parliamentary majority needed to amend Zimbabwe’s constitution.

We hope that the creation of a parliamentary opposition will allow Zimbabwe to build a democratic future, based on principles which we, in Australia, sometimes take for granted. Those principles include: the rule of law; the separation of powers between the Parliament, the executive and the judiciary; transparent and accountable processes; a strong and independent media; and an electoral system which allows all citizens to make informed choices, and to exercise freely their right to vote and to stand for election.

President Mugabe himself was not standing for election on this occasion: a separate presidential election will be held in 2002. The international community will watch the lead-up to that election with great interest.

International observers, including from Zimbabwe, have always been welcome to attend Australian elections and we would encourage a continuing exchange of views on the practise of democratic elections.

On behalf of the delegation I would like to thank our High Commissioner to Zimbabwe, Her Excellency Mrs Denise Fisher, as well as Ms Jenny Dee and the other staff at the High Commission for their outstanding support at very short notice. I also extend our gratitude to the many brave people of Zimbabwe who, under very stressful circumstances, found the time to assist us. We wish them well for the future.

I commend the report to the Senate.

COMMITTEES

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

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

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

Employment, Workplace Relations, Small Business and Education Legislation and References Committee—

Participating member: Senator Buckland

Finance and Public Administration References Committee—

Appointed: Senator Buckland

Discharged: Senator Hutchins

Publications—Standing Committee—

Appointed: Senator Buckland

Discharged: Senator Ludwig

Regulations and Ordinances—Standing Committee—

Appointed: Senator Buckland
Senator O’BRIEN (Tasmania) (5.10 p.m.)—I move:

That the following matter be referred to the Rural and Regional Affairs and Transport References Committee for inquiry and report by 5 December 2000:

The process followed in the selection of the successful tenderer for the proposed Sydney to Canberra Very Fast Train Project, with particular reference to:

(a) the fairness and equity of the selection process;
(b) whether all bids were assessed against the same criteria, including the issue of no net cost to government; and
(c) whether changes to the scope of the project following the conclusion of the selection process would not have changed the outcome of the process if they had been made originally.

It is particularly appropriate that this debate is taking place now, given that articles in the Financial Review over the last few days appear to reflect leaks within cabinet about the ongoing support for the project. It is noted, for example in yesterday’s Financial Review on page 6:

Mr Anderson has been a strong advocate of Speedrail, a high-speed rail link between Sydney and Canberra jointly backed by Leighton Holdings and the French group, Alstom.

But its immediate future looks less secure, with concerns raised over the amount of public funds required to underwrite the project.

The Department of Finance has disputed estimates by Macquarie Bank that about $500 million of taxpayers’ money would be required to underwrite Speedrail. Instead, Finance suggests taxpayers would have to pour at least $1 billion into the project—challenging the Government’s own edict that it be at “no net cost”.

“It makes it very difficult to support,” said one well-placed source.

Suspicions are that that ‘well-placed source’ at least represents someone who sits in cabinet. It goes on:

With Speedrail project counting senior ministers among its supporters, it is now expected Cabinet will examine the feasibility of a high-speed rail network stretching from Brisbane to Melbourne.

This would encompass the Speedrail route but allow the Government to consider alternative funding methods to meet the nation’s future transport needs.

The opposition want the committee to look at whether the bids, which were originally about the Speedrail project between Sydney and Canberra, were assessed on the same basis, given that, subsequent to the original assessment, these considerations of extending the project have been put into the equation so that the original assessment on a limited basis is now given the leg-up to the original tender winner for the potential of a future larger project. I see that even Senator McGauran’s party was seeking that Speedrail goes through areas of eastern Victoria, which would add a billion dollars to the cost of the project—I note from other information.

It is very disappointing that, as the opposition has been informed, the Australian Democrats are not prepared to support this reference. The proposal for a very fast train has been around for some time and was the subject of an inquiry in this place in 1991. In fact, the first proposal was put by CSIRO officers in 1984. In 1996 the Prime Minister announced a joint New South Wales, ACT and Commonwealth approach to the investigation of options to provide a commercially viable, high speed train service between Sydney and Canberra. The Prime Minister stated that any future involvement of the Commonwealth would be on the basis of no net cost to the taxpayer and of the project demonstrating its commercial viability. The Commonwealth, New South Wales and ACT governments participated in a joint project control group to oversee the tender process.

The final tender process commenced in December 1997, with four international con-
sortia shortlisted. The consortia journey time and costs were as follows: Capital Rail, a journey time of 1 hour and 45 minutes and a cost of $1.2 billion; Intercapital Express, a journey time of one hour and 45 minutes and a cost of $1.2 billion; Speedrail, TGV, one hour and 20 minutes journey time and a cost of $2 billion to $2.6 billion; and Thyssen Transrapid, that is, the Maglev system, a journey time of 60 minutes and a $4 billion cost via Wollongong.

A distinguishing point between these bids relates to technology. The principal debate is between the TGV, that is, the French wheel on track system, and Maglev, which is magnetic levitation. The TGV proponents argue that Maglev is unproven and expensive to establish. The Maglev proponents argue that TGV technology will never deliver the speeds needed to achieve economic operation over longer distances.

On 8 March 1999 the government signed a joint agreement to formalise the proving up stage, with the Commonwealth taking the lead role and each government contributing $1 million. In October 1999 the Commonwealth scrapped the accelerated depreciation taxation arrangements, which led to the Speedrail executive claim that the project would require government assistance of up to $1 billion. In April this year, the government responded to various outstanding rail reports but no specific or extra commitment to the speed rail project was included. The May 2000 federal budget contained no new funding for the project.

Media reports earlier this year suggested that a decision on the very fast train in conjunction with the second Sydney airport would occur in August this year. It was anticipated that Speedrail would prepare an environmental impact statement, with construction to start in late 2002, over 45 months, before the service began in early 2006. With a cost of $4.8 billion, 70 per cent private sector and 30 per cent government, Speedrail forecast a total economic benefit of $9.7 billion, with a net benefit of $5.3 billion. Then they proposed that an extension to Melbourne could be operated by 2010—although if it went via Gippsland, as I said earlier, then an extra $1 billion would be needed—and a link to Brisbane was some 30 years away.

No decision, apparently, was made at the August 2000 cabinet meeting, but an interview with the federal Treasurer, Mr Peter Costello, on 22 August, that is, the day of the cabinet meeting, demonstrated a vague knowledge of the project. It was obvious at that stage that the Treasurer was not fully briefed and certainly not supportive of the project. As I said earlier, in recent days the Australian Financial Review has run a number of stories about the very fast train and the cost to government. Clearly, as I demonstrated earlier in reference to yesterday’s article, the no net cost to government option is now the subject of debate within government ranks.

Labor has been calling for more transparency in the tender process on this project. Concerns have been raised about the fair application of the term ‘no net cost to government’ to each bid, the appropriate assessment of the competitive technologies and the understanding of the future of government support for extensions to the route. Significant questions are emerging about the costs and benefits of the project, given that the analyses have not been made public to date. These are the issues that Labor considers must be given full, open and public scrutiny.

For this reason, Labor proposed that an inquiry be held into the selection process to date before any further taxpayer money is expended on the project. In taking this step, Labor clearly has not moved to stall the project, remembering that we were looking to report by 5 December this year. The inquiry that Labor proposed was to focus on the issues of probity without reopening the whole selection process.

If this proposition does not have the support of the chamber—I understand the Democrats will not support it and the government will not support it; that appears to be the case—then Labor will continue to pursue this matter through other processes because we consider that it is in the public interest to do so. But it is disappointing that the Democrats have denied this place the opportunity to undertake such an investigation in a timely but thorough manner by a
reference to the Rural and Regional Affairs Transport References Committee, a committee of which Senator Woodley, the Democrat senator, is the chair.

It is interesting to counterbalance the Democrats’ approach to the reference of the tender process on Lucas Heights, where they were hot to trot, if I can put it that way, for an inquiry into every aspect of the process. Labor supports that. I think we had an argument about whose reference it should be ultimately. There is to be such an inquiry because Labor agrees that probity is important. In this case the Democrats have taken a different position. I see that Senator Greig is here. No doubt he will express the Democrats’ reasons for not wishing to support this proposal. I look forward to hearing them because I have not so far. That is not a criticism. The message came second-hand to me that the Democrats are not supporting the proposal. That is not a criticism and should not be taken as such. I just have not heard the actual reasons. Unfortunately I expect that I will hear them for the first time when Senator Greig rises to speak. I wish I could convince honourable senators to support this proposition because I believe that it is important. I commend the motion to the Senate. If it is not supported, then other measures will have to be found to achieve an appropriate end in the public interest.

Senator GREIG (Western Australia) (5.23 p.m.)—We Democrats have a long public record of being very supportive of rail and have expressed enthusiasm for some time over the prospect of some fast rail system between some or all of our capital cities. We are not in any way opposed to some fast track train operations being made available, initially on the east coast—not by any means. The issue we are dealing with here is not in relation to that. This is not a question as to whether we would support or not support the proposed train proposals. The issue very specifically proposed by Senator O’Brien is soliciting our support to inquiring into the tendering process. Senator O’Brien said in his remarks that he had only heard from me or from my office second-hand, in terms of our position today. I assume what he meant by that is that he heard from a staff member in his office. It was simply the case, Senator, that when I phoned your office as a courtesy some hours ago you were on your feet in the chamber. I wasn’t to know that until I made the call. Don’t take it personally, please.

I want to assure Senator O’Brien and other senators in all seriousness that this is an issue that as a party we did not deal with lightly. Senator O’Brien may be aware, I having liaised with him somewhat through this process, that I made every effort to meet with all parties involved. I had further meetings again this morning, brought about under some difficulties because of timing, with proponents of Maglev and Speedrail to let them again put their respective cases and for me once again to put to them the questions as well as being devil’s advocate to the oppositional proponents being brought about in terms of what they were proposing in the process. The overwhelming theme that I was left with, having spoken to those various camps, was a sense of pre-empting an outcome. For example, in terms of what the process of the inquiry should be, sentence two of Senator O’Brien’s motion reads:

The process followed in the selection of the successful tenderer for the proposed Sydney to Canberra Very Fast Train Project

In other words, this committee, the Rural and Regional Affairs and Transport References Committee should inquire and report into, amongst other things, the processes followed for the selection of the successful tenderer. The reality is that there has not been a successful tenderer. The government has yet to even announce whether it is going to support a VFT proposal at all. That fundamental decision has not been made. Cabinet has been procrastinating on that for some considerable time—and that is no secret—and it continues to do so. There are indications that it may make an announcement within the next one or two weeks, but I take that with a pinch of salt because to date the process has taken considerable time. Mr Speaker, the proposed reality of the train system itself has yet to even be announced, if at all. It is somewhat premature to inquire into a process of looking into the tendering process for a successful tenderer when no tenderer has been an-
nounced and the project has not even been given the go-ahead by the government.

The Labor Party solicited my party’s support for a motion of inquiry into the tender process for a very fast train which is planned to run initially from Sydney to Canberra. Invitations to tender were issued in October 1997 and six proponents were selected. The contest essentially came down to two tenderers—Speedrail wheel-on-track design and the Transrapid Maglev new technology, which is very fast and runs on a magnetic cushion. The Speedrail or French TGV technology is a proven technology that has carried some 700 million passengers over 1.2 billion kilometres. Similar trains in Japan also run in complete safety at over 300 kilometres per hour. The new generation TGVs in Australia are expected to run at over 360 kilometres per hour. The Maglev train runs on a test track in Germany, and several proposals to build the train in China and the USA have been floated. Maglev technology would see a very high speed train run between Sydney and Melbourne in around 2½ hours. The Liberal-National Commonwealth government, the ALP New South Wales state government and the Liberal ACT Assembly chose Speedrail, the wheel-on-track consortium, as a preferred tenderer. That was announced in mid-1998. Prior to this determination, the ALP New South Wales government sought to have the Speedrail bid and the Thyssen Transrapid bid both proved up or developed in greater detail for further consideration. The New South Wales government proposal was not accepted, and the Sydney-Canberra VFT project has to this date proceeded on a single preferred proponent basis with Speedrail as a preferred tenderer—and I stress preferred tenderer, not successful tenderer.

The final proposal by Speedrail was required to involve no net cost to taxpayers. That has been an interesting element of the debate by the preferred tenderer and the non-preferred tenderers on what that amorphous concept can, should or might involve. That has been an interesting thing to try and get my head around. There are those who would argue that ‘no net cost to taxpayers’ was a simple question of soliciting and being successful in a bid for government loans or grants or some kind of taxpayer assistance. There are others, too, who are looking at the more peripheral issues, involving not necessarily direct funding but the additional benefits to a particular train system without actually dealing with cash.

Although it was reported in the *Herald-Sun* that the Speedrail consortium was seeking $1.35 billion up front to proceed with its project and another $200 million at a later time, it should also be noted that, as I understand it, some of the other tenderers in follow-ups to their submissions also made it clear that they too would be seeking government assistance in terms of funding. So, having met with different elements of the sectors involved in this debate, having met with industry and having encountered some of the politics behind this, it was incumbent on me to present the case to my party—which I did on two occasions—as to what we should do. For some time, there were mixed views on how we ought to approach this, but ultimately we felt that further procrastination on the issue was unwarranted. The project as a whole has not been announced, it does not have the imprimatur of the government as no cabinet decision has been announced and, in reality, no successful tenderer has been chosen or announced either. As such, the proposal put by Senator O’Brien here today is premature.

That is not to say that there may not be some inadequacies within the tendering process or that part of the tendering process may not have been inappropriate or, frankly, quite wrong—that may be the case. But if that is the case, then the unsuccessful tenderers should have every right and opportunity to mount their own legal cases on that if and when they choose to do so. At that point in time, the parliament could, if it wanted to, echo that with an inquiry of its own, and that would be entirely appropriate. So, given that no tenderer has yet been chosen, any inquiry into the selection of the successful tenderer, as suggested by the opposition here today, would be a clumsy exercise. However, we retain the option of an inquiry, particularly if there are demonstrable questions of probity once a successful tenderer has been chosen.
and announced, and we also retain the option of inquiring into the project if there is any likelihood of exposing taxpayers to what might be a white elephant as a result of an inappropriate tendering process. A later inquiry may also be warranted to confirm the choice of technology, which we firmly believe must be chosen within the context of national needs, such as potentially expanding the project along the entire eastern seaboard of Australia.

There, in summary, is our position. We express our enthusiasm for expanded rail systems in Australia. We are enthusiastic about the prospect of this happening, in this instance on the east coast, with the proposal for a fast train. We remain open-minded about what kind of technology that may involve, but we are not convinced at this point in time that an inquiry into the tendering process is necessary or warranted. However, we are certainly happy to keep our options open. If in the future there is a demonstrable case that the process has been tainted—if and when the government makes a decision and an announcement—then by all means that is something that can and will be revisited. But, as it stands today, we do not support the motion presented by Senator O’Brien.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (5.34 p.m.)—The government opposes this motion simply because it is fundamentally flawed. Speaking for myself, I support the concept of a very fast train. In fact, as the Shire President of Junee Shire back when the original TNT-BHP-Kumagai fast train project was put together, I was the person who convened all the shires in Victoria and in southern New South Wales to muster support for what we termed the inland route as opposed to the coastal route. In opposing this motion today—

Senator O’Brien—Including Gippsland?

Senator HEFFERNAN—No. Actually, I was opposed to the Gippsland route. Obviously, the concept of a very fast train is a great concept, and it will be the future hundred-year development corridor for Australia. The reason that the motion is fundamentally flawed, sadly, and that we are opposing it is that no decision has been made on this project. There has been no selection of a successful tenderer, and the tender process for this project remains alive. The invitation to bidders for this project has not been changed, and the submissions from all bidders, including the second submission from Speedrail, have all been assessed against the criteria and the invitation to tender. There have been no changes to the scope of the project during the tender process. Therefore, the inquiry proposed by Senator O’Brien’s motion would have no decisions to review and no basis on which to question the fairness of the process. The process has not proceeded beyond the lodgment of submissions stage of the tender process. The inquiry would therefore be conducted in entirely hypothetical terms. Moreover, with the tender process still alive, it could prejudice the proper outcome of the process and lead to the confidentiality arrangements under which the tender has been conducted being compromised. It would be an entirely hypothetical matter to refer to a Senate committee, and it is therefore opposed.

Senator O’BRIEN (Tasmania) (5.36 p.m.)—The first comment I have to make in reply is that, if it has done nothing else, this motion has achieved something that we do not see very often: the good senator making a contribution, on his feet in the chamber. It therefore has to have been one of the most important motions put before the Senate in recent times!

To come to the serious aspects of this matter and in the context of the debate, it is interesting to note that the importance of the debate about transport—which is conceded by all parties, I think—and the importance of considering an issue such as alternative high-speed transportation on the eastern seaboard of Australia, which is where most of Australia’s population is, do not warrant a look by the Senate, particularly in circumstances where the very basis of the project from its inception has been affected by the decision of the government to change the taxation depreciation arrangements—a change which has led to comments by at least one of the tenderers that a significant amount of government assistance would be required for this project to get off the ground.
When it was announced, the government said that it could proceed only on the basis of no net cost to the government. One of the matters the opposition wanted examined was precisely what that meant. What was the government saying? Were they saying that we could pay money but we would take it from another basket, or that we would not be paying any money at all? And, if we were going to take it from another basket, what sort of basket and on what basis? Ultimately the success of the project is dependent on its financial viability.

It is all very well to suggest that the tenderer has not been selected, but a preferred tenderer has been selected. I stress that a preferred tenderer has been selected, and by selecting a preferred tenderer the preference for the method has been established—that is, whether we are going to use the TGV on-rail system or the Maglev system. There has already been a basis for that decision, and the original selection in relation to that was made based upon a Sydney to Canberra corridor, not on extensions to other parts of the country, however appropriate that might be. So the opposition was saying that we should look at the propriety of proceeding down that path on that basis. Indeed, if you move a step further into the process, we have to say that the amounts of money that have been talked about for the project seem to be growing from day to day.

What the Democrats said earlier was that, if there is going to be some dispute about the tender process, if Speedrail and Maglev cannot agree, that can go to the courts, and we can have an inquiry at the same time. I remind Senator Greig that there are certain difficulties in having witnesses appear before Senate inquiries concurrently with the conduct of litigation about the same matter. I suggest that it would be much more difficult for the Senate to inquire into a matter without impediment at that time than it would be now. I stressed at the start that we are not seeking to delay the process, and what I suggest to Senator Greig is that in fact his approach would be more likely to in the long run—that is, to persist with the idea that we should be inquiring into this matter when the process is further down the track, when we actually have a successful tenderer and contracts and commitments to expenditure of public moneys. The fact of the matter is that we are in a stage in the political process where the next period of government will be the period of government responsible for paying the bills, but the public will be making decisions probably on the basis of allegations as to what those bills might be.

Our proposal is a proposal which will allow the public to have access to information which will allow them to make the appropriate decision and allow all parties in this place and elsewhere to understand the impact of those decisions. The decision of the Democrats to oppose this motion may have the effect, if we cannot obtain the information through other means, of denying the public and denying this Senate access to the information necessary to make an appropriate judgment. That is a matter for the Democrats to wear, I am afraid, but we will do our best through other means to achieve an end. It is unfortunate that we will not be able in those circumstances to let the public have access to the information Senator Greig has had in the confines of his office from proponents of the two types of system which are intended to be the basis for any very fast train system. He has had that benefit; other members of the Senate may not have the benefit, and the public certainly will not, I suspect, until some decision is made on this, for good or otherwise.

Question resolved in the negative.
The required GWh of renewable source electricity for a year is set out in the following table.

<table>
<thead>
<tr>
<th>Year</th>
<th>Required additional GWh</th>
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<tbody>
<tr>
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<tr>
<td>2008</td>
<td>7600</td>
</tr>
<tr>
<td>2009</td>
<td>8550</td>
</tr>
<tr>
<td>2010 and later years</td>
<td>9500</td>
</tr>
</tbody>
</table>

This amendment concerns implementing what is known as a linear phase-in target. This would proceed from 950 gigawatt hours in the year 2001, escalating by an additional 950 gigawatt hours each year to 9,500 in 2010.

Most certainly, the linear target—that is, the straight line target—was supported by Stanwell, SEIA, Pacific Power, Hydro Tasmania, the ACF, REGA, the Wind Energy Association, Pacific Hydro and Greenpower Services. This is a logical approach. The industry is ready for this kind of uptake. In fact, it is perhaps a little more ready than even that straight line target would suggest.

The industry is saying that, if there is a slower uptake—and remember that we have a curve uptake instead of a straight line—coupled with a rate of penalty which is at least marginal and coupled with the fact that if you do not comply in the first, second or even third year, you may pay the penalty but then get that refunded at the end of that period, those factors mean that we could be looking at a very slow take-up and then suddenly having to make up to the 9,500 gigawatts in the last couple of years, which is not good for industry and is not good for this measure. No doubt, if it did turn out to be a very slow uptake, we would have the situation where a lot of pressure would be applied to government to change their mind about this measure and to bring it back to something less than 9,500 gigawatt hours. In this straight line take-up, there is the support of the vast majority of submitters to the inquiry. I strongly urge the chamber to support this amendment.

Senator BOLKUS (South Australia) (5.46 p.m.)—We will not be supporting this amendment for the same reasons we put for the previous amendment and I think the Australian Democrats put with respect to the previous amendment as well.

Amendment not agreed to.

Senator ALLISON (Victoria) (5.47 p.m.)—I move Democrat amendment No. 5:

(5) Clause 95, page 57 (line 12), omit “3 years”, substitute “1 year”.

This amendment goes to much the same question. Rather than allowing retailers and wholesalers to not comply for a period of three years and then be entitled to a refund of the penalty they pay, it brings that forward so that the period of grace is only one year. We acknowledge that, especially in the earlier years, there may be circumstances in which the retailers are not able to source renewable energy and so there is an argument for a 12-month delay. In our view, three years is, quite frankly, absurd because, certainly within an 18-month period, it is possible to establish a quite large wind farm—that is what we have been told. So there is no justification for the three-year delay and this could well affect the industry. It could mean that we have less demand than we have supply. That would drive down the value of the certificates and mean that the outcome is undesirable in terms of supporting the renewable energy industry. I am talking here primarily about wind. We hope that wind will be the big winner out of this measure and that we do not have to resort suddenly to tipping woodchips into coal fired power stations. This amendment is an important one. I have not yet heard a good argument for being able to delay take-up of the requirement for three years. We think one year is more than adequate to do the task.

Senator BOLKUS (South Australia) (5.49 p.m.)—We also oppose this amendment for...
very much the same reasons as permeated our response to most of the amendments this afternoon and, listening to Senator Allison, I think the Democrats get the same sense as well. One of the problems we have with this legislation is that much of the government’s figuring, predictions, assessments and so on have been quite flexible, to be polite. They have been quite rubbery. In a sense, we are shooting blind with some of these measures. On the one hand, we do not want to overkill, but, as I said earlier, we do want to have an early review of the legislation to ensure that some of the fears which people have expressed in the Senate committee process and in the debate today do not materialise. We will not support this amendment now. We will keep a focus on the way these provisions work and, in doing so, recognise the need for flexible measures to be part of the formal review that we flagged further down the track.

Amendment not agreed to.

Senator ALLISON (Victoria) (5.51 p.m.)—I move Democrat amendment No. 6:

(6) Clause 96, page 57 (line 18), after “equal to”, insert “50% of”.

Amendment No. 6 goes to the same question. We would argue that not only should the penalty period be brought forward in which one’s penalty can be repaid or refunded if compliance is achieved but also there should be some sort of discount on that refund. If you paid the penalty, having not complied within that 12-month period, but you do comply, say, in the following 12 months, there should be some sort of penalty applied. We suggest 50 per cent on that penalty so that you do not get the full amount back. What we are seeing is really an advantage given to those electricity retailers and wholesalers who put off this commitment.

We do not think that is a level playing field for those retailers and wholesalers who are already planning their wind farms, who are already planning to stitch up contracts and who are getting themselves organised. They are the ones who will effectively be penalised because they will have competitors who are not required to comply for up to two years and who will still not be penalised financially. So we think that 50 per cent is a reasonable figure to choose and that this would act as an appropriate disincentive for putting off what is going to be inevitable. Again, it is to make sure that the industry is properly supported and that we do not end up with a very slow take-up rate in the early years and find ourselves unable to achieve the target in the last few years of that decade. We think it is a sensible measure and one that ought to be supported. To some extent it relies on the previous amendment, and I must say that it is disappointing that Labor has chosen not to go with this one. I think we could have persuaded the government to agree to this if there had been support from the ALP. But clearly there is not. Again, the reason for putting up this amendment is that it would benefit the real renewables industries that we have all been talking about—solar and wind—and the more expensive end of that spectrum. Those are industries that need certainty, that need time lines and that need proper targets. It does not help if the retailers and wholesalers can ignore their responsibilities and simply delay their obligations to meet those figures.

Senator BROWN (Tasmania) (5.54 p.m.)—I support that amendment, as I did the previous amendment.

Amendment not agreed to.

Senator ALLISON (Victoria) (5.55 p.m.)—I indicated earlier in the debate today that we would have a further think about the necessity for generators to register the source of their renewable energy, as outlined in one of Senator Brown’s amendments. We have done that and can come back into the chamber and say that there is support for it. In fact, there is a view that the regulators would benefit quite substantially from having this information up front. This is an amendment which is related to that. I suggested that we would explore the possibility of putting that up, but I think we can have both amendments quite happily. What the first amendment does is to put into the legislation the requirement that, at the point of the renewable energy certificates being registered, we would add a further requirement that the eligible renewable energy source or sources of the electricity covered by the certificate would be recorded in terms of the contents of the register.
of certificates. It is again tied to the previous amendment. I seek leave to move amendments (1) and (2) together because they are related.

Leave granted.

Senator ALLISON—I move:

(1) Clause 140, page 83 (after line 9), after paragraph (d), insert:

(da) the eligible renewable energy source or sources of the electricity covered by the certificate; and

(2) Clause 141, page 83 (after line 14), at the end of the clause, add:

(3) Any addition to the register must be published on the Internet within 30 days after the Regulator registers a certificate.

The second amendment is simply to make sure that this register is available in a timely manner on the Internet. It asks that the register be published on the Internet within 30 days after the regulator registers a certificate. That would make it available to the public and would be in line with the government’s general direction of getting important matters onto the Internet as soon as possible so that the public can have access to them in a timely manner. I urge the Senate to support this. I feel confident that the government would also not have any serious objections to the amendments and that these amendments would survive being sent down to the Reps.

Senator BOLKUS (South Australia) (5.57 p.m.)—I indicate that the Labor Party supports these two amendments.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (5.57 p.m.)—The government will be opposing these amendments. We regard them as having a significant impact on the whole scheme. We do not want the certificates to discriminate against or create a representation of difference between the sources of the renewable energy, and we believe that this will undermine the scheme significantly.

Amendments agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (5.58 p.m.)—I move government amendment No. 11:

(11) Clause 156, page 91 (line 21), omit “8, 9A, 10 and 12”, substitute “9, 11, 12 and 14”.

I indicate that this amendment is simply a change to delegation of duties other than those listed in parts 6, 7, 9, 11, 12 and 14. I am advised that there are no talking points because no-one is likely to ask a question on this point because it is so arcane.

Senator BOLKUS (South Australia) (5.58 p.m.)—I am very tempted to ask a question, but I will not. The opposition does support the amendment.

Amendment agreed to.

Senator BOLKUS (South Australia) (5.59 p.m.)—Opposition amendment No. 2 on sheet 1887 is one that we are moving in order to ensure that the penalty is adjusted for CPI. The Australian Greenhouse Office has given evidence to the Senate committee that a CPI adjustment would ‘assist in maintaining its real value over time’. Our belief is that the government probably intended to ensure that the charge was CPI adjusted and that what we have here is an unintended oversight. If that is not the case, we still believe that the charge should be CPI adjusted.

It is interesting to note that, in pursuance of my first point that we think it is an oversight, the product stewardship legislation for waste or recycling, which was introduced in the House of Representatives on the same day as this legislation, was CPI adjusted. The real problem with not having CPI adjustment is that over a very short period of time the penalty would lose its real value. If unescalated, for instance, the $40 value declines to $30.02 by 2010, whereas the market value on 400 per cent CPI adjustment over that period yields a forecast value of $53.29 in 2010. Within 10 years there would be a difference in value of some $23.26. That would have enormous implications for the sorts of industries that could be generated as a consequence of the charge.

The amendment we move is one to provide for indexation. The government has come to us and suggested that the way the amendment has been framed would provide double indexation. That is obviously not the
intention we seek to achieve, so I seek leave to move opposition amendment No. 2 on sheet 1887 with the deletion of item (1) and the alteration of the number 2 to number 1. That would, I believe, have the effect of giving us a single indexation and not a double indexation. I also amend section 3(a) by changing the word ‘included’ to ‘indexed’.

Leave granted.

Senator BOLKUS—I move the amended amendment:

(1) Page 94 (after line 14), after clause 160, insert:

160A Indexation

(1) If an amount is to be indexed under this section on an indexation day, this Act and the Renewable Energy (Electricity) Charge Act 2000 have effect as if the indexed amount were substituted for that amount on that day.

(2) The amount referred to in an item in the CPI Indexation Table below is to be indexed under this section every year on the indexation day specified in that item, occurring in or after 2002, by using the reference quarter in that item.

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Indexation day</th>
<th>Reference quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>penalty charge under Part 9</td>
<td>1 February</td>
<td>December</td>
</tr>
</tbody>
</table>

(3) The indexed amount for an amount to be indexed is:

(a) the amount worked out by multiplying the amount to be indexed by the indexation factor for that amount; or

(b) if the amount work under paragraph (a) is not a multiple of 10 cents—that amount rounded down to the nearest multiple of 10 cents.

(4) Subject to subsections (5), (6) and (7), the indexation factor for an amount to be indexed on an indexation day is the amount worked out by using the formula:

\[
\frac{\text{Previous index number}}{\text{Most recent index number}}
\]

index number, in relation to a quarter, means the All Groups Consumer Price Index number that is the weighted average of the 8 capital cities and is published by the Australian Statistician in respect of that quarter.

most recent index number means the index number for the last quarter before the indexation day that is a reference quarter for the indexation of the amount.

previous index number, in relation to the indexation of an amount referred to in an item in the CPI Indexation Table in subsection (2), means the index number for the reference quarter in that item immediately before the most recent reference quarter in that item ending before the indexation day.

(5) An indexation factor is to be worked out to 3 decimal places.

(6) If an indexation factor worked out under subsections (4) and (5) would, if it were worked out to 4 decimal places, end in a number that is greater than 4, the indexation factor is to be increased by 0.001.

(7) If an indexation factor worked out under subsections (4), (5) and (6) would be less than 1, the indexation factor is to be increased to 1.

(8) Subject to subsection (9), if at any time (whether before or after the commencement of this section), the Australian Statistician publishes an index number for the quarter in substitution for an index number previously published by the Statistician for that quarter, the publication of the later index number is to be disregarded for the purposes of this section.

(9) If at any time (whether before or after the commencement of this section) the Australian Statistician changes the reference base for the Consumer Price Index, regard is to be had, for the purposes of applying this section after the change takes place, only to index numbers published in terms of the new reference base.

Senator ALLISON (Victoria) (6.03 p.m.)—Our amendment is identical to that of the opposition. I will not be moving our amendment. I am happy to accept that this requires amendment in order to stop double
indexation. If I were to move our amendment I would also amend it in the same way.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (6.03 p.m.)—It is hard to make an assessment on the run. Our position is, firstly, that we do not regard it as an oversight. We did, as a government, make a very clear commitment to industry to cap the costs at $40 per megawatt hour, and I think industry would regard this as a breach of that commitment. We do not want to breach that commitment. Clearly, between the Democrats, the Labor Party and, I presume, Senator Brown there are the numbers in this place for this amendment, so I will not take any further time of the Senate in opposing it. That is the core reason, and I fully appreciate the reasons put forward by Senator Bolkus. Governments index all sorts of things—on the expenditure and the revenue side, and the reason they index things on the expenditure side is partly why you have to index them on the income side. That is part of the reason we are having a big debate about the indexation of petrol excise at the moment.

Senator ALLISON (Victoria) (6.04 p.m.)—I indicate the Democrat support for this amendment. As I said, it is identical to our own. It was raised again by just about all of the submissions to the inquiry. Pacific Hydro, for instance, argued that to make these projects bankable:

... you have to convince investors that you are going to get a revenue stream that will remain real over a period of time, whether we are talking five, 10, 15 or 20 years. If it is not able to be CPI escalated or you cannot guarantee that there will be some future revenue stream that will remain real, you will not get investment backing.

Also, in the case of wind, we were told by Hydro Tasmania that the windiest sites will be developed first under this measure; the more difficult but less windy sites will be developed later at a greater cost. Without an indexed penalty, investment in this technology will become much harder during the later years of the measure.

Given that this measure takes us to 2020, we think that without indexation it is very difficult to see that the penalty will be any sort of disincentive to not complying. In the evidence given by the electricity association, they saw this as an option rather than as a penalty. Clearly, the cheaper the penalty becomes in relation to the cost of living and other costs, the more it becomes a charge and not a penalty—and that is the last thing we want to see. There is plenty of evidence, and there is also a suggestion that this was never meant to be not CPI adjusted, it was an oversight. Like so many of the aspects of this bill it is clear that industry has nibbled away at the edges. We have had a penalty, which was originally proposed to be $100, coming down to $40 so that it is just on the margin. Not CPI adjusting it would put it beneath the point where anything but burning biomass or municipal waste or the like would be viable. So it is critical that the penalty is CPI adjusted, and I strongly support the ALP amendment. This is perhaps one of the most important amendments that we have had today. The whole success or otherwise of this measure depends on this amendment.

Senator BROWN (Tasmania) (6.07 p.m.)—I have an amendment to the attendant bill, the Renewable Energy (Electricity) (Charge) Bill 2000, which would, if passed, charge companies that failed to meet their target $1,000 per megawatt hours, not $40. It will make the charge into a proper fine for companies that do not meet the target. The current price of electricity is about $30 per unit. When the charge of $40 per unit is added, it makes a total of $70 per unit—that is, the charge of $40 per unit under this bill—and only some low technology renewables come in under that threshold. That might include woodchip burning of forests. If the charge is not increased, the bill will fail to meet even its stated target of promoting renewable energy industries because the current price of wind and solar power and photovoltaics exceeds the threshold, and there is no incentive to invest. The companies might simply say, ‘We’d sooner pay this penalty than invest in solar or wind power,’ and/or will go for the environmentally destructive alternatives, like burning forests as woodchips in furnaces to produce power. That will get them out of their obligation to produce renewable energy, because this legislation provides for it. I flag that amendment coming down the line. It is not on the run-
ning sheet but the bills are listed together on
the program for today and the committee
ought to take it into account. I presume it
will be dealt with after these amendments to
the bill before us at the moment, before we
go out of committee.

The TEMPORARY CHAIRMAN
(Senator Bartlett)—Just for your advice,
Senator Brown, the amendments you have
for that second bill will be dealt with after
we have finished with all the amendments to
the first bill. But it will all be done in this
session of the committee. The question is
that the amendment moved in the amended
form by Senator Bolkus be agreed to.

Amendment agreed to.

Senator BROWN (Tasmania) (6.10
p.m.)—I move:

(R12) Clause 161, page 94 (after line 23), at the
end of the clause, add:

(2) Draft regulations must be available for
public comment for a period of not less
than 30 days before the regulations are
made.

This is an important amendment because it
says that the regulations, which will be those
that define renewable energy sources, should
be made public 30 days before they are ef-
fective. Our aim there is to make sure that
the public does have time to look at them.

When I talk about ‘the public’, I am talking
in particular about the environmental tech-
nology sector in Australia—those making
solar cells, solar panels, solar hot water sys-
tems, wind power, et cetera—having good
time to look at the regulations and to feed
back to us information about them.

One of the things that is going to be in
those regulations is this Labor backed pro-
posal that the burning of woodchips out of
our native forests be classed as renewable
energy, when it patently is not. It at least will
allow the public to have a look at that. In
Tasmania at the moment there is a proposal
by Forestry Tasmania and the Bacon Labor
government to burn 300,000 tonnes of
woodchips per annum in what is called the
Southwood project in the Huon Valley, south
of Hobart, to produce 30 megawatts of
power to sell on to the mainland as renew-
able energy through Basslink. That is an out-
rageous deceit of the Australian public being
promulgated by the government and a quite
extraordinary move, supported by the Labor
Party Burn native forests which most Aus-
tralians want protected, put it through the
woodchipper, turn it into electricity, with the
wreckage of the forests on the hills behind,
and get a renewable energy certificate from
this government or from a Labor government
coming down the line.

There ought to at least be some public
consultation about these regulations when
they come out. The public ought to be able to
see what the government’s hidden agenda
is—the stuff that is not in this bill. We ought
to be able to see the detail that is coming in
the consequent regulations and to be well
informed before either the House of Repre-
sentatives or the Senate deals with it. This is
an important move to give the public input,
to make this legislation transparent and pub-
licly accountable. It is a democratic move,
and I recommend it to the chamber.

Senator BOLKUS (South Australia) (6.13
p.m.)—On the principle, particularly with
this government, that the devil is in the de-
tail, I indicate that we will support the inclu-
sion of a formal requirement for the regula-
tions to be made available for public com-
ment. We appreciate that the government
wants to introduce this measure and to have
it up and running by 1 January but we would
anticipate that much of the regulatory draft-
ing has been done already. An opportunity
for the public to have a chance to comment
on the regulations, we believe, is important.

Senator IAN CAMPBELL (Western
Australia—Parliamentary Secretary to the
Minister for Communications, Information
Technology and the Arts) (6.13 p.m.)—I am
slightly perplexed as to why this is necessary
when regulations are required to be tabled
for 15 sitting days.

Senator Bolkus—It’s too late to change
them then.

Senator IAN CAMPBELL—Then there
are 15 days allowed for them to be disal-
lowed. Anyone in the world, with the benefit
of the Internet, will be able to access the
regulations. It is in the government’s inter-
est, of course, to bring them forward and
have them tabled as soon as possible, for the very reasons that Senator Bolkus has put forward. But I see the coalition of votes is aligned against me so I will take my seat and roll with the punches.

Senator BROWN (Tasmania) (6.14 p.m.)—One reason that it is required is that the government, in matters forestry, has deceived the public before by bringing in regulations at the end of the sittings in December. When the regulations are brought in, they are immediately enforceable, and the parliament cannot do anything about disallowing those regulations until months later when it resumes sittings. I do not want to afford the government that ability to cheat on the public again, and that is why this amendment has come up saying, ‘Let’s see the regulations before they are brought in so that we can get public discussion and feedback.’ It will assist the government, because the government is going to get feedback and it will be able to readjust the regulations—if it has any empathy with public feeling in this matter. It seems to have shown very little, but if it does have any empathy it would be able to get that feedback and amend the regulations so that they sail through the place with no trouble.

Amendment agreed to.

Senator BOLKUS (South Australia) (6.15 p.m.)—I move opposition amendment No. 3:

(3) Page 94 (after line 23), at the end of the bill, add:

162 Review of operation of Act

(1) The Minister must cause an independent review of the operation of this Act, including consideration of:

(a) the extent to which the policy objectives of this Act have been achieved and the need for any alternative approach; and

(b) the mix of technologies that has resulted from the implementation of the provisions of this Act; and

(c) the level of penalties provided under this Act; and

(d) other environmental impacts that have resulted from the implementation of the provisions of this Act, including the extent to which non-plantation forestry waste has been utilised; and

(e) the possible introduction of a portfolio approach, a cap on the contribution of any one source and measures to recognise the relative greenhouse intensities of various technologies; and

(f) the level of the overall target and interim targets,
to be undertaken before the third anniversary of the commencement of this Act.

(2) A person who undertakes such a review must give the Minister a written report of the review.

(3) The Minister must cause a copy of the report of the review to be tabled in each House of the Parliament within 12 months after the third anniversary of the commencement of this Act.

(4) In this section:

independent review means a review undertaken by persons who:

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

(b) include one or more persons who are not employed by the Commonwealth or a Commonwealth authority and have not, since the commencement of the Act, provided services to the Commonwealth or a Commonwealth authority under or in connection with a contract.

There are three proposals for review of the legislation and the impact of it. Ours is one, and it is a bit different from the proposal by the Australian Democrats. As I have said all along in this debate, there is a degree of the government asking us to have faith in it in terms of the impact of these measures, and it is also driving a very fast agenda in terms of having this legislation up and running. As a consequence of this, we believe there is a need for a review, and I think you will find that all non-government parties support that concept. We believe that there should be a review into the impact of the legislation.

Our proposal for a review differs in two ways from the proposal put up by the Australian Democrats. Our review would be a little earlier than the one proposed by the
Democrats. They would have a review at the end of three years; we demand a review before the three-year period is up. In terms of who does the review, I do not think there is any difference in the framing of the provisions in that respect. We believe that having a review earlier rather than later is important, given the number of aspects of concern that have been expressed by speakers in this debate this afternoon.

The other aspect in which our proposal differs from that of the Democrats is that we put up-front a number of issues that we believe should be addressed in the review, whereas the Democrats are a bit more general in terms of what the review should cover. By putting these issues up-front, we do not exclude other issues. I point to sub-clause (1) of our amendment:

The Minister must cause an independent review of the operation of this Act, including consideration of: ...

‘Including’ implies, in any sense of statutory interpretation, that the matters to be reviewed are not limited to the ones listed, but they are matters that are included in the ambit of an independent review of the operation of the act. We believe some matters ought to be listed specifically: for instance, the extent to which policy objectives have been achieved is a fundamental issue. The mix of technologies that has resulted from the implementation of the provisions is also quite fundamental. The objective of the legislation, and whether it has actually reached an objective, needs to be tested in accordance with how the government policy achieves a mix of technologies and which technologies are involved.

The level of penalties is another area which has been of concern. We have passed an amendment to ensure CPI indexation, but there has been concern as to whether the level is adequate, and that should be a specific area of concern, together with other environmental impacts, including the extent to which non-plantation forestry waste has been utilised. This is another specific area which has been addressed by speakers today and yesterday.

The possible introduction of a portfolio approach was something that came up quite often during the Senate committee inquiry into this issue, and it is an alternative approach which a lot of people believe has merit. That is a specific area listed for review, together with the level of overall targets and interim targets. We insist that this review be undertaken before the third anniversary of the commencement of the act, so it is a bit sooner than the Democrats’ proposal but, given the complexity and range of issues involved, we think it should be sooner.

The Democrats and Labor agree that the copy of the report of the review should be tabled in each house of parliament within 12 months of the third anniversary of the commencement of the act. So, in essence, although the review might start earlier, the final report has to be tabled within 12 months of the third anniversary. That indicates that there is a capacity for interim reports, and we anticipate that they would also be tabled. I commend this review approach as the better of the two options. Although we list specific areas to be addressed, we do not list them in an exclusive way, and we anticipate that other areas can be addressed by the independent reviewer.

Our advice is that, as a matter of form, the last clause in any bill should be the regulation-making measure, and that appears as clause 161 in the bill before the parliament. Were this amendment to be passed, it would be a new clause 162, and I suggest that, in order to keep up with normal drafting, it be clarified by Senate staff that this would be the regulatory clause. They normally pick these sorts of things up in the process of cleaning up whatever we do in this place, and I draw their attention to that.
would withdraw our amendment. I now withdraw the amendment circulated in my name.

Senator BROWN (Tasmania) (6.22 p.m.)—This legislation is about Australia contributing to the reduction of greenhouse gas emissions, and that ought to be the measuring stick for a review as to how well that target has been achieved. That is not in the Labor amendment, but it is very central to the Greens’ alternative amendment. I am aware that if Labor’s amendment gets up the Greens’ will not. I wonder if Senator Bolkus on behalf of the Labor Party might entertain an addendum to the matters that the review would look at so that under section (1)(i) we added subclause (g) which would be that the review should look at the extent to which the act has (i) contributed to reducing greenhouse gas emissions and (ii) encouraged additional generation of electricity from renewable energy sources. That would overcome one of the concerns I have with Labor’s amendment: that is clause (a) of the Greens’ proposal which is at the very top of page 6 of the Greens’ amendments. It would mean that the review would get directly to the matter of measuring how much this bill has contributed to the reduction of greenhouse gas emissions. I think that is a really important measure to put in there.

We as a nation are going to be going to serial conferences—the next on global warming. Indeed, the next one is next month in The Hague in the Netherlands. We are going to be required to be measuring how we are performing for the rest of this century. I think in legislation like this, which is aimed at ameliorating the global warming effect, we should be getting used to measuring the efficacy of such legislation at the outset. I would ask whether Labor might take that addendum into its amendment.

Senator BOLKUS (South Australia) (6.24 p.m.)—I accept that proposal. If Senator Brown were to move it as a further amendment to ours, or however he is to do it, it is something that we can live with.

Senator BROWN (Tasmania) (6.24 p.m.)—I move as an amendment to proposed opposition amendment (3) on sheet 1887:

After (1)(f), add:

and (g) the extent to which the Act has:

(i) contributed to reducing greenhouse gas emissions; and

(ii) encouraged additional generation of electricity from renewable energy sources;

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.25 p.m.)—The reason that the government was going to support the amendment moved by the Democrats was that the government certainly regards it as not being sensible to be negotiating line by line, word by word, the fine detail of terms of reference potentially 3½ years out from the commencement of the act. Senator Allison’s amendment ensured that the review could cover all of these issues. Accordingly, I foreshadow that I will on behalf of the government move in the name of the government the amendment circulated in the name of Senator Allison.

Senator BROWN (Tasmania) (6.27 p.m.)—Senator Allison has withdrawn that amendment because she, like me, agrees that the Labor amendment is far preferable. The reason that the Labor amendment is preferable is that it states some specific goals for a review; it just does not leave it to the minister. If the current Minister for the Environment and Heritage, Senator Hill, were in charge of a review you could not expect an environmental outcome that was reasonable. You could expect more of the same, which has led him as minister for the environment to be classifying under this legislation the burning of Australia’s wild forests and wildlife habitat in furnaces to produce electricity as green energy, as ecologically sustainable, as renewable energy. That is an outrage to environmental philosophy and science and just being straight. It is proper for the Senate to move for an amendment which at least has some guidelines as to what the parliament requires in such a review, not to just leave it to the minister of the day. I think Senator Allison is being very responsible, and I hope that the opposition amendment gets up because it is preferable to what the government is now proposing.
The TEMPORARY CHAIRMAN (Senator Bartlett)—The question before the chamber is that the amendment moved by Senator Brown to Senator Bolkus’s proposed amendment (3) on sheet 1887 be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question now is that Senator Bolkus’s amendment, as amended, be agreed to.

Question resolved in the affirmative.

Amendment (by Senator Ian Campbell) not agreed to:

Page 94 (after line 23), at the end of the bill, add:

162 Review of operation of Act

1. The Minister must cause an independent review of the operation of this Act to be undertaken as soon as possible after the third anniversary of the commencement of this Act.

2. A person who undertakes such a review must give the Minister a written report of the review.

3. The Minister must cause a copy of the report of the review to be tabled in each House of the Parliament within 12 months after the third anniversary of the commencement of this Act.

4. In this section:
   independent review means a review undertaken by persons who:
   (a) in the Minister’s opinion possesses appropriate qualifications to undertake the review; and
   (b) include one or more persons who are not employed by the Commonwealth or a Commonwealth authority and have not, since the commencement of the Act, provided services to the Commonwealth or a Commonwealth authority under or in connection with a contract.

   Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.29 p.m.)—I would like to ensure that it be recorded that the Democrats voted against that amendment.

   Senator BOLKUS (South Australia) (6.30 p.m.)—As the committee will be aware, I raised a few issues just before lunch concerning fixed term non-reviewable contracts and the impact they may be having on the general consumer market and taxpayers, particularly in four states—Victoria, New South Wales, Tasmania and Queensland.

   Senator Brown—Mr Temporary Chairman, I just want to make Senator Bolkus aware that there are two further amendments coming to that consequent bill that he may wish to have considered. I am easy with whatever way it goes.

   The TEMPORARY CHAIRMAN—We will be putting the question that the initial bill be agreed to and then we will move on to the amendments that are before us.

   Senator BOLKUS—It is the time for me to be saying what I am saying because what I am going to seek to do is to defer consideration of the bill to Monday to give the government and particularly the New South Wales government, but other state governments that may be in the same situation, a chance to discuss the issues over the next couple of days. We understand the urgency of the legislation. We do not want to frustrate it. That is why we have taken the attitude that we have taken so far in the debate. But the government has had notice of this problem for a good 2½ months now—10 weeks of notice. There was correspondence between lawyers on or about 25 or 27 July and the issue has not progressed, even though it does involve many taxpayers who may—and I stress the word ‘may’—be affected by this to the extent of some $220 million over the next 10 years. I think that was the estimated figure I gave earlier.

   It is important for the governments to have a chance to talk this through and to see whether they can come up with some way through this impasse. The fact that the bill will be before the chamber again on Monday puts the focus, in a greater sense, on the Commonwealth and state governments to see whether they can come up with some solution. As I say, we do not want to frustrate the legislation. It has always been our intention to have it operating on 1 January. I do not think that a delay of a couple of days would frustrate it in that sense.
The TEMPORARY CHAIRMAN—Senator Bolkus, can I clarify whether you are talking about the single bill or both bills?

Senator BOLKUS—I think we would be talking about both bills, Mr Temporary Chairman. It does relate to our consideration of this bill. We can go ahead and pass the other one, but it might be cleaner to defer consideration of this bill. We can go ahead and consider Senator Brown’s amendments to the next bill. I think that, after considering those amendments, we should defer consideration of that bill to Monday.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.33 p.m.)—The government is opposed to that. We do not think that the issues that are being raised by Senator Bolkus or by the portions of industry that he has sought to represent can be resolved in the next day or so, or over the weekend. I do not think any senator should be under the illusion that this would not involve some delay in the progress of the bill. If there are resolutions to be found to the issues that have been raised by Senator Bolkus and by the industry participants who have raised them with the government, they can be progressed over coming days. Certainly, the amendments made by the Senate will have to be considered by the House of Representatives. I think that the passage of the legislation and the resolution of those issues can proceed in parallel as the bill moves into the House of Representatives for consideration there.

Effectively, the Senate would be saying, ‘We are not going to pass these bills. We are going to hold up the passage of these bills until you resolve the issue with this section of industry.’ That is not a sensible way to proceed. We have said that we are prepared to keep talking to industry. Senator Bolkus has been briefed and has had a meeting with officers from the department and from Senator Hill’s office, I understand, since this morning. Clearly, that has not cleared up the issues from his point of view. He is not convinced that an amendment that he could move to this would solve the problem. So I think he would understand that there is no simple, easy explanation that the Macquarie Generation proposal is not a clear, simple solution that would fix the problem. I have to say that the minister himself will be on the other side of the globe in the interim, so I cannot see that delaying this matter in the Senate until Monday will achieve what Senator Bolkus, the industry or the parliament would want. Without any doubt, it would delay potentially for more than a few weeks the passage of this legislation.

I cannot predict for how long that sort of delay may send us further down the parliamentary sitting weeks. We are sitting next week and then we have a fortnight’s break. The bill has to go back to the House of Representatives and must be considered there before coming back to the Senate. The Senate, after spending nearly a fortnight of its previous sittings discussing defence legislation amendments and entering this period of sittings with a workable agenda of legislation, has moved to a situation now where we have spent two weeks considering one piece of legislation. It has been a very long debate on one piece of legislation. We now have, as is not unusual in the Senate, a significant logjam of legislation once again with only a few weeks to go before Christmas. Therefore, I think it is highly undesirable that the bill be further delayed. I think that any issues that remain outstanding can be discussed in normal processes without effectively holding the threat of the legislation over the head of the government—trying to force some sort of midnight agreement with the threat that the Senate will not pass the legislation.

Senator BROWN (Tasmania) (6.36 p.m.)—This is an important matter. I do not know what the government representative is inferring by saying that it could potentially lead to weeks of delay. Senator Bolkus has asked the government to get more information—

Senator Ian Campbell—And for a solution to be found.

Senator BROWN—And for a solution to be found to what the government itself says is apparently an intractable problem. I wonder whether I could ask the government, through you, Mr Temporary Chairman, if it has sought legal advice on this matter and if
it is aware of how this particular situation will impact on Tasmania and the bulk power-consuming industries which take two-thirds of the power produced in Tasmania, as against the retail and domestic sector where all the jobs are, which takes one-third and which may take the whole burden of renewable energy costs? Could the government tell the chamber what the outcome will be as far as Tasmania is concerned, and whether there has been legal advice on the matter?

The TEMPORARY CHAIRMAN (Senator Bartlett)—Senator Brown.

Senator BROWN (Tasmania) (6.38 p.m.)—Well, that answers that. I support a delay until Monday so that the government is able to actually utter a syllable in response to an important question like that, and perhaps make itself more informed at the same time.

The TEMPORARY CHAIRMAN—The question currently before the chamber is that the bill, as amended, be agreed to. Senator Bolkus suggests that further consideration of the bill be deferred until a later date. I suggest that, before we put that question—and if there is no objection—we move that consideration of the Renewable Energy (Electricity) Bill 2000 be postponed until after consideration of amendments circulated with the Renewable Energy (Electricity) (Charge) Bill 2000.

Senator Ian Campbell—Is there a change in the legislative program?

The TEMPORARY CHAIRMAN—It would be a motion that someone would need to move so that we could deal with the amendments circulated.

Senator Ian Campbell—I am not changing the program until I have had discussions with the whips and the leaders.

The TEMPORARY CHAIRMAN—It is simply to enable us to deal with the other bill that is also before us.

Motion (by Senator Bolkus) agreed to:


RENEWABLE ENERGY (ELECTRICITY) (CHARGE) BILL 2000

The bill.

Senator BROWN (Tasmania) (6.40 p.m.)—I move the following request for an amendment:

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

(1) Clause 6, page 2 (line 16), omit “$40”, substitute “$1,000”.

This is a Greens amendment to fine companies which fail to do their duty under this legislation in terms of producing renewable energy. There is a huge resistance to this out there because it is profitable for companies in the short term to continue to produce polluting energy and to allow global warming to be somebody else’s problem and to shelve it off onto somebody else. Because the current penalty would be $40 a unit, it will even be attractive to some companies to pay that, to thumb their nose at their requirement to produce green energy, and to leave it at that. This amendment would mean that it is $1,000 per unit if the energy producer fails to perform. That will certainly make them perform. This is putting some teeth into the legislation. I have repeatedly said that this government has not legislated with teeth to make those who would pollute and who do not want to be responsible in terms of providing clean, renewable power to the community to do so, or be penalised if they do not. This request fulfils that requirement. I recommend it to the committee.

Senator ALLISON (Victoria) (6.42 p.m.)—I just want to indicate that the Democrats will support this request. I do not expect this request or our own request to get up in this respect. It should not make any difference whether the penalty is $100 or $1,000 or $3,000. The aim with this bill is that nobody is paying the penalty, that in fact everybody is complying with the bill. I will leave my arguments for my request, but I indicate that the Democrats will support this.

Senator BOLKUS (South Australia) (6.43 p.m.)—The opposition does not support the request of Senator Brown. There is some concern, it has to be stated, as to whether the penalty is sufficient to ensure the outcomes the government is seeking and to ensure the mix of technologies that a new economy would desire and need. The evidence before the Senate committee, I suppose, was con-
licting on that particular point, but it has to be stated that there is concern as to whether the government will achieve what it wants to achieve with this particular level of penalty. We have indicated that we would support the legislation for now, subject to that quick review, which I am sure we will have a chance to do when we are returned to government in just over a year’s time.

Request not agreed to.

Senator ALLISON (Victoria) (6.43 p.m.)—I move the following request for an amendment:

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

(1) Clause 6, page 2 (line 16), omit “$40”, substitute “$60”.

The Democrats request would increase the penalty from $40 to $60 a megawatt hour. We think this is a sensible approach. We note that the Greenhouse Office’s original recommendation was a $100 penalty. We think $60 would in fact do what we want to achieve with this legislation: that is, bring on board some of the more expensive renewable energy sources. As I said earlier, it probably does not matter what the level of the penalty is, as long as the penalty is meaningful and is enough of a penalty to be a disincentive for avoiding compliance with the legislation. In our view, $100 would make it clear that this is not a penalty which can be passed off as a charge and can be avoided if it turns out to be desirable for whatever reason.

The explanatory memorandum of the bill lists potential generation costs for renewables as: bagasse $60 a megawatt hour; landfill and sewage gas $72 to $74 a megawatt hour; hydro $70 to $80 a megawatt hour; wood waste $90; wind $100; and solar photovoltaics $475. So the rate which has been struck by the government at $40, when you compare it with the cost of renewables, has to have added to it the cost of generating the electricity, which is somewhere between $30 and $35 a megawatt hour. When you add that to the $40 you get to $75 or thereabouts. You can see that wind, at $100 a megawatt hour, would not be able to compete with that, except of course on the windier sites. Part of the problem with wind energy is the arrangements set up in other parts of the world like the UK, where the competitive approach—I am not saying we are going down this path; we have a tradeable certificate approach—has meant that only those projects which had the best returns received the grants. That meant that wind farms were put in the windiest sites, but also the most contentious sites in terms of the environment. For that reason, there was a substantial network of opinion and groups opposing the establishment of wind farms.

That is not what we want. We want to see a penalty set. Remember that the penalty will effectively set the renewable certificate charges. We want those to be such that it is not just the windiest sites which will be viable. It should be possible for a township to put up a couple of wind turbines. Under this measure it should be viable for them to do that. We think that pushing that penalty up to $60 will make that clear. It will not be onerous in that retailers and wholesalers find that they are not able to purchase certificates, for instance. They may be forced into a position where they will have to pay the penalty, at least for the first year. It just pushes the $40 up to a point where it is not over the top but it is also working as a strong disincentive.

Stanwell Corporation told the inquiry:

The sort of research we are getting from the retail market at this stage seems to indicate—and we obviously interact with all retailers throughout the national electricity market—that with a $40 price there does not seem to be some willingness of parties to prefer to pay the penalty than actually go out and absorb marginal technologies. That is at chief trader level. Based on the purer economics the charge is looking pretty good at this stage. That to me indicates that the policy has not quite got it right yet.

That was echoed by the Australian and New Zealand Solar Energy Society. They said:

The fact that the industry argued so hard for such a low penalty makes you think they have no intention of complying whatsoever.

The Electricity Supply Association told the inquiry that, even at $80, the penalty:

... would not bring in the very expensive technologies such as photovoltaics. Unless you portfolio this measure you will never bring in photovoltaics.

We think a higher penalty will do justice to those renewables that in the course of gen-
eration emit close to zero greenhouse gases. For that reason I commend this amendment.

Senator MURPHY (Tasmania) (6.49 p.m.)—I have a question. I would like the parliamentary secretary to refresh my memory with regard to the government’s position on what it intends to do if it is proven that the penalty is too low. Does the government intend to adjust it after a period of time? What is the government’s intention in that respect?

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.49 p.m.)—I think it would be entirely hypothetical to ask such a question. We have made it quite clear that we are happy to review the act. If you want the regime to work you have to provide industry with certainty. If you say to the industry: ‘We will review the cap every week or every year’, then you are not going to have that certainty and the certificates will not be tradeable. I believe that this is a greenfields area of policy. It needs to be implemented in the best possible way. Australia will lead the world. Clearly you have to analyse all the various aspects of it.

Progress reported.

DOCUMENTS
Consideration

The following government documents were considered:


Snowy Mountains Hydro-electric Authority—Statement of corporate intent 2000-01. Motion to take note of document moved by Senator Murphy. Debate adjourned till Thursday at general business, Senator Murphy in continuation.

ADJOURNMENT

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

That the Senate do now adjourn.

Renewable Energy

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.51 p.m.)—I think there are a number of issues that need to be raised in this debate on this important question, before those of us who are planning on it go out to dinner somewhere amongst Canberra’s finest establishments. But before I raise that, having dealt for most of the last two days with renewable energy and knowing particularly Senator Lyn Allison’s close interest in electromagnetic emissions, one important issue when we are entering a time when we seek to encourage wind power generation and solar generation, particularly with the discussion which Senator Allison raised in relation to encouraging wind power and ensuring that you do it in a way that you do not just have wind power for wind power’s sake, ensuring that you have wind power generation taking place not only where it can be generated efficiently and economically but generated in a way that the transmission of the electric power takes place again in an environmentally and economically efficient manner, it is important that the environmental impacts of wind power are again not underestimated. I think even Senator Brown and Senator Allison, who would like to put themselves forward as leading promoters of wind power as a solution to Australia’s renewable energy problems, would also agree that there are environmental negatives to wind power. Wind power generators do of course take up a large amount of space. But Senator Lyn Allison in particular should, while she is promoting wind power, ensure that she informs herself fully of the electromagnetic emissions issues that are related to wind power generation. I am not sure that they are significant. I am not informed on them. But when we are looking at wind power as a form of generation vis-a-vis biomass, tidal power or other renewables,
we should also look at the environmental
negatives of some of these issues as well. I
encourage her to do so. As my colleague
Senator Payne has arrived in the chamber, I
will now sit down.

Information Technology Access

Senator PAYNE (New South Wales) (6.54
p.m.)—I must say thank you to Senator
Campbell.

Senator Murphy—Madam President, I
raise a point of order. My point of order is
that there is a speakers list and Senator
Campbell was not on the speakers list. He
rose in his place and has taken up some time
of his colleague Senator Payne. My col-
league Senator McLucas is on the list and I
would suggest that it has been practice in this
place that she get the call next.

Senator Ian Campbell—On the point
of order, I rose to my feet to ensure that all
senators with their names on the list could
speak. Had I not risen to my feet and spoken
at short notice, we would all be heading to-
wards the door now. I did so to ensure that
Senator McLucas, Senator Payne and others
could speak. I do think it is practice that you
follow the speakers list. Senator Payne has
already been called and I would envisage
that Senator Payne would ensure that all
those on the list can speak. If all senators had
the constructive attitude that I showed by
ensuring the Senate did not adjourn, then all
senators would be able to speak. If you want
to follow protocol, Mr Acting Deputy Presi-
dent, you will ensure that Senator Payne,
who has already been called, is allowed to
speak.

The ACTING DEPUTY PRESI-
DENT—Acting on the Clerk’s advice and
the discretion of the chair, and having called
the person whom I saw standing, despite the
good points put forward by both people on
that point of order, I call on Senator Payne to
continue.

Senator PAYNE—Thank you, Mr Acting
Deputy President, and I thank my colleagues.
I want to speak this evening, and I do under-
stand that, with the processes of the chamber
this afternoon we may have some time chal-
lenges, and I will try to be as quick as possi-
ble. I want to address some questions relat-
ing to what is termed the ‘digital divide’. I
have spoken before in the chamber on this
matter. It is an issue which is often raised
with me by constituents when discussing
information technology. At the outset I
should reiterate what I am talking about. I
am talking about the challenge of addressing
the gap between those who have the access,
knowledge and equipment to utilise new in-
formation based technologies and those who
do not.

In identifying Australian circumstances in
this regard, I was interested to read today
about a new report which looked into Inter-
net take-up rates, entitled Sociodemographic
barriers to telecommunications use. I under-
stand it was commissioned by Telstra and
developed by the Communications Law
Centre at the University of New South
Wales, an august higher education establish-
ment in my state, ACOSS and the National
Centre for Social and Economic Modelling
at the University of Canberra. They found
that the most significant factors in relation to
take-up specifically pertain to income and
education. After taking into consideration
income, education, age, the number of chil-
dren at home, the effect of geography in
terms of producing a digital divide is appar-
tently less than we might otherwise have
thought. The report found a disparity in con-
nection levels between metropolitan and
non-metropolitan areas, but it is a disparity
viewed more broadly as a result of education
and income rather than location. Obviously
geographic issues are significant, given the
necessity of appropriate infrastructure and
equipment which allows access, but other
issues are equally as important. This is a
complex problem which needs a sophisti-
cated response. As Don Tapscott, the then
chairman of the Alliance for Converging
Technologies, said:

Putting 5 or 10 networked computers in the li-
brary of a school with 1200 students is good, but
each child ends up using the computer less than
15 minutes per week

That quote speaks for itself.

We need to look at the issue from both the
demographic and the geographic perspec-
tives. There are two levels within that
again—involvement and achievement.
has been a lot of interest in recent days about the level of spending in Australia on research and development and about how much we can achieve in relation to technology. Much of the concern centres on how to ensure Australia makes the most of new technologies in terms of the benefit to our economy and in terms of international competitiveness. We also need to consider the more basic issue of allowing average Australians everyday access to new technologies as well. For many people it is not even about Australia becoming a knowledge nation or a knowledge based economy, although that is clearly important, but it is about how families and individuals can use technology on a day-to-day basis. As the Communications Law Centre acknowledged:

… a broader and more complex social policy agenda is going to be necessary if Australia is to seriously address the root causes of its digital divide.

I want to look at a couple of means by which Australia might address that challenge, focusing on the demographic side. Looking at the demographic divide, some of the key constituencies which should be considered include people with disabilities, women in certain quarters of the community, people with little or no education, people from a non-English speaking background, older people who are trying to re-enter our workforce and those from lower socioeconomic groups.

My view is that addressing these issues is not just a role for government, at any level, to undertake. There are roles to be played by government and also by business and by the community generally. Obviously, for government one of the key roles will be in education. I have said before that a new computer with a high-speed modem and all the latest software is absolutely useless unless the person who happens to be sitting in front of it knows how to turn it on and, even more importantly, can use it to their advantage.

I have spoken before about the Return Program, which is run by NOIE and which I think has concluded its pilot. Programs like this are ones which could effectively be expanded and made available to a broader range of people. We also need to make sure that people who cannot afford to purchase information technology equipment can still access it, whether to simply learn how to use a computer or to learn more complex and sophisticated uses. One way of overcoming that challenge is to make computers more readily available in public spaces. You can use computers in libraries and in schools, but their placement there assumes that the people you most want to have access to these sorts of facilities are the sort of people who frequent town libraries—not always the case.

For example, I have mentioned before the small town of Young in south-western NSW. When I was there, I talked to groups of young students who have not got personal computers at home. When they want to access a personal computer at school, they have to tell the librarian why and on what subject. It may be that they want to access information from the Internet for perhaps support or counselling purposes; they do not always want to tell their librarian. If they go to the local library, they may have to book a week in advance. That is in extraordinary contrast to kids that you will occasionally meet in some other schools around Australia. When you ask them to put up their hands if they have access to a personal computer at home, some people try to put up two hands because they have so much technology available. These are the sorts of imbalances that we need to look at and to look at very seriously.

There is a very interesting program in the United States called PowerUp, which brings together nonprofit groups, business and government. They have plans to establish 250 technology sites with the United States Department of Housing and Urban Development and to put those sites in public housing developments. They use mentoring through the AmeriCorp volunteer program. So in Australia perhaps one of the answers is to develop similar sites in the towns and suburbs which most need them. We could even make use of the extraordinary sense of volunteerism which is prevalent in the city formerly known as the Olympic city, and now again known as Sydney, and in the rest of Australia. This is a program that emphasises a really important point—that we should en-
engage major businesses and corporations in these efforts, and we can do that in Australia as well.

The key message, then, is that overcoming the digital divide is a task to be approached by both the private and the public sectors in tandem. This would include large corporations, international corporations, like Microsoft. Microsoft, for example, has run a program called the European Scholar Program, which operates across Europe. They train unemployed people at little or no cost so that they can secure a job in the IT industry. Since about 1994, they have trained 10,000 people across Europe through corporate contribution.

The program Learning Village, which is a joint venture between IBM and the Singaporean Ministry of Education, is about creating an Internet site which promotes communication and collaboration for an entire school. You engage parents, teachers and students in the whole process. So, for government in Australia, it is very important that we engage major corporations in this process. There are circumstances where these initiatives could be applied very effectively here.

The US web site DigitalDividenet-work.org brings together information from companies right across the IT sector in relation to both public sector and private sector efforts to bridge that divide. The primary financial backer in all of that is AOL. So we can avoid reinventing the wheel; we can promote cooperation. This web site enables browsers to search for local information and to access information on grants, funding and a range of other matters. If a similar site operated here, programs like the Return Program could be replicated and built upon because the information would be so easily accessible. In particular, I was interested to hear what Bill Gates had to say in relation to all of this. He said:

I believe in bringing the discipline of business to the art of giving. In practical terms, doing as much good as possible with every dollar means finding special opportunities and partnering with groups already doing excellent work.

His private organisation, the Gates Learning Foundation, is involved with 1,300 libraries across the States to allow them to develop access points to the Internet and to other electronic information. We are ideally placed to pursue this approach as well. Under this government, we have the existing structure established through the Community Business Partnerships Program, which the Prime Minister established and which can help in addressing that whole divide. This is a program which acknowledges that there are some things government do well and there are some things that business do well. If you can bring those together, then you produce some very effective results. If we can engage that approach in relation to the digital divide, we will end up with a much more realistic chance of solving what is a very complex problem.

The Prime Minister said earlier this year: My mantra is not that business should give more, but rather that more businesses should give. And the examples of many great corporate citizens in Australia over the years is something that many should follow.

There is absolutely no reason why that mantra cannot be applied to addressing the challenges relating to the information technology divide. What we now have to do with our greatest effort is to promote that engagement and to coordinate appropriate efforts that involve both businesses and government. In further comments, I would like to pursue the opportunities that exist through something like Community Business Partnerships to do that. The money provided in the last year to promote best practice partnerships between community organisations and the business sector was over $1.5 million. I expect that that would be a very effective step in addressing this issue.

Queensland: Johnstone Shire

Senator McLUCAS (Queensland) (7.05 p.m.)—On Tuesday, 19 September, I was very fortunate to be invited by Ruth Lipscombe, a constituent of mine in the town of Innisfail, to visit her town and the community of Innisfail to talk with them about the issues that they are facing. Innisfail is the major centre of the Johnstone Shire, which has a population of 20,000 people. Innisfail is a town of only 8,000 people. It is predominantly an agricultural community, with
the base of its industry in sugar and bananas. As people would know, it has suffered a considerable downturn in the last few years because of the troubles and difficulties that we have had in the north in the sugar industry. This has been attributed to not only the lower price for sugar but also the extraordinary wet weather that we have had in the north in the last two years.

The population growth in the Johnstone Shire area is running at 0.6 per cent according to 1998-99 figures. This is lower than the figure for the region, which is running at 1.7 per cent, and is naturally lower than the figure for the state. The indigenous population comprises eight per cent of the Johnstone Shire, and the shire also has a very strong migrant community with, in particular, a large group of Hmong people, who have moved to the area because of its similarity with their home country.

I had a very pleasant day talking with people. Often in these communities people will get very distressed, concerned and depressed about their potential future, but the people of the Johnstone Shire that I met with were very positive about how they could turn around the economic situation of their community. Ruth arranged for me first of all to meet with Mr Steve Appo and his son Gerald. Steve and Gerald are Aboriginal people who have worked in the Johnstone Shire with other Aboriginal people for many years. They have been very successful in working with the state government in Queensland to arrange a training scheme that they operated some years ago. Essentially, they worked with people who were prisoners and over a two-year period trained them to enter the workforce. In many respects it was a very successful operation. They are looking now to extend their work to an area west of Mareeba where at the Barbarum Outstation they would like to progress the methodology of training that they had undertaken in the Johnstone Shire.

Subsequent to that, I have got to say it was one of the most pleasant methods of consultation I have ever experienced. Ruth had invited a number of people to meet at her house at Coquette Point. If I can describe it, it is one of the most idyllic places in Far North Queensland, on a ridge overlooking a pretty bay with the Great Barrier Reef out in front of you, and we had a lovely luncheon. So I would like to place on record my thanks to Ruth for arranging that. But it was not all play, and I met with a number of people. First of all, I met with the curator of the Australian Sugar Museum, Mr John Waldron, who is turning around a museum which went through quite a period of stagnation. The museum is funded through the Queensland Sugar Corporation, and recently they renegotiated their arrangement with the museum and advised them that they would have to terminate the funding of the museum at the end of July 2001. Instead of being depressed and despondent, the people of Johnstone Shire took this as an opportunity to turn it around, and they have done a lot of work at the museum to ensure that it will be a viable operating entity at that time. They have been successful in receiving Centenary of Federation funding to stage an exhibition which they have called ‘Refined White’, which is an exhibition of the role of South Sea Islander people in the sugar industry in North Queensland. It will be launched next year in Mackay and it will tour in Queensland, and hopefully further afield.

I also met with Wendy Zerner, who works with the Innisfail Community Support Centre. The Innisfail Shire, being quite a small area, does not warrant the establishment of a women’s shelter, and domestic violence, though not any different in the Johnstone Shire to levels that are experienced in the rest of the nation, nevertheless is an issue that has to be dealt with seriously and proactively. They have developed a very innovative program and are working with men. They have had some significant success.

I also met with Alan Elder, who is an advocate of putting in a new bridge across the South Johnstone River. It is a small river but one which, when it floods, does so in a big way, and the community of South Johnstone is often cut off from the rest of the community. He has been working very positively with the people south of the river and with the shire council and the state government to solve the problem of their bridge.
The two issues that most of the people at the luncheon wished to talk to me about were, first of all, the sugar restructure package. People in the South Johnstone Shire are very concerned about the way that the government has brought in the full sugar restructure package. They are concerned about access to that package because of the obstacles that have been put in place by the structure of the package. More importantly, real concerns have been expressed about the way that the restructure is meant to occur. They are concerned that the government has said to the industry that, now we have got this package in place, we have two years to look at how we ensure that we do not end up in this situation again. We do not need two years. We know the information about the industry. We need a sharp response to solving the issues in the industry. Further, the government has asked the organisation Canegrowers to provide their options on how we should restructure the industry. This means that other organisations, including grower organisations, the milling sector, the union movement, the contract harvesters and the contract planters will not necessarily be involved in that process. I believe that it should have been a consultation process that was run by government, not handed over to one of the industry sectors, and certainly that view was supported by many I met with in the Johnstone Shire.

The issue of the use of ethanol in fuel was also raised very strongly with me by the Johnstone Shire Council. This is a proactive approach. Rather than sitting back and watching especially the South Johnstone sugar mill simply fall over, they have suggested that what we need to do is start looking for other uses for sugar. We have had the member for Kennedy, Mr Bob Katter, running around telling everybody that the way to solve the problem in the sugar industry is to mandate 15 per cent of fuel to be filled by the use of ethanol. Unfortunately, I do not think Mr Katter has done his sums, because if we did mandate 15 per cent use of fuel we actually would not export any sugar anymore, and I do not know that that is what we as a nation are looking for. But certainly the Johnstone Shire Council are looking for some opportunities for using ethanol in fuel, and they are looking at negotiations with major fuel users in Far North Queensland to see whether or not it is feasible for them to pursue ethanol production in their area. I support their request for assistance to undertake a full feasibility study so that we will know the answers as to whether or not ethanol in fuel is a viable proposal.

Finally, I met with people from the Wet Tropics Management Authority tree planting program. I met with Marianne Helling, who is their technical supervisor at the community revegetation unit. They run a pretty amazing operation, funded through a number of sources, and this is part of their problem. They get some money through Green Corps, some through Work for the Dole and some through the tree planting scheme. The issue she raised with me, which I think is very valid, is the difficulty of patching together those blocks of funding so that they are continually staffed at the nursery. That is a real problem and one we need to address. I would like to give my thanks to Ruth Lipscombe for arranging such a wonderful day for me. It was very beneficial. Certainly, I will take the opportunity of passing this information to our shadow ministry.

**Olympic Games: Attendance**

**Personal Explanation: Senator Mackay**

*Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (7.15 p.m.)*—If hypocrisy were an Olympic sport, there is no doubt that the Labor Party would be wearing a swag of gold medals. Right through the Olympics, we had Mr Beazley trying to play Mr Nice Guy, trying to distance himself from Labor’s attacks on the Prime Minister for doing his job and showing up to support Australia’s athletes at the games. On 25 September, Mr Beazley said: I don’t criticise the Prime Minister for being at them.

On 28 September, he said: Not that I begrudge it at all . . . He has made his decision, that is fine.

Later, he said it was: His business . . . I wouldn’t begrudge anyone enjoyment at the Olympics, whatever way in which they want to enjoy it.
So what happened today? Earlier today, Mr Beazley sent Senator O’Brien into this chamber to give what can only be described as a mean-spirited diatribe against the Prime Minister. Obviously, Mr Beazley lacks the ticker to do his own dirty work. Ultimately, Senator O’Brien’s amateurish attempt at a hatchet job only reflects badly on Mr Beazley and his continued lack of leadership.

Every media outlet in Australia and every member of the public knows that Mr Beazley made himself look foolish and irrelevant during the Olympics. ‘Windsock politics’ was the way it was described in one newspaper. It said:

Mr Beazley floundered about waiting to see which way he thought the wind of public opinion was blowing, but he sadly misjudged the Australian people.

Mr Beazley’s performance was best summed up by a Labor MP who was quoted as saying:

We look like boring, out of touch losers.

It is not the first time Mr Beazley has been caught out playing fast and loose with the truth over the Olympics. On 25 September he said:

I had free tickets to all the events . . . You’ll recollect . . . about six months ago there was an awful fight over whether or not the public had sufficient tickets to the Olympics. At that point, I decided that the most . . . appropriate thing to do was to hand mine in.

The more appropriate thing for him to do would have been to tell the truth. He went on to say:

I just took the view that . . . the most appropriate thing for me to do . . . was to make them available to the general public.

Well, what a statesman! What a great guy! Until of course you find out the truth. At a doorstep, he repeated this amazing deception saying:

I took the view six months ago . . . that I should hand back my free tickets, and so I did.

He said he was doing this, of course, for the benefit of ordinary Australians. He repeated the line later that same day, but a spokesman for SOGOC said:

Mr Beazley’s gesture had not resulted in a single extra ticket being made available to the public.

As the *West Australian* said:

Mr Beazley would have been sitting in an area reserved for official guests. His absence did not add to the number of tickets available publicly.

Mr Beazley must have known this because the *West Australian* sought a response from his spokesman who conceded the fraud by saying it was ‘only ever intended as a gesture’. But that did not stop Mr Beazley’s deception, because two days after being caught out he told Howard Satler:

So I gave up my tickets at that point of time and said I would attend the Olympics and watch the Olympics like the average Aussie.

But my colleague Senator Helen Coonan was listening and tipped off Satler to the Beazley con. Satler asked:

Did you actually receive the tickets and give them back?

Beazley said:

Well, I told them not to send them to me.

But he already knew he was not getting tickets. He was getting a free VIP accreditation pass to all venues, the very same one he used for the opening and closing ceremonies. It really has been a shabby performance throughout by Mr Beazley and the Labor Party.

As for the Prime Minister’s role at the Olympics, it has received wide acclaim from both the media and our great Australian athletes. As rower Dan Burke said:

He was at almost every final and everyone in Australia appreciated that.

And archer Matt Gray said:

Howard was a legend. He embraced the whole Australian culture. He got with it.

In the time remaining, I seek to make some remarks in relation to another Tasmanian Labor Senate colleague, Senator Mackay. Earlier today, she got up in this chamber to make a personal explanation. The personal explanation was amazing in what it did not tell the Senate as opposed to what she did tell the Senate. Senator Mackay was referring to an incident on 7 September when my office received a phone call seeking information about rural transaction centres in Tasmania. For the record, when asked who was calling, the person said that she was either a con-
cerned constituent or a concerned citizen. It was a young female voice that was identified by my staff. The call identification number came up and indicated to my staff that in fact it was from the central Hobart district. Therefore, my staff put two and two together and thought, ‘That’s strange. Why would a young female in the middle of Hobart be inquiring as somebody genuinely concerned about rural transaction centres?’ Nevertheless, the information was provided. At the end of the conversation the caller was asked, ‘Who are we actually talking to?’ Very reluctantly and nervously, the name Christine Brown was given.

My staff member made a wrong assumption: he thought it must have been Duncan Kerr’s office—

**The PRESIDENT**—Mr Kerr.

**Senator ABETZ**—Sorry, he thought it must have been Mr Duncan Kerr’s office and looked up the telephone number in the phone book to see if it matched the caller identification number that had flashed up. He was wrong, so he made another guess. The second time he was right: it was Senator Mackay’s office. He then rang Senator Mackay’s office and asked to speak to Christine Brown. She immediately identified herself as being Christine Brown. My staff member suggested that, if ever she wanted information, she should feel free to ring my office at any time but have the decency to identify herself from Senator Mackay’s office. Senator Mackay came into this place and said, ‘I asked a member of my staff to ring a government senator. In fact I suggested that. I said to ring Senator Abetz’s office; he is in the south.’ The interesting thing is that this phone call occurred on 7 September. Guess what? The Senate was sitting on the day of 7 September. The Hansard records Senator Mackay as being present in the Senate. It would be very interesting to ascertain whether or not Senator Mackay would have bothered to have simply rung Senator Ian Macdonald’s office for the information that she wanted. But of course she had to get a staff member to ring my office when she could have had the information in Canberra. Senator Mackay said:

My staff member said that there was no intention at all on her part or on my part to hide the fact that she came from my office.

Why on earth describe yourself as a concerned citizen and then reluctantly give the name at the end of the conversation? But even more astounding, Senator Mackay, through you, Madam President, is the further phone call my office got from somebody who identified herself as Lisa from your office, inquiring as to how we found that the call had emanated from Senator Mackay’s office. If they had identified themselves in their telephone call as being from Senator Mackay’s office, if there was nothing to hide about the fact that they were from Senator Mackay’s office, why were they so concerned all of a sudden that we had found out that it was from Senator Mackay’s office that that phone call had emanated?

Senator Mackay went on to say, ‘I think it is a sad day when senators’ offices cannot ring another senator’s office.’ I agree with that, but have the decency to identify yourself honestly and clearly as to who you are. Senator Mackay, in defending her staff member, is condoning this behaviour—the same sort of behaviour that Mr Simon Crean’s staff member displayed in ringing a talkback program and not identifying where he was from. It is the same sort of activity that former Labor member John White displayed in Tasmania by ringing up a talkback program and pretending that he was Bill Fraser. There is a pattern of behaviour in this, with the Labor Party offices trying to make calls and not identifying themselves. Senator Mackay should discipline her staff member and be assured that we will cooperate if members of her staff properly identify themselves. *(Time expired)*

**Gambling**

**Senator TIERNEY** (New South Wales) (7.25 p.m.)—I have spoken many times in this chamber on the issue of gambling and the effects of gambling, in particular focusing on the findings of the Productivity Commission’s report of last year. That report shows where gambling is headed in this country. It has never ceased to amaze me.
how some state governments have ignored the extent of gambling in this country. In its 1999 report, the Productivity Commission estimated that there are over 200,000 problem gamblers in this country. If you take into account the people that they affect—their loved ones, people in the workplace and other people they are associated with—this rises from 200,000 to one million people affected.

So it is quite disturbing to hear, since this Senate last met, of developments coming out of New South Wales that are going to further exacerbate the problems of gambling in this country. The state government has given the green light to increasing the amount that customers can cash with cheques at pubs and clubs. They have allowed this to go up from $200 to $400. This ridiculous and inexcusable move is just one more example of how addicted the New South Wales state government is to gambling revenue. How can the state government justify this increase when New South Wales has long been recognised as the gambling Mecca of Australia?

There are a number of issues related to this new development that should be explored. The first is this: why is a blatant attempt being made by the New South Wales government to pass the buck by claiming this is needed because of the lack of banking services in the bush? If the state government is so concerned about the lack of services in regional and rural areas which, for example, enable workers to cash their pay cheques, why don’t they set up a program whereby facilities can be installed in businesses that do not have poker machines? It would not be so hard for the state government to set up an arrangement similar to what the federal government is already doing with rural transaction centres. Surely an imaginative state government that was not really having, as its hidden agenda, the aim of getting more money out of people through poker machines under the pretext of needing extra cashing facilities in clubs could come up with some other arrangement like the federal government has. It is a good model to follow. Look at what is available in rural transaction centres—business banking, postal services, Medicare Easyclaim, phone and fax. These are services to the community. Unfortunately, the state government is looking to use patrons at pubs and clubs as cash cows by turning these clubs and pubs into de facto banks.

The Carr government in New South Wales has forgotten its social responsibilities to the people of the state. It is hiding under the banner that staff at licensed premises will be offered training to reduce the incidence of problem gambling—and therefore reduce the club and pub revenue, perhaps? Who are they kidding? Obviously, what clubs and pubs want to do is to maximise revenue. Do they really think that, by having more training of staff, this will reduce problem gambling? It is just a nonsense. The Reverend Tim Costello summed up the situation in an article in the Sydney Morning Herald, when he said:

This policy is a variation of Dracula in charge of a blood bank.

The second issue here is why, when New South Wales has more poker machines per head of population than anywhere else in the world, would the state government be encouraging patrons to have access to more cash than ever before? Look at the history of how this developed in Australia: poker machines came into New South Wales under the Cahill Labor government in 1955 on the pretext that there were some illegal machines at the back of some licensed premises. That is why it happened. Very sadly, all states, with the exception of Western Australia, which has wisely kept this social scourge out of their state, has followed the New South Wales example.

The situation was made considerably worse in 1995, again under a Labor government, this time of Bob Carr, when they extended poker machines from clubs into pubs. Again, it was led by the greedy New South Wales government. In four years the amount of gambling revenue has gone from $7 billion to $11 billion—a 50 per cent rise. The problem here is one of accessibility. This state Labor government, having extended poker machines to pubs, are now extending the cashing facilities in these areas. Why? Because people can then have more money to gamble. What is the advantage of that to
the state government? They get more reve-

nue in their coffers, and that is their motiva-

tion.

**Senate adjourned at 7.32 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- Department of Veterans’ Affairs—Data-
- Northern Territory Fisheries Joint Author-
- Snowy Mountains Hydro-electric Authority—Statement of corporate intent 2000-
  01.

The following documents were tabled by the Clerk:

- Australian Sports Drug Agency Act—
  Australian Sports Drug Agency Regu-
  lations—
  Australian Sports Drug Agency Drug
  Testing (Scheme A) Amendment Orders
  2000 (No. 3).
  Australian Sports Drug Agency Drug
  Testing (Scheme B) Orders 2000.
  Export Control Act—Export Control (Or-
  ders) Regulations—Explanatory Statement
  to Export Control (Fees) Amendment Or-
  ders 2000 (No. 2).
  Native Title Act—Recognition of Repre-
  sentative Aboriginal/Torres Strait Islander
  Body 2000 (No. 12).
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Education, Training and Youth Affairs Portfolio: Agency Boards
(Question No. 2211)

Senator O’Brien asked the Minister representing the Minister for Education, Training and Youth Affairs, 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 Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

(1) The Australian Research Council (ARC)
   (1) Yes
   (a) The Chair ARC is a full-time position and receives an annual salary and allowances, other ARC members are part-time and receive sitting fees and allowances.
   (b) For ARC members - salary, sitting fees and allowances are determined by the Remuneration Tribunal. For the Chairperson ARC salary is determined by the Remuneration Tribunal and allowances are determined by the Remuneration Tribunal and the Department of Education, Training and Youth Affairs (DETYA.)
   (2) Twice
   (a) Remuneration Tribunal Determination
   (b) Remuneration Tribunal
   (c) Determination No.18 of 1998 varied salary by $2,344. Determination No.5 of 1999 varied salary by $5,955.

(2) The Australian Universities Teaching Committee (AUTC)
   (1) and (2)
   The Chairperson receives the same benefits and allowances as other members of the Committee except for the sitting fee which amounts to an additional $75.00 per day (refer to the answer provided for Parliamentary Question No. 20 AS02153 – copies are available from the Senate Table Office.)

(3) The Anglo-Australian Telescope Board (AATB)
   (a) No.
   (b) N/A.

(4) The Australian National Training Authority (ANTA)
   (1)(a) Yes. The Chair of the Australian National Training Authority (ANTA) Board receives a higher per diem sitting fee than other Board members (The Chair receives a sitting fee of $550 per diem and members receive $400.)
   (b) The Remuneration Tribunal sets the fees and allowances for all ANTA Board members, including the Chair, as part-time holders of public office.
   (2) Since January 1998, the Remuneration Tribunal has undertaken one review of sitting fees and travel allowances paid to part-time public office holders. The reviewed rates applied from 1 March 1999.
(a) The Remuneration Tribunal varied the sitting fee rates following a review of costs which took account of factors such as economic indicators and increases in wages, fees paid to part-time office holders in State and Territory Authorities and fees payable in the private sector.

(b) The Remuneration Tribunal (as in 2(a) above).

(c) The per diem sitting fees for the Chair of the ANTA Board rose from $502 to $550 from 1 March 1999.

(5) The Australian Student Traineeship Foundation (ASTF)

(1) Yes.

(a) The Chair of the Australian Student Traineeship Foundation (ASTF) Board receives a higher per diem sitting fee than other Board members. (The Chair receives $502 for a day’s work and members receive $380.)

(b) The Remuneration Tribunal sets the fees for the Board.

(2) Once.

(a) The Remuneration Tribunal varied the sitting fees in accordance with the Remuneration Tribunal Act 1973.

(b) The Remuneration Tribunal Determination of 3/99 determined the quantum of the variation.

(c) The per diem fees were increased up to the following amounts: $550 for Chairperson and $400 for Members.

(NOTE: The ASTF Board was only advised of the updated Determination in June 2000 and had therefore continued to pay Board members the previous rates. The shortfall is currently being redressed.)

Goods and Services Tax: Black Economy Revenue

(Question No. 2368)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 20 June 2000:

(1) (a) What is the Government’s estimate of revenue that will be raised from the ‘black economy’ as a result of the introduction of the goods and services tax; and (b) how was this estimated revenue calculated.

(2) Is the Treasurer aware of a substantially greater estimated revenue gain from the ‘black economy’ recently announced by the Minister for Employment, Workplace Relations and Small Business.

(3) Was the Treasurer consulted prior to this announcement being made; if not, has the Treasurer sought advice from the Minister for Employment, Workplace Relations and Small Business as to the basis for this larger revenue estimate.

(4) Has the Treasurer asked his department to review its assessment of revenue to be raised from the ‘black economy’ as a result of the larger figure used by the Minister for Employment, Workplace Relations and Small Business.

Senator Kemp—The Treasurer has provided the following response to the honourable senator’s question:

(1) – (4) The Government’s estimate of the additional revenue that would be raised from the cash economy from the introduction of the New Tax System was outlined in the policy document “Tax Reform: not a new tax, a new tax system”, which was released in August 1998.

Department of the Treasury: Programs and Grants to the Bass Electorate

(Question No. 2403)

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

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

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

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) Nil.
(2) Nil.
(3) Nil.

Department of the Treasury: Programs and Grants to the Kalgoorlie Electorate
(Question No. 2421)

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

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

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

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

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) Nil.
(2) Nil.
(3) Nil.

Department of the Treasury: Programs and Grants to the Eden-Monaro Electorate
(Question No. 2439)

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

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

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

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) Nil.
(2) Nil.

Department of the Treasury: Programs and Grants to the Gippsland Electorate
(Question No. 2458)

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

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.
(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) Nil.
(2) Nil.

Goods and Services Tax: Liquefied Petroleum Gas Prices
(Question No. 2475)

Senator Brown asked the Minister representing the Treasurer, upon notice, on 26 June 2000:

(1) Despite government assurances that there would be no increase in vehicle fuel prices as a result of the goods and services tax, why has the Australian Competition and Consumer Commission advised the public that liquefied petroleum gas (LPG) prices will rise by an estimated 7 to 8.5 per cent.

(2) Given that LPG is the cleanest of the available fossil fuels, why are there no financial incentives to use this fuel as there are with more polluting fuels, such as diesel.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) As announced in Tax Reform: Not a New Tax, A New Tax System (ANTS) the Government reduced excise on petrol and diesel so that the pump price of these commodities need not rise with the introduction of the GST. This policy did not extend to other fuels.

(2) Unlike most other fuels, LPG is not subject to excise tax. The Prime Minister’s “Measures for a better environment”, announced on 31 May 1999, encourages the continued use of alternative fuels, such as LPG. For instance, the on-road diesel and alternative fuel grant scheme provides grants for LPG use and there is also a subsidy programme for the conversion of engines to LPG use.

Calder, Ms Rosemary: Appointment
(Question No. 2495)

Senator Faulkner asked the Minister Assisting the Prime Minister for the Status of Women, upon notice, on 29 June 2000:

(1) On what date did the newly appointed head of the Office of the Status of Women in the Department of Prime Minister and Cabinet officially commence her duties.

(2) On what date did Ms Calder sign her Australian Workplace Agreement (AWA), if she has done so.

(3) Has Ms Calder reached an agreement with her employer regarding her normal place of work; if so, is this agreement contained in her AWA or in some other form, and if the latter, what is the nature of that form of agreement.

(4) Is Ms Calder’s normal workplace in Canberra or in Melbourne.

(5) On how many days since her commencement of duties has Ms Calder been working from Canberra and how many from Melbourne.

(6) Does Ms Calder have the use of office space in Melbourne; if so: (a) where is this office; (b) what other resources are available for her use, for example, phones, computer, facsimile, etc; and (c) what is the cost of the provision of the accommodation and resources.

(7) Does Ms Calder have any agreement with her employer regarding travel entitlements; if so: (a) what is the nature of that agreement; and (b) what is the expected annual cost of the arrangement.

(8) (a) What was the total length of time that the position was vacant; and (b) what was the date of Ms Goward’s last day of duty in the position.

(9) (a) What was the total cost of recruiting a replacement; (b) what was the cost of the Morgan and Banks consultancy for recruiting a replacement; and (c) does Morgan and Banks have a right to any
continuing payments should Ms Calder remain in the position for a period of time; if so: (i) what is the nature of the arrangement; (ii) what is the period involved; and (iii) how much is involved.

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

I am advised by the Department of the Prime Minister and Cabinet that:

(1) Ms Calder commenced duties in the Department of the Prime Minister and Cabinet on 29 May 2000.

(2) Ms Calder has not yet signed her Australian Workplace Agreement (AWA).

(3) On the basis that Ms Calder was recruited to a Canberra based position, no formal agreement on her normal workplace is considered to be necessary.

(4) Ms Calder’s usual workplace is in Canberra. She resides in Melbourne and will continue to do so consistent with her family responsibilities.

(5) Between May and end 4 August 2000, Ms Calder has worked 27 days in Canberra, six days in New York, four days in Wellington, New Zealand, three days in Sydney and nine days from Melbourne.

(6) Yes. (a) The office is located in Casselden Place, 1 Lonsdale Street, Melbourne. (b) The office is a multi-use office in the State branch of the Department of Family and Community Services, equipped with a phone and computer. (c) The office and services are provided at no cost to the Office of the Status of Women.

(7) No there is no separate arrangement for Ms Calder. (a) & (b) All Senior Executive Service staff in the Department of the Prime Minister and Cabinet are entitled to the following standard conditions relating to travel:

- provision of an Australian Government Credit Card which may be used to pay for reasonable out of pocket expenses for accommodation, meals and incidentals incurred while travelling on official business up to:
  (i) $258.50 per day for domestic travel requiring overnight stay; and
  (ii) $53.00 per day for domestic travel undertaken on the same day;

- reimbursement of travel expenses up to the limits specified above where an Australian Government Credit Card is not used to cover expenditure;

- revision of the above limits in accordance with the biannual reviews by the Department of Employment, Workplace Relations and Small Business;

- where reasonable accommodation is not available within the limits of the above amounts and subject to prior approval, payment of a higher rate for accommodation;

- entitlement to travel at Business Class or equivalent when travelling on duty; and

- entitlement to airline lounge memberships.

In accordance with the Temporary Accommodation Allowance provisions under Public Service Determination 1998/5, Ms Calder receives $251.65 per week for meals and $45.30 per week for incidentals (rates current from 1 July 2000), with domestic travel expenses covered by this arrangement and overseas allowances adjusted accordingly.

In addition, Public Service Determination 1998/5 makes provision for twelve reunion visits per year or for expenditure on reunion visits of up to $6,600 per year. Staff travelling for reunion visits fly economy class.

(8)(a) The position has not been vacant. The position was temporarily filled on a higher duties basis from 23 October 1999 to 26 May 2000.

(b) Ms Goward’s last day of duty was 22 October 1999.

(9) (a) The total cost for recruiting a replacement for Ms Goward was $25,413; (b) the cost of the Morgan and Banks consultancy for recruiting a replacement for Ms Goward was $25,000; and (c) No. (i) to (iii) not applicable.
Department of Veterans’ Affairs: Missing Laptop Computers
(Question No. 2513)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, 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 Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

In April 1997 with the signing of the outsourced contract with IBM Global Services Australia (GSA), DVA sold all of their IT assets to IBM GSA who are directly responsible for their management.

(1) (a) There have been no reports of lost laptops;
   (b) There has been five reports of stolen laptops;
   (c) and (d) The Department of Veterans Affairs lease all their laptop equipment from IBM GSA Pty Limited. DVA does not continue to pay for the lease of those laptops that have been stolen.
   (e) None of the laptops Affairs have been recovered, replacement laptops have been issued.

(2) (a) All five cases.
   (b), (c) and (d) One has been closed without recovering the laptop or with no legal action. The other four investigations have not been concluded.

(3) Two of the five laptops contained departmental documents.

(4) The Departmental documentation stored on the laptops mentioned in item (3) had no security classifications.

(5) None.

(6) There has been no departmental disciplinary action, all thefts have been reported for police investigation as stated in (2) above.

Department of Veterans’ Affairs: Missing Computer Equipment
(Question No. 2532)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 28 June 2000:

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

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

(3) How many of the lost or stolen 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 Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

In April 1997 with the signing of the outsourced contract with IBM Global Services Australia (GSA), DVA sold all of their IT assets to IBM GSA who are directly responsible for their management.

(1)(a) Nil
(b) Nil
(c) Not applicable
(d) Not applicable
(e) Not applicable

War Crimes: Australia-United States of America Cooperation (Question No. 2557)

Senator Greig asked the Minister representing the Attorney-General, upon notice, on 6 July 2000:

With reference to the answer to question on notice No. 2118 (Hansard, 29 June 2000, page 16160):

(1) What is the nature and extent of the working relationship between the Australian Federal Police (AFP) and the Special Investigations Unit, and the United States Office of Special Investigations.

(2) Has the AFP or the Australian Government received information concerning the presence in Australia of war criminals, either accused or convicted; if so: (a) how many persons fitting that description are present in Australia; and (b) what actions, if any, is the Government directing towards these persons.

(3) Is Mr Konrad Kalejs free to leave Australia at any time.

(4) What weight, if any, does the Australian Government place on evidence and conclusions determined in both United States and Canadian courts and tribunals for: (a) drug offences; (b) fraud; (c) murder; and (d) sexual assault.

(5) Does the Minister or any other Commonwealth minister have power to prevent Mr Kalejs from leaving Australia at any time; if so: (a) where does that power come from; and (b) is the Minister prepared to use that power; if not, why not.
(6) If the Minister, or any other Commonwealth minister, has the power to prevent the departure from Australia of Mr Kalejs, and the Minister is prepared to use that power, when will the Minister exercise that power.

(7) How many persons does the Minister anticipate, or expect may be extradited to Latvia.

(8) When will the extradition treaty be finalised with Latvia.

(9) What has been the cost to date to the Commonwealth in attempting to formalise an extradition treaty with Latvia.

(10) How and when were these costs incurred and can a description of these costs be provided.

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

(1) The Special Investigations Unit was disbanded in 1992. The Australian Federal Police (AFP) and the United States Office of the Special Investigations assist each other on a case by case basis. That assistance includes tracing and locating persons, interviewing and taking statements.

(2) The AFP and the Australian Government does receive information concerning the alleged presence of suspected war criminals residing in Australia from time to time.

(a) With regard to those who have been formally accused of crimes under Australia’s war crimes legislation, I am advised that three prosecutions were initiated. One defendant was discharged at the conclusion of committal proceedings, another was tried and acquitted and a *nolle prosequi* was entered by the DPP in relation to the third. One of the three is known to be deceased. The AFP is not aware of any convicted war criminals living in Australia.

(b) Routine enquiries are made to verify any information received about alleged war criminals in Australia, the results of which are provided to the requesting country or agency.

(3) Yes. There are currently no legal impediments to prevent Mr Kalejs leaving Australia.

(4) The Australian Government has no direct role in assessing evidence brought forth and presented to either United States or Canadian courts and tribunals regarding its relevance and value to any matter described at (a)(b)(c) and (d). Issues concerning the weight of evidence are a matter for investigators and prosecutors and ultimately the courts. The combination of varying standards of proof, the rules governing the admissibility of evidence, and the different nature of offences throughout the world, mean that evidence led in other courts and tribunals is often not relevant to Australian criminal prosecutions. For example, neither the Canadian nor United States actions against Mr Kalejs required proof of his personal criminal responsibility that would need to be proved in Australia under war crimes legislation.

(5)(a) and (b) No Minister has the direct power to prohibit a person from leaving Australia. However, in some circumstances action may be taken with a view to preventing a person from leaving Australia.

One such circumstance is the initiation of criminal or extradition proceedings against a person. Where such proceedings are initiated a court may, in appropriate circumstances, issue orders including an arrest warrant and, subsequently, a condition of bail requiring the person not to leave Australia and/or to surrender his or her passport to the court. Those are not possibilities at present in relation to Konrad Kalejs, as he has, to the best of my knowledge, not been charged with any offence under Australian law and no request for his extradition, or for his provisional arrest with a view to extradition, has been received.

Another such circumstance which has been mooted in connection with the Kalejs case is cancellation of a person’s passport by the Minister for Foreign Affairs. However, the Government is of the view that cancellation of Mr Kalejs’ passport at present would not be an effective means of preventing his departure from Australia.

I am not aware of any other basis on which a Minister could initiate action which might result in Mr Kalejs being prevented from leaving Australia.

(6) Not applicable.
(7) I do not have any specific expectations in that regard.

(8) The Australia-Latvia Extradition Treaty was signed on 14 July 2000 and it is expected that it will come into effect before the end of the year.

(9) It is not possible to identify the total cost to the Commonwealth of negotiating, signing and taking other measures in relation to the Treaty, although some discrete items of relevant expenditure can be identified.

(Answer to (10) refers).

(10) The following costs are identified as being attributable to the conclusion of the extradition treaty:

- travel by an Attorney-General’s Department officer from Vienna to Riga for treaty negotiations on 25 April 2000 ($674); and

- travel by the Australian Ambassador in Stockholm to Riga to sign the Treaty on 14 July 2000 ($1216).

In addition to these costs the conclusion of the treaty involved the dedication of substantial resources in terms of staff time for officers of the Attorney-General’s Department and the Department of Foreign Affairs and Trade engaged in negotiations and associated communications, particularly between January and July 2000.

Department of the Prime Minister and Cabinet: Salaries
(Question No. 2559)

Senator Faulkner asked the Minister representing the Prime Minister, upon notice, on 7 July 2000:

(1) As a dollar amount and (2) 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


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

I am advised by my department as follows:

<table>
<thead>
<tr>
<th></th>
<th>1999-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
</tr>
<tr>
<td>(a)</td>
<td>$553,950</td>
</tr>
<tr>
<td>(b)</td>
<td>$5,910,643</td>
</tr>
<tr>
<td>(c)</td>
<td>$123,530</td>
</tr>
</tbody>
</table>

2.0% 21.7% 0.5%

Department of Defence: Salaries
(Question No. 2568)

Senator Faulkner asked the Minister representing the Minister Assisting the Minister for Defence, upon notice, on 6 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 Newman—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th></th>
<th>1999-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m %</td>
</tr>
<tr>
<td>Staff Training</td>
<td>52,638 1.5</td>
</tr>
<tr>
<td>Consultants</td>
<td>17,624 0.5</td>
</tr>
</tbody>
</table>
1999-2000

Performance Pay (Note 1) N/A


Department of Veterans’ Affairs: Salaries
(Question No. 2576)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 6 July 2000:

As a dollar amount and a percentage of the department’s total on salaries, what was the cost of: (a) staff training; (b) consultants; and (c) performance pay, in the 1999/2000 financial year.

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

The salary expenses for DVA during the 1999/2000 financial year were $137,140,949.22

<table>
<thead>
<tr>
<th>Dollar outlay</th>
<th>Expressed as percentage of salary expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) staff training</td>
<td>$1,432,966.33</td>
</tr>
<tr>
<td>(b) consultants</td>
<td>$6,829,153.03</td>
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<tr>
<td>(c) performance pay</td>
<td>$385,274.17</td>
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</table>

Department of Immigration and Multicultural Affairs: Salaries
(Question No. 2617)

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

(1) and (2):

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Employee Cost $,000</th>
<th>Outsourced Services $,000</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>99/00 (a)</td>
<td>$197,756</td>
<td>$252,221</td>
<td>128</td>
</tr>
<tr>
<td>98/99 (b)</td>
<td>$176,748</td>
<td>$134,494</td>
<td>76</td>
</tr>
<tr>
<td>97/98 (b)</td>
<td>$181,112</td>
<td>$106,079</td>
<td>59</td>
</tr>
<tr>
<td>96/97 (b)</td>
<td>$167,301</td>
<td>$84,323</td>
<td>50</td>
</tr>
</tbody>
</table>


(b) Cash estimates. Figures exclude Independent Review Tribunals.