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Tuesday, 10 October 2000

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

QUESTIONS WITHOUT NOTICE

Taxation: Executive Share Schemes

Senator MURPHY (2.01 p.m.)—My question is directed to the Assistant Treasurer, Senator Kemp. I ask the minister: why does the government support the indefinite deferral of tax on executive share and options schemes? Doesn’t this mean that the government is prepared to allow, for example, a senior executive such as Mr Murray—the CBA’s managing director, who has closed country branches and ramped up bank fees for small businesses—to indefinitely avoid paying tax on his $50 million-plus worth of CBA options, while at the same time the government will jump on any small businesses that are late in lodging their business activity statements and in paying their GST? Why do Mr Murray and his lucky 100 senior executives deserve an indefinite tax deferral on their multimillion dollar share and options schemes?

Senator KEMP—I have heard some confused questions in my time, Senator, but that truly took the prize. As you will be aware, Senator—you might have read the paper—a report on employee share schemes has been brought down by—

Senator Murphy—Yes.

Senator KEMP—You have the report? Excellent! So you are aware of it. I sort of predicted that—I said, ‘As you will be aware, Senator,’ and you held up the paper. So you were aware of it, and we are very pleased about that. In relation to the first point, there is a report out on employee share schemes which makes certain proposals to the government. Let me assure you that the government, as always, will look at the recommendations from that report and give a final response to it.

Let me tackle the next issue you raised: that we are somehow lax on tax avoidance schemes. The answer to that is ‘Dead wrong, Senator!’ One important thing about the government is that we crack down on tax avoidance schemes. You might remember, Senator—actually, you may not remember because I do not think you were in the chamber then—that in the 13 dark years of the Labor Party the welcome mat for tax bludgers was put out. Our government came into office and, as in a whole range of areas, we had to repair the tax system that you left to us. You will be aware, for example, of things like trust losses, R&D syndicates, infrastructure bonds, thin cap rules and franking credits—a whole range of things in which the government have been very effective in cracking down on tax avoidance schemes. So the implication in your question that somehow we have been lax in this area is dead, dead wrong.

You also mentioned Mr Murray and employee packages. Provided they comply with the law, those employee packages are matters essentially for the shareholders of the Commonwealth Bank. If I remember correctly, Senator—correct me if I am wrong—was it the Labor Party that privatised the Commonwealth Bank?

Government senators—Yes!

Senator KEMP—I thought it was.

Senator Robert Ray—You’ve asked the audience, now why don’t you ring a friend? You don’t know one!

Senator KEMP—Senator Ray is worried about the waste of public funds. Senator Ray, I am glad you have finally come to that particular issue. As I have said before in relation to Senator Ray and wasted public funds, Senator Ray has form. You have form, Senator; no-one would argue that you do not. But let me return to the question, because I was unfortunately diverted by Senator Ray. The executive remuneration packages, provided they comply with the law, are essentially a matter for the shareholders. It is a matter for the directors and executives of the bank to account to the shareholders for. I think the Prime Minister has expressed some views in the past about some of these packages. In the end, as I said, they have to be justified to the shareholders of the bank, and I think there is some wider community concern about some of these packages.
Senator Forshaw—Oh, really?

Senator KEMP—Yes, there is wider community concern, and I for one share that wider community concern. I think I have dealt with your issues, but I always have more information to give you. (Time expired)

Senator MURPHY—Madam President, I ask a supplementary question. If there is any confusion in this issue, it is quite obvious where it lies. In answer to your supplementary question to the minister, perhaps he might like to inform the Senate whether the government members of the House of Representatives Committee on Employment, Education and Workplace Relations were reflecting the government’s position in recommending the indefinite deferral of tax on executive share and option schemes in the committee report released yesterday on employee share ownership. If so, I ask the minister again to explain why senior executive share and options schemes warrant an indefinite deferral of the tax payable on their multimillion dollar share and option packages when the ATO has already identified many of these schemes as being at the centre of tax avoidance worth billions of dollars?

Senator KEMP—There we are; it was clarified slightly. You conceded that this was a recommendation in a report, not a government policy, which you tried to cloud in your first question. But we are a wake-up to you and your tricks, Senator. This government believes that senior executives, along with all taxpayers, should pay their fair share of tax. Let me make that absolutely clear. You are quite right to point out. In contrast to your first question, you pointed out that the government had cracked down on many tax avoidance schemes. That is exactly what I said in response to your first question. In your supplementary question you conceded, of course, that the government had cracked down. This is a report by a committee of the House of Representatives. As you correctly point out, the members of that committee may have a view and it is up to the government to make a determination. Let me make it absolutely clear that this government believes that top executives, along with everybody else, should pay their fair share. (Time expired)

**Water: Salinity Action Plan**

Senator CHAPMAN (2.08 p.m.)—My question is directed to the Leader of the Government in the Senate and the Minister for the Environment and Heritage, Senator Hill. Will the minister inform the Senate as to what steps the Commonwealth is taking to support community efforts to combat salinity and improve water quality? How will the new Commonwealth action plan on salinity and water quality further build on these efforts?

Senator HILL—Today is an important day in relation to better management of Australia’s natural resource base because the Prime Minister has announced a national action plan to address the issue of salinity and water quality over 20 of the major catchments in Australia. The Commonwealth will be investing some $700 million in this program over a period of seven years and is putting to the states that they should match that funding. They should, at next month’s COAG meeting, match that funding—

Opposition senators interjecting—

The PRESIDENT—Labor senators interjecting know that they are being disorderly.

Senator Schacht—He won’t tell us how many years.

The PRESIDENT—Senator Schacht, if you have a question to ask, you can seek to have your name put on the paper. If not, you will keep quiet while Senator Hill is answering.

Senator HILL—In which case an additional $1.4 billion will be spent over the next seven years on these major problems.

Senator Schacht—It is $100 million a year.

The PRESIDENT—Senator Schacht, I have just spoken to you. You know what the standing orders are and you should abide by them. If you wish to debate this matter, there is time after question time and you can do it then.

Senator HILL—I understand the embarrassment of Labor, because they were in office for 13 years and did nothing.
Senator Bolkus—That’s rubbish. You have wasted five years.

The PRESIDENT—Order! Persistent interjecting is disorderly and in breach of the standing orders.

Senator Schacht—Why don’t you make a ministerial statement?

The PRESIDENT—Senator Schacht, you have been interjecting persistently since this answer started. You can deal with it at the appropriate time.

Senator Schacht—I’m trying to get some information, Madam President.

Senator HILL—I think Senator Schacht could learn from listening to this answer, because it actually benefits South Australia; it actually benefits his constituency. He should be applauding it because there will be an unprecedented investment in issues that are of vital national interest but of specific interest to South Australia. As Senator Schacht should know by now, within 20 years, unless more is done, you will not be able to drink the water in Adelaide two days out of five if you wish it to adhere to world health standards. So something needed to be done. National leadership was called for and the Howard government has responded. What the Howard government has done is identify 20 principal catchments in Australia. Yes, some of those catchments are within the Murray-Darling Basin, which has long been recognised as having a problem in relation to salinity and water quality, but there are other catchments elsewhere as well: elsewhere in Queensland, where there is a growing salinity problem; and elsewhere in Western Australia, where, as Senator Schacht should know, there is a major salinity problem. Through Commonwealth leadership and hopefully the states then picking up their primary responsibility for natural resource management in Australia, there will be a partnership which can deliver better outcomes.

One of the differences between this plan and what has happened in the past is that the investment will be pursuant to integrated catchment management plans. In other words, within each of the catchments there will need to be a plan that addresses the major issues, whether it is biodiversity, water quality or salinity. The plans will set targets, and the states and the Commonwealth will commit to delivery of those targets. The Commonwealth will fund accredited plans. The advantage of that is that it gives a best chance of delivering an enduring benefit. Labor has been coming in here to date and complaining—

Senator Bolkus—you are just picking up Beazley’s ideas.

The PRESIDENT—Order! Senator Bolkus and Senator Schacht have both been interjecting persistently. I have drawn your attention to your behaviour already. There is an appropriate time to debate the matter.

Senator HILL—Investment through accredited plans on a catchment basis can not only expand the area to landscape solutions as opposed to local or community based solutions but also, as I was saying, give an enduring benefit. These are the lessons that have come out of the numerous plans and studies that have been done in the past. This is the advice that has come out of the Murray-Darling Basin Commission.

Senator Bolkus—they didn’t tell you to cut funding, did they?

The PRESIDENT—Order! Senator Bolkus, you are warned about your behaviour in persistent interjecting.

Senator HILL—This is the advice of people such as Professor Cullen, head of the CRC on freshwater ecology, and the Science Council of the Prime Minister. All of these people have called for a national plan, have said that it is overdue, have said that you need genuine partnerships and have said that the states need to meet their principal responsibility. This can now happen and it can give Australians greater confidence than ever that at least this nation will be tackling our major natural resource problems. Out of that, we can not only ensure greater prosperity for our primary producers but also address the declining biodiversity of this great country. (Time expired)

Taxation: Employee Benefit Arrangements

Senator LUDWIG (2.14 p.m.)—My question is to Minister Kemp, the Assistant
Treasurer. Does the minister recall stating in response to a question I asked last week that, on the basis of advice the government received in 1998:

It was concluded that no changes to FBT legislation were necessary in respect of the employee benefit arrangements because the schemes were not effective under the existing law.

If this was so, how does the Assistant Treasurer explain the following statement contained in an ATO Technical Liaison Committee minute dated 29 October 1998:

The ATO has not issued a ruling on controllers’ contributions but it is monitoring the issue.

It further went on to say:

The legislation as it stands allows this practice to happen.

How can an EBA be ‘not effective under the existing law’ while at the same time the ATO is claiming that ‘the legislation as it stands allows this practice to happen’?

Senator KEMP—I do not quite see what your problem is. You seem to be throwing quotes around from all over the place. Let me just say that the answer I gave last week was consistent with the advice that I received and it was consistent with the press release which I issued on 30 June. It may help you to understand this issue if you could turn your mind to that press release, which expands it particularly well. It refers to the announcement that I made that the government will be introducing amendments to address aggressively marketed employee benefit arrangements. I went on to explain why we were doing this and I said:

The move is necessary following Tax Office advice that these arrangements are still being actively promoted.

In other words, we were trying to tackle the issue, despite the advice from the Taxation Office that these schemes were not effective. This follows a statement that was made many months earlier by the Taxation Office. Despite this statement, these schemes were still being actively promoted. My press release went on to say:

The arrangements have continued despite the Taxation Commissioner’s clear advice—and this goes to the nub of your question—that the schemes are ineffective under existing law.

The Commissioner will continue to amend the assessments of taxpayers who have entered into these arrangements. Taxpayers who disagree with the Commissioner’s view have the right to pursue the matter in the courts.

The Government remains committed to ensuring that tax avoidance arrangements do not succeed and that all Australians pay their fair share of tax. The arrangements as promoted seek to achieve far more concessional treatment than was ever intended in the Parliament.

Then I went on to explain the various schemes. The advice I gave last week is consistent with the advice that I have received from the tax office. It is consistent with the press statement which I put out. I find it difficult to understand what your concerns are, particularly in view of the fact that the government have been very active in cracking down on tax avoidance schemes.

Senator O’Brien interjecting—

Senator KEMP—Senator O’Brien made some comment which I detect was not altogether flattering. Senator, you probably do not remember the pathetic performance of the Labor government which, in 13 years, allowed tax avoidance to really flourish.

Senator Cook—that’s nonsense.

Senator KEMP—Senator Cook, let me mention your favourite little tax avoidance scheme: R&D syndicates. When we tried to close down that particular rort, which was a scheme which put out the welcome mat for tax avoiders, you opposed it in this chamber.

Senator Cook—we wanted some R&D in this country.

Senator KEMP—he did not oppose it in this chamber, according to Senator Cook. I will have to check the record. My understanding, Senator Cook, is that you did oppose that in this chamber.

The PRESIDENT—Senator, your remarks should be directed to the chair and not across the chamber.

Senator KEMP—Thank you, Madam President. I was being sorely provoked by Senator Cook.

Senator Cook—My desire is you tell the truth.
Senator KEMP—We would very much like to know on this side of the chamber why you led the Labor Party attack on trying to stop us closing down R&D syndicates. That is what we would really like to know. (Time expired)

Senator LUDWIG—Madam President, I ask a supplementary question. Perhaps the Assistant Treasurer could have a look at the question I asked, particularly at the inconsistency I have raised. If the Assistant Treasurer persists in explaining that the government believed that the existing law was effective to knock down EBA schemes, how does he explain the ATO continuing to provide supportive private binding rulings and advanced opinions for schemes such as the one provided on 21 October 1998 in relation to a controlling interest superannuation scheme and signed by no less than the Deputy Commissioner for Taxation?

Senator KEMP—Let me make it absolutely clear: what I have said in this chamber is absolutely consistent with the advice I have received from the Taxation Office. We have indicated, and indeed the tax office has indicated, that many of these schemes are not effective under existing law. That has been the advice of the Commissioner of Taxation, and that is the advice that the government have accepted. If you do not accept that advice, that is your particular problem. Senator, that is the advice that we happen to have received. The government have a very strong record on cracking down on tax avoidance schemes. We do not like tax bludgers. We think people should pay their fair share of tax. This is one of the many contrasts between this government’s performance and the performance of the Keating government. Remember, after 13 years in office, the Keating government discovered—(Time expired)

Telstra: Sale

Senator TIERNEY (2.21 p.m.)—My question is addressed to the Minister for Communications, Information Technology and the Arts, Senator Alston. Has the government been honest and up front in its commitment to the sale of Telstra? What evidence is there that the full sale of Telstra would have a positive impact on Telstra’s share price? Are there any risks that could prevent small investors from gaining maximum value from their investments in Telstra?

Senator ALSTON—Honesty is a very important issue in politics. The credibility of a political party is also very important in determining what sorts of policies are likely to be followed when they are in government, so I was more than a tad amused to find that Mr Beazley today in a doorstop said, ‘What you’ll find in the Telstra prospectus is honesty from the Labor Party.’ This mob have prior convictions as long as your arm. If you go back to 1991 to the Commonwealth Bank prospectus, when the Commonwealth owned 70 per cent, Labor said, ‘The government have no plans to reverse or modify this position.’ Five minutes later, after they got it down to 50.1 per cent, they put out a prospectus saying, ‘The government have no intentions whatsoever of further reducing their shareholding.’ They promptly sold the lot, so I would not have thought he was on great ground.

What this tells you is that they think they can use these weasel forms of words. I can remember Mr Keating being asked about this. He said, ‘We have no intention,’ but that meant, ‘At this time; we are perfectly entitled to form another intention five minutes later.’ Why should we rely on a press release from Mr Smith that says, ‘The opposition is not considering any proposal inconsistent with the party’s longstanding opposition to privatisation’? Of course, the issue is not just privatisation but whether they will spin off or sell down, so he has very carefully chosen his words: they are ‘not considering’. What did Mr Beazley say? ‘The Labor Party is not giving consideration to any of these matters.’ Obviously Senator Ray convened an urgent meeting to decide what form of words they would use. It was the usual one-liner: ‘We’re not considering it.’ Right, bang, in it goes. That is what you get.

What I think is of much more concern is that, when Mr Beazley was on Meet the Press on Sunday, he said this about Lindsay Tanner:

... Lindsay Tanner put out a book a couple of years ago in which he said that perhaps one of the
alternatives into the process in which the government are being … had gone—
I mean, he does mangle words—
would have been to keep the Telstra basic network in full public ownership and then have everybody allowed to spin services off the rest … off it. That was one of the models back in 1991, which we rejected.

In other words, what he said was that Mr Tanner was talking about the past, that Mr Tanner was actually talking about what Labor might have done before it embarked on privatisation. But, of course, that is not what Mr Tanner said at all in his book. He said:

Part privatisation creates internal tensions and contradictions. If the balance of Telstra is not sold, it may be desirable to restructure its core infrastructure functions.

Mr Tanner was talking in the present tense. He was talking about the view he would take forward, and he has never resiled or recanted from that view. Mr Beazley tried to put a spin on it by saying, ‘Oh, that’s ancient history. That is something Labor might have considered back in those days.’ But that simply will not wash. In fact, after the release of the Tanner book, Mr Beazley said:

The particular idea of Mr Tanner was to extract the net—
I presume he meant the network—
and to have a publicly owned net with the services provided privately around it. That is an idea. We would, in any ground up review, be looking at a whole range of ideas on that and other matters.

In other words, leaving it completely open to the Labor Party in government to have another look at the whole issue. That is the problem here: the credibility gap is yawning.

David Hale told the Press Club today that there are three things that Telstra suffers from by not being fully privatised, and quite clearly he is absolutely right. Three merchant banks are all saying Telstra’s share price would rise if it were able to be fully privatised. People are pointing out that Telstra has to borrow more than it would otherwise need to do. David Hale makes that very point. No wonder no-one believes the Labor Party. No wonder they are going around exploring these options with investment houses. It is because they are desperate to find a way around a precise form of words, and it will not wash. (Time expired)

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator CONROY (2.25 p.m.)—My question is to Senator Alston, representing the Minister for Employment, Workplace Relations and Small Business. With regard to the $50,000 fraudulent misuse of Minister Reith’s official telecard, isn’t it true that Mr Reith knowingly gave out his telecard and PIN in blatant contravention of the Remuneration Tribunal provision which specifically states that it is for the use of the member only? How can we trust a minister who has neither the wit nor the wherewithal to protect a PIN? How can we believe a minister who cannot remember whether he handed his telecard back, when these cards are issued every three years? Are we really expected to believe that Mr Reith failed to scrutinise any of the 65 monthly and annual management reports which he received during the period when 11,000 phone calls from more than 900 locations were made on his personal telecard?

Senator ALSTON—Again, this goes to the issue of trust and whether we should believe people. You judge people on their record. Mr Reith has an impeccable record of honesty, and you can trust that. You can compare that with the sleazy way in which your leader has been slipping around this whole issue over the last three or four days. This is where you are most comfortable; I acknowledge that. You are not particularly comfortable with policy issues so you try to find a form of words that keeps you up there publicly but you spend most of your time privately finding ways around it. That is why you are out visiting Macquarie Bank and whomever else you take advice from.

I am asked: can we trust Mr Reith? The answer is: yes, you can. I am asked: why should we rely on Mr Reith when he says he handed the card back when the cards have to be handed back every three years? The fact is, I have every confidence in the accuracy of what Mr Reith says. I do not accept the proposition that if Mr Reith says that somehow he does not remember some aspects of matters that occurred many years ago—four
or five years ago in relation to this episode— somehow he should not be believed. This is the crowd who spent years defending Dr Lawrence.

Honourable senators interjecting—

The PRESIDENT—Order! There are too many senators shouting.

Senator ALSTON—This is the crowd that spent years defending Dr Lawrence, who said she could not remember matters, when quite clearly she came straight into a cabinet meeting, was told by all and sundry exactly what they thought of her behaviour, and she then went out and denied it, saying she could not remember it. The circumstances are incomparable. What Mr Reith has done is to explain the circumstances.

Senator Carr interjecting—

Senator ALSTON—I see. So you’re now saying that you believe—

Senator Carr—Fraud! Fraud! Fraud!

Senator ALSTON—I see. Who are you alleging is committing fraud?

Senator Carr—Mr Reith.

Senator ALSTON—Are you? Right, I see.

The PRESIDENT—Senator Carr, you are disorderly.

Senator ALSTON—That is very encouraging. If we talk about form—

The PRESIDENT—Order! Senator Alston! I am attempting to deal with the matter with Senator Carr, and you must remain silent while I do so. Senator Carr, you should withdraw that allegation.

Senator Carr—I withdraw.

Senator ALSTON—No wonder I had to sue him for defamation. No wonder he got taken to the cleaners, because he has form for defaming people, and he paid the settlement last time and he will pay it again this time if he is even tempted to go outside and say that sort of thing. And he says it on the basis of an article in the Canberra Times. That is your basis for making the most serious allegation about any member of parliament—because of a newspaper report. You are not prepared to wait and have the facts investigated. You are not prepared to allow matters to take their course. You do not believe in due process; you believe in hanging first and finding out what the evidence is afterwards. That is your basic approach.

When it comes to asking why we should believe in someone, we have Senator George Campbell confecting outrage and working himself up into a lather. He is another one of those who is in favour of breaking up Telstra. Go on, get up and explain that after question time. Tell us how you have recanted on that, Senator Campbell. Or have you? Of course you have not. You are still in favour of breaking up Telstra, aren’t you, because your faction thinks that is a very good idea.

The PRESIDENT—Senator Alston, you should address the chair.

Senator ALSTON—Mr Reith has given his explanation. I have no doubt at all that Mr Reith has done his very best to recollect circumstances which may now assume much greater importance than they assumed at the time. I am not aware of any suggestion that Mr Reith has been involved in any fraudulent activity. I think it is an absolute outrage that you should allow someone who cannot get on the front bench, even though he has been in this place for a decade, and who cannot get a guernsey—even given the appalling weakness of the left faction—to say those sorts of things without even a murmur from those behind him. It is an absolute disgrace. These people have the cheek to get up and talk about credibility: ‘Why should we believe a minister?’ Why should we believe anyone on that side of politics when you have a leader who is not even prepared to come clean when he knows that everyone on his front bench is out there canvassing alternatives to Telstra? That is weak and gutless leadership. That is what you have got to solve before you can expect to get anywhere, and you are going backwards at a rate of knots.

Senator CONROY—Madam President, I ask a supplementary question. Given that Mr Reith has prime ministerial aspirations and has campaigned on ending alleged workplace rorts, will the government now insist that Mr Reith repay the full $50,000 owing, acknowledging that he is responsible for the initial security breach and his continual fail-
ure to supervise the administration of his parliamentary expenses?

Senator ALSTON—Madam President, as I understand it, Mr Reith has repaid $950, which is for matters for which he would regard himself as having some responsibility.

Senator Robert Ray—Prove it.

Senator ALSTON—You prove to the contrary, I believe in ‘innocent until proven guilty’. Senator Ray is saying that we should presume guilt; we should presume that somehow Mr Reith knew about the misuse of this card to the tune of $50,000. I am not aware that there is any skerrick of evidence suggesting that Mr Reith was aware of the extent of the misuse of this card.

Senator Robert Ray—Just you wait.

Senator ALSTON—You can talk about the length of time as much as you like, but there is no evidence, to my knowledge, that suggests that Mr Reith was aware, in any shape or form, of the extent of that misuse. He has quite properly accepted responsibility for $950. The rest of it relates to matters of which he had no knowledge. Madam President, if that is the statement of Mr Reith, then I think it is outrageous that the opposition should effectively turn it around and say that he is guilty until proven innocent. He is not. (Time expired)

Mental Health: Income Support

Senator BARTLETT (2.33 p.m.)—My question is addressed to the Minister for Family and Community Services and it relates to World Mental Health Day, which, the minister would be aware, occurs today. The minister would also be aware that estimates are that, in any 12 months, one in five Australians will experience a mental disorder, and the figure is as high as one in four for young people aged between 18 and 25. Given the difficulties of accessing and meeting the mutual obligation requirements of Newstart and Youth Allowance, and the further difficulties for people who are experiencing a psychotic illness—possibly for the first time—of transferring to the disability pension, if required, can the minister explain why the government’s approach to young people and unemployment is so focused on throwing young people off welfare for missing an appointment? Given the government’s continued urging of Centrelink to increase the number of activity test breaches, can the minister guarantee that the mental health of income support recipients is fully considered in every determination of whether or not to cut a person’s payments for activity test breaches?

Senator NEWMAN—It was a bit difficult to hear some of the question, but I will answer it in this form. The welfare reform process, which the senator would well understand, is on track for bringing a government response by the end of this year. It has focused on the special needs of people for whom the existing system does not provide enough support. I personally believe that the young people that Senator Bartlett referred to are very clearly within the group of people with special needs who need special help to become self-reliant to the maximum possible and to have the opportunity to participate economically and socially in our country. Having said that, I do believe that the government will be looking to see what special support can be given to people with special needs when we come to address the recommendations of the McClure report on welfare reform.

In addition, the senator did make some comments about breaching of young people who have difficulty keeping appointments with Centrelink, for example. That was some of the bit that I could not hear very well. I recognise this, and I had a very brief conversation with Senator Lees about this a few weeks ago. Young people who are perhaps homeless or living with groups of young people and do not have a fixed address or a fixed means for Centrelink to communicate with them are sometimes breached because they are not easily able to be reached. It is one way whereby Centrelink is able to bring to the attention of the young person their need to communicate with Centrelink as they are required to do by law.

I am advised by Centrelink that, in the majority of cases, the young people who get that treatment by Centrelink do then come into the office and explain their position, and they then have the opportunity to have the breach overturned. But it is important that,
for a population that is relatively floating and just simply unable to be contacted, Centrelink does have some way that it can bring to the attention of these young people the fact that they must make contact. They need to see their one-to-one officer, for example; they need to satisfy commitments they have made. I recognise that some of the people you are talking about are vulnerable in this area, and it is important that the government and Centrelink work to find as appropriate a system for communicating with these young people as we possibly can. I personally have a great interest in community housing, as I have said in the Senate before. I would like to see the expansion of community housing in Australia because not only would we be providing these young people with a roof; we would be able to, if they have a mental illness and need to be on medication in order to be able to access training and employment opportunities, help them not just to get a job but be supported in keeping a job. That, after all, is what all of us would want for these young people. If we can do that through something like community housing where it is a roof plus, then we have the chance of these young people not falling through the net and, as whole community, as a whole society, being able to meet their special needs. I would also draw it to your attention that some of the figures used by ACOSS about breaching are misleading. I spoke to Mr Raper about this yesterday and have promised to give him some information on that subject. (Time expired)

Senator BARTLETT—Madam President, I ask a supplementary question. I appreciate the minister’s commitment to community housing and I look forward to an increase in government funding in that area in the next budget. Minister, surely there is a better way for Centrelink to bring an issue to a person’s attention than to cut their income and expect them to come in and argue to get a breach overturned to get some income back. Given that about one in five disability support pension recipients have a psychiatric illness, and given the lack of adequate funding for employment services for people with disabilities, will the minister give assurances that the government’s welfare reform response will not involve an increased level of mutual obligation activities for these people?

Senator NEWMAN—As I said in the previous answer, the government will bring down its response to the welfare report before the end of this year. We have always been very mindful of the fact that people who are on a disability support pension generally have special needs that have to be addressed. As you heard Mr McClure say, it is an expansion of people’s opportunities; it is not a system that is to focus on sanctions. As to the detail of the response, I cannot give that to you today until it is dealt with on a whole of government basis, which is being done at the moment. It will be released publicly before the end of the year.

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator FAULKNER (2.40 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. Can the minister confirm that both he and his department took 10 weeks to answer a question taken on notice at Senate estimates in May this year which related to the telecard expenses of members and senators? Can the minister also confirm that, when the answer was received, no details were forthcoming and that this was motivated by a desire to protect Minister Reith? Is it not true that, when direct questions on individual telecard use were put at that estimates hearing, the officials knew the review of accountability was as a direct result of the discovery of the corrupt use of Mr Reith’s telecard? Finally, Minister, is it not a fact that the government only came clean on this issue in response to questions from the Canberra Times newspaper?

Senator Alston—Madam President, I raise a point of order: the use of the term ‘corrupt’ is presumably intended to reflect adversely on Mr Reith’s behaviour.

Senator Jacinta Collins—He didn’t say it was Reith’s corruption.

Senator Alston—I am glad you are conceding the point. It is not appropriate in any shape or form for Senator Faulkner to ask a question that presumes guilt. He can certainly explore certain matters, but to couch it in those terms is, I submit to you, a direct
breach of standing orders and he should not be allowed to make a very serious allegation along those lines.

The PRESIDENT—I do not believe the questioner did impugn the integrity of Mr Reith in his question. He was talking about the use of the card.

Senator ELLISON—I am aware of the question that Senator Faulkner refers to. It related to members’ and senators’ use of telecards. In that answer given to Senator Faulkner he will recall that we had to verify with each member and senator, as is normally the practice, the amount of telecard usage. What we normally do before we provide details in relation to members and senators—and it is a longstanding practice—is check with them and verify that the figure is okay. That was the timing involved in relation to that question. There was no cover-up at all, and to suggest anything like that is entirely spurious on the part of Senator Faulkner. The Minister for Employment, Workplace Relations and Small Business has acted in a most forthright manner. He has been up front. He spoke to the press this morning in an interview and explained the situation fully. There is no aspect—and I repeat: no aspect—of corruption on the part of Mr Reith. In fact, he has been totally forthcoming in this matter.

For Senator Faulkner to suggest that there has been a cover-up is entirely misleading. In fact, when you look at the history of telecards, you might want to go back to the previous government. In 1991, the then minister—it may have been Senator Bolkus—said that ‘Telecom accounts should not be given in an itemised form to members and senators’, and that they should only be given ‘a figure in relation to the usage of the account’. In 1993, when Janice Crosio was the parliamentary secretary—

The PRESIDENT—Mrs Crosio.

Senator ELLISON—Mrs Crosio sent this out to all members and senators in response to concerns:

I wish to reassure you that Telecom and Optus have been instructed to provide summary accounts only, to ensure the privacy of senators and members.

We have here a situation of telecard use that the department has looked at and that it has acted upon as a result of this matter. In fact, last year a review was done on the issue and receipt of telecards and in relation to the monitoring of their use. But we have to weigh up those considerations of privacy as well, which the prior government thought were so important. So we have approached this in a rational manner, and there is no aspect of a cover-up. As to the other matter pertaining to the telecard of Mr Reith, that is the subject of investigation and, as is customary, we do not comment on operational matters.

Senator FAULKNER—Madam President, I ask a supplementary question. Minister, given that you would have been aware of this massive fraud since August last year, did you immediately inform the Prime Minister, or did you follow Mr Reith’s lead and delay the notification by nine months? Did the Department of Finance and Administration immediately refer the matter to the Australian Federal Police, or was it only referred some nine months later after Mr Reith belatedly informed the Prime Minister of the problem?

Senator ELLISON—I have already said that the Department of Finance and Administration acted on this matter when it became aware of it and took immediate measures. As to the other aspects concerning this investigation, they are operational and I will not be commenting on them.

World Conservation Union Global Council: Australian Representation

Senator BROWN (2.45 p.m.)—My question is to the Minister for the Environment and Heritage, Senator Hill. Minister, what is the government’s response to news just in from Amman, Jordan, that the Wilderness Society’s candidate for the global council of the World Conservation Union—the world’s premier environmental body—Christine Milne, has been elected to represent Australia instead of the candidate supported and endorsed by the Australian government? Does the government recognise this as a very clear reprimand by other world governments, as well as environmentalists around the world, for its policies on such issues as uranium mining in Kakadu, global warming and
logging of tall forests in Tasmania, as well as, of course, an accolade for the excellence of Christine Milne and her record?

Senator HILL—If Christine Milne got elected, good luck to her.

Senator BROWN—Madam President, I ask a supplementary question. Minister, do you endorse the election of Christine Milne by this conference of 3,000 delegates from around the world? Can the minister confirm that he and his office spent considerable resources trying to have an alternative candidate elected, and failed?

Senator HILL—A whole range of candidates, I understand, were elected—some from non-government organisations, some from governments. Of course, this particular body is a combination of NGOs and government. I congratulate those who were successful. In relation to Mr Tanzer, who was unsuccessful, I can assure the Senate that he was a very good candidate and would have done a very good job—but that is the way it goes.

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator ROBERT RAY (2.48 p.m.)—My question is directed to Senator Vanstone, the Minister for Justice and Customs. Can the minister confirm that the Prime Minister referred the Reith telecard issue to the AFP following advice from the Attorney-General, Mr Williams? Did Mr Williams advise the Prime Minister to say at his press conference this morning in answer to a question on whether this matter constituted defrauding the Commonwealth, 'I don’t believe it is'? Is it not up to the Director of Public Prosecutions to determine whether there is a case for fraud, and not the Prime Minister? Is it really appropriate for the Prime Minister to be commenting publicly when the matter is apparently still before the DPP?

Senator VANSTONE—I thank Senator Ray for the question. I do not have any knowledge, direct or indirect, as to what advice Mr Howard may have sought from the Attorney-General in relation to this matter. I will take that question on notice and see what the Attorney wants to tell you with respect to that. In relation to what comments have been made this morning, I have not seen what comments have been made. I will have a look and if I have anything to say about it I will come back to you.

I might add that it would be helpful if people such as yourself, Senator Ray—who, I believe, understands these matters—would advise some of your colleagues to be careful about what they say in relation to operational matters. It has not been a practice over the last couple of weeks for some of your colleagues, Senator Ray, to exercise that care. They have made mistakes. I believe there have been occasions when I think one could say that the parliament has been misled. I will not say that that is necessarily intentional, but people often get their blood up, their temper up, and they say something without all the facts. If you would assist by encouraging your colleagues to recognise the matters that you raise, Senator Ray, it would be particularly helpful.

Senator ROBERT RAY—Madam President, I ask a supplementary question. I thank the minister for her suggestion—I will take that up. Minister, have you made yourself aware of how these issues were raised at estimates, and can you confirm that no operational matter was prejudiced there by the general questioning? Secondly, whilst I am taking up matters with colleagues, will the minister take up with Mr Reith the fact that on AM this morning and on the front page of the Canberra Times he raised operational matters to do with this case? Will the minister also take up with the Prime Minister the fact that he commented on whether this matter constituted a fraud or not and whether he was the one who referred it to the Federal Police? Minister, will you also advise the Prime Minister and Mr Reith to be careful in future?

Senator VANSTONE—I will have a look at what comments were made this morning and see whether there is anything that I want to come back to you about.

Aboriginal Communities: Army Assistance Program

Senator FERRIS (2.51 p.m.)—My question is to the Minister for Aboriginal and Torres Strait Islander Affairs, Senator Her-
Will the minister outline the contribution the Australian Army is making to improving the lives of indigenous Australians under the government’s very important $40 million community infrastructure initiative?

Senator HERRON—I thank Senator Ferris for the question and for her continued interest in this area. I am delighted to receive this question because today I can announce three more remote Aboriginal communities which will greatly benefit under the outstandingly successful Army infrastructure initiative. The $40 million ATSIC Army Community Assistance Program has been applauded by indigenous communities across the country since I announced the program in 1996. This program is a successful partnership between the Australian Army, ATSIC and the Department of Health and Aged Care. More than $4 million will be spent building essential housing and infrastructure at the remote Yarralin and Lingarra communities, 300 kilometres south-west of Katherine in the Northern Territory.

The government’s Army ATSIC program has been an outstanding success and is making a real difference in the homes of the people with the greatest needs. The practical improvements will assist around 370 community residents, with $4 million in works on essential housing and infrastructure. After lengthy consultation with both communities, Army personnel are now conducting detailed planning, with construction on the upgrading of water and power supplies, major roads, drainage and landscape works and eight new houses to begin early next year. Agreement is also expected in a few weeks for another high priority Northern Territory project at Amanbidji, 400 kilometres south-west of Katherine that is likely to include major housing and infrastructure works involving 15 house demolitions, major renovations, replacement housing and major upgrades to roads, drainage and sewerage systems. Work is also under way to identify suitable AACAP projects in Western Australia and Queensland for work in 2002.

I want to thank the Army for its continued commitment to remote indigenous communities, despite its obligations in East Timor. Army engineers in Wurankuwu told me that the experience that they had had working in remote communities was actually able to be transferred to East Timor when they were called up there to institute programs for sewerage and road building, because they had, to a large degree, lost that experience prior to that. The government has already spent a total of $17 million under the AACAP program over the past three years, with works at Bulla, Marthakal outstations, Milyakburra, Oak Valley in South Australia—which was one of our first, as Senator Ferris would know—Docker River, Jumbun in Queensland, Oombulgurri in Western Australian, and Milikapiti and Wurankuwu in the Northern Territory. These communities have received construction of capital works such as water, sewerage and power systems, roads, airstrips, and the construction and upgrade of community housing.

Army has provided tasks of opportunity such as training courses and medical support plans to enhance present health programs by addressing environmental issues and by providing specialists. These specialists have included dental teams, dermatologists, optometrists, environmental health workers and veterinary teams. The government’s national focus on the sources of Aboriginal and Torres Strait Islander disadvantage is part of its practical reconciliation approach. The AACAP initiative is part of the federal government’s record $2.3 billion spending on indigenous programs this financial year. We are focusing on the key areas of health, housing, education, employment and economic empowerment. It is this practical and realistic response which is providing real benefits to the people on the ground. By tackling disadvantage in this way the Howard government is delivering on its commitment of practical reconciliation. We are making substantial changes in the lives of indigenous Australians—something that the former Labor government never achieved but only talked about.

Banking: Interchange Fees

Senator CONROY (2.55 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Is the minister aware that the Reserve Bank and ACCC have today released their report Debit and credit card schemes in
Australia: a study of interchange fees and access, which has concluded that interchange fees for ATM services are around double the average cost of providing these services, that this margin cannot readily be explained by the need of ATM owners to earn a competitive return on capital, that Australia has a higher cost retail payment system than necessary and that much of this higher cost is borne by consumers who do not use credit cards. Minister, given that the Reserve Bank and the ACCC have finally blown the cover and exposed the banks’ credit and debit card cartel, what action will the government take to stop the blatant profiteering of Australia’s banks?

Senator KEMP—Senator Conroy, my understanding is that this report was due to be released at 2 p.m. today, and you would understand I therefore have not had a chance to have a comprehensive briefing on the report. Let me just make a number of observations to you. I take this opportunity to welcome the RBA-ACCC report, which was announced, as you will recall, in September last year in response to the Wallis inquiry. This report is part of the broader financial system reforms brought about by this government. To the extent that the report sheds some light on issues concerning competition and efficiency issues within the payments system, that is attributable to the fact that the Howard government implemented the Wallis reforms, including the recommendation for this particular inquiry. You understand this was a government initiative—you understand that. Let me assure you that the government will consult widely with industry and consumer groups in order to fully consider the material outlined in the report. My understanding in relation to the issue that was raised specifically by Senator Conroy is that this is a matter for Minister Hockey and that he will be writing to the banks to seek an explanation.

Senator CONROY—Madam President, I ask a supplementary question. Minister, the report states that for an average credit card transaction of $100 there is a mark-up of 39 per cent, and concludes that competitive pressures in Australia’s card payment network have not been sufficiently strong to bring interchange fees into line with costs. What more evidence does the government require before it will bring the banks to heel?

Senator KEMP—I do not know whether you listened to what I said, Senator Conroy. It is a bit of a problem with you actually. You stand up and try to explain to Senator Conroy the facts of the case, you explain that this is a matter for Minister Hockey and that Mr Hockey will be writing to the banks seeking an explanation—you explain all of that to Senator Conroy and he jumps up and makes a complete goose of himself. The government will be considering this report properly.

Senator CONROY—No, we don’t want another considering.

Senator KEMP—Senator Conroy does not want the government to consider the report now. Okay, Senator Conroy, I will put your view to Minister Hockey that you do not want him to consider the report. I have not had a briefing on this report. It is a matter for Minister Hockey to deal with. I have already mentioned to you one particular action that Minister Hockey will be taking. (Time expired)

Education: Funding

Senator ALLISON (3.00 p.m.)—My question is to the minister representing the minister for schools. Did the minister receive a letter from the Berwick Secondary College this week pointing out that this school has just $5,031 to spend on the education of each student in its school? Minister, if students at Melbourne Grammar, Scotch, Wesley and Penleigh need about $13,000 each spent on their education, how can Berwick Secondary School students be expected to manage on much less than half that amount? Minister, isn’t it time to raise the amount of federal funding going to government schools?

Senator ELLISON—This is yet another attempt to distort the SES funding formula for schools. What we have introduced is a much fairer system of funding the non-government schooling sector. There has been mention of Geelong Grammar, Bacchus Marsh Grammar and the Overnewton Anglican Community College. These schools were assessed, as were the other schools that Senator Allison has mentioned, in accor-
dance with the socioeconomic statistics relating to the parents of the students at those schools. When you look at a school like Geelong Grammar, you get an SES score of 109. What we found with many of these schools was that, in relation to the resources of their parents, they were not as well off as people said they were. We have relied on ABS statistics on the families who send their children to those schools. That is why we get a fairer—

Senator Allison—Madam President, I rise on a point of order. The minister is debating something which is quite at odds with my question. I ask you to direct the minister to answer my question.

The President—I am sure the minister is aware of it. There is no point of order.

Senator Ellison—Senator Allison is trying to compare apples with pears. What you have to do is compare like with like. You have to look at a school which has a certain SES background and compare it with a similar school. What we have is a funding formula which is flexible. You do not compare, say, a school which has a very high SES score with one which has a low one. In fact, the funding ranges from something like 17½ per cent of what we pay per capita for a government school student to 70 per cent. That is the range of funding for a non-government school student. Obviously you are going to get some variation. What I say to people is: look at the schools that you are comparing and make sure that their SES scores and backgrounds are similar. When you compare a non-government school with a government school, make sure that you are comparing like with like. Do not try to distort this by creating a divide between those two school sectors.

Senator Allison—Madam President, I ask a supplementary question. While we are comparing apples with pears, I ask the minister: does he understand where Berwick is and how it is a government school? The minister ought to be prepared to make that comparison with those wealthy schools. Minister, like so many other government schools, Berwick Secondary College relies on portables and they expect that next year more than a third of their students—some 700 students—will not have proper classrooms. Can you answer why this is the case? Is the lack of proper classrooms in government schools one of the reasons why many parents are choosing private schools?

Senator Ellison—To start with, state governments have the primary responsibility for funding government schools and, in the first instance, the school should look to the state government that is dealing with its educational resources and funding. You would have to know the background of the parents of the students at Berwick school before you go comparing it with other non-government schools and the SES status of their parents.

Senator Hill—Madam President, I ask that further questions be placed on the Notice Paper. 3.05 p.m.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator Faulkner (New South Wales—Leader of the Opposition in the Senate) (3.05 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Communications, Information Technology and the Arts (Senator Alston), the Special Minister of State (Senator Ellison) and the Minister for Justice and Customs (Senator Vanstone), to questions without notice asked by Senators Conroy, Faulkner and Ray today, relating to the use of a telecard issued to the Minister for Employment, Workplace Relations and Small Business (Mr Reith).

We have heard now very many times Senator Vanstone assert that comment should not be made in this chamber about operational matters of the AFP or matters pending determination by the DPP. There is always a sanctimonious comment to that effect. The same claim was made by Mr Howard at his press conference earlier today on the issue of Mr Reith’s credit card. But when the Prime Minister was then asked whether the misuse of Mr Reith’s telecard was a fraud on the Commonwealth, the Prime Minister answered directly—and I quote—‘I don’t believe it is.’ Let us be very clear: the Prime Minister is putting on the public record his view about whether a crime has been committed while the police and DPP processes
are still under way. The Prime Minister has prejudged the criminality of this matter pure and simple and, in doing so, he has also removed any defence the government had on relying on the standard of no comment on police operational matters.

In complete contradiction to what the Prime Minister has said, Senator Alston, in question time, said, ‘Don’t you believe in due process? You’re not prepared to wait.’ The Prime Minister was not prepared to wait today. But of course you have to acknowledge that the Prime Minister is only following Mr Reith’s efforts on the AM radio program and on the front page of the Canberra Times newspaper today. Mr Reith has claimed that he personally stopped using his telecard in 1994. He states that he believes his card had been handed back to his department. He admits family use of his telecard. In an interview on the AM radio program this morning, he detailed the handing out of his telecard and PIN number to other people.

He admits to this negligence. So much for not commenting on operational matters! It may be that Mr Reith has not yet fully briefed the Prime Minister on this matter. Certainly Mr Howard got the facts wrong in his press conference today. The Prime Minister does not yet understand that this is not a one-off occurrence in 1994—‘before Mr Reith was a minister in my government’, as the Prime Minister said—but was an ongoing misuse of Mr Reith’s official telecard for five years, beginning in 1994.

There is no doubt that this matter has been covered up. I raised this matter at Senate estimates in May this year. The department was asked directly about individual telecard use by members and senators. We now know that the department was well aware at that time of Mr Reith’s delinquency. Of course that meant it gave us very evasive and guarded answers at the estimates hearing. But having promised to provide the information on telecard use by members and senators, it provided the answer nearly 10 weeks after the committee deadline, with the department claiming that the information was being extracted and it would have to be provided to each member and senator for their verification before tabling. That was deliberate prevarication by the department and the minister.

Now the government is attempting to hide behind AFP operational matters to protect Minister Reith. Well, the bottom line is: Mr Reith, through his stupidity, through his naivety, and through his carelessness, has blown $50,000 of taxpayers’ money. We call on Mr Reith to pay back the full amount. Pay back the $50,000. We also call on the Prime Minister to stand this negligent minister down for the course of the police and DPP investigation of these very serious allegations of fraud against the Commonwealth. The only winner in this whole affair, of course, is the member for Higgins, Mr Costello. Not even the $35,000 of media training will be able to remove the smirk from Mr Costello’s face. (Time expired)

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.10 p.m.)—You always know when Labor has a weak case. Firstly, Senator Faulkner shouts—five minutes of shouting—so you know that he does not have an argument of merit. Secondly, you know there is a weak case against a minister in the House of Representatives when questions are not asked in the House of Representatives—

Senator Carr—Yes they were.

Senator HILL—they are only asked in the Senate—

Senator Faulkner—that is not right.

Senator HILL—so that you cannot get—

Senator Faulkner—You are wrong again.

Senator HILL—Well, how many questions were asked in the House of Representatives? How many questions were asked?

Senator Faulkner—You are wrong; just apologise.

Senator HILL—Okay, I will rephrase it. When the attack is predominantly in the upper house and not in the chamber fronting the minister or fronting the Prime Minister, then you know Labor has a weak case.

Senator Jacinta Collins interjecting—

Senator HILL—Because you make a choice. Labor made a choice: its first political issue of the day was apparently educa-
tion, so in the House of Representatives, in front of the large press corps, it took up the issue of education. For its secondary issue, it decided to have a go at Mr Reith in the Senate chamber, in which he is not present, in which he will not be responding directly and where the Prime Minister is not present and will not be called to account for his actions. That is a demonstration, I would have thought, obvious to any reasonable, objective observer, that Labor does not take this matter seriously.

By contrast, Mr Reith has taken the matter seriously. When it came to his notice he brought the matter to the attention of the Prime Minister. The Prime Minister sought the advice of the Attorney-General and it was referred to the police for investigation, because it does seem there has been some misuse of this credit card by some third party and it needs to be investigated. Nobody is disputing that. But what did Labor do in here today? Instead of saying, ‘There seems to have been misuse of this card that needs to be investigated, and we are pleased it has been forwarded to the police for that purpose,’ what did it do? It traduced the language of corruption, and then had the nerve to say to the Senate: ‘Oh, we are not alleging corruption or some misconduct on the part of the minister. We just happened to use that coloured expression to suit our purposes.’

Well, we know what that is meant to imply to anyone who happens to be listening to this chamber today. It is not surprising that Senator Cook sits there smiling—because he has seen that tactic used over and over again over the years. Does Labor worry about proving guilt? Never. It is always assumed by Labor. It assumes guilt. Senator Faulkner shouts it to the world, then he reshouts it to the world, and then Labor believes it is going to get the headline that it has been proven. That is the Labor way of doing it. I accept that it quite often works, actually: if you assert it confidently enough, shout it as Senator Faulkner does, then it quite often gets written in that way.

Senator Jacinta Collins—You are shouting now.

Senator Hill—I never shout, Senator. This matter came to notice after a long period of time because, as Labor will concede, we are not provided with detailed telephone accounts. We are not provided with them, apparently in our own interests, so that there cannot be any prying into matters of privacy—a decision that was taken by Labor in government, which I do not quarrel with. It means that senators and members are not necessarily aware of the detail of their telephone usage. It does mean this. But when this matter was brought to Mr Reith’s attention, proper action was taken. When he found that there had been some usage by a child of his, that money was repaid. In relation to misuse by a third party, it is being investigated by the police. Who could have asked for more than that? Only Labor, which, of course, is dissatisfied with that because it is not interested, as it is never interested, in establishing the truth. It is only interested in asserting guilt, and it does that for short-term, base, political motives. I guess that is all part of the game. (Time expired)

Senator Robert Ray (Victoria) (3.15 p.m.)—If we were guilty, as Senator Hill charges, of base political motives in this, we could have raised the specifics of it at the estimates last May. But we did not. We asked general questions about the use of the telecard. We did not ask the specific about Mr Reith. So, Senator Hill, to say we are acting in the short term is not true. Secondly, Senator Hill does not address the question of how bad it is to comment on operational matters. When he says Mr Reith acted properly, Mr Reith made this matter public when the Canberra Times questioned him yesterday. Go back through the history of Mr Reith’s dealing with this issue. He was told about this issue back in August 1999. When did he tell the Prime Minister? In May 2000. And when was it referred to the Federal Police? Not back in August 1999. After the Prime Minister was informed, on the advice of the Attorney-General, the matter then goes to the Federal Police.

We have this contradiction. This morning, trying to save his own skin, Mr Reith said he referred the matter to the Federal Police. I believed him until I watched the television at lunchtime—a direct broadcast of the Prime Minister’s press conference—where the
Prime Minister said he, the Prime Minister, referred the matter to the police. Who is to be believed—Mr Reith or the Prime Minister?

On the question of belief, we are asked to accept by Mr Reith whether in fact he could remember what happened to his card. He sort of vagued it up. He said, ‘I thought I might have handed it back in.’ If he is serious about the issue, why didn’t he do a search of his office, of his briefcase, of his wallet, to see if the card still existed? Why didn’t he ring the department and say, ‘Oh, look, chaps, I’ve been asked a question on this and I’ve forgotten whether I handed my card back in.’

But no, to vague things up, to fuzz the whole issue, he says, ‘I may have handed it back in.’ The fact that it is reissued every three years and everyone gets a new card with an expiry date has been overlooked by Mr Reith. Of course, what Mr Reith has not done directly, and he should at least do it now, is say that he, Mr Reith, admits to directly breaching the Remuneration Tribunal provisions as reinforced in the DOF A guidelines. Those guidelines are explicit: the telecommunications card is issued to the member and senator solely for their personal use on parliamentary and official business.

You have to ask how this issue arose when you have a PIN, a 12-digit number. Who got hold of it? Mr Reith at least answers that. He said he gave it out. He is totally in breach of the Remuneration Tribunal provisions. And what is he doing with his time? Why didn’t he ring the department and say, ‘Oh, look, chaps, I’ve been asked a question on this and I’ve forgotten whether I handed my card back in.’

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (3.20 p.m.)—The Labor Party, devoid of policy and vision, come into this place, crawling the gutter, trying to raise issues so that the Australian people do not realise they have rolled over on GST and they have changed their mind on the sale of Telstra. They want to cover up the fact that we have reduced unemployment, and they want to cover up the fact that we have got rid of the budget deficit. They want to cover up the fact that we have in fact got on with the business of the government of this nation and introduced wonderful schemes like Work for the Dole, which they condemned at first and they now seem to embrace.

I trust that there are some Tasmanians listening to this broadcast, because I am sure that, especially in Tasmania, they will recall when a former Labor Minister for Justice, Senator Tate, in this chamber, during a criminal trial, made comment about the matter, as a result of which the trial had to be aborted. The Labor Party come in here as though they have no record in relation to mucking up criminal inquiries and criminal trials by their tawdry political exercises, attempting to malign people when there is a proper course to go through.

We have a former minister giving a most demeaning performance here. He used to be held in high regard, but now all we ever hear from Senator Ray is questions dealing with sleazy innuendo, purely personal attacks. And why? Because, if ever he gets up on a
policy issue or waste of government money, everybody reminds Senator Ray of the $500 million-plus blow-out on the Collins class submarine which he had to supervise. He has the audacity to come in here and say Mr Reith ought to pay back $50,000, when we have no idea who was responsible. We know who was responsible for the $500 million on the Collins class submarine, and it was Senator Ray. When you pay back your $500 million, Senator Ray, we might ask questions of Mr Reith about paying back $50,000. We know you will not come in here with $500 million, because you deny any responsibility for that. We know that you were drawing a ministerial salary and driving around in the ministerial car at the time, but you come in here as though you have no responsibility.

Volume in relation to the opposition is often used as a substitute for substance. The fact is that the people of Australia expect from us as parliamentarians a vision for the country, a vision for the future; they do not expect these sorts of tawdry exercises where the evidence is not to hand and people do not know exactly what has occurred. They do not want people like Senator Ray and Senator Faulkner trying to make accusations when there is no basis for them. The Labor Party seem to think that if they continually repeat an assertion it somehow becomes fact. We know how the Labor Party act in this chamber: we saw it with their shameful attack on the Bailleau family, when it was shown to be completely without foundation. Did they ever apologise? No. What did they do? They moved on to the next tawdry little exercise. They just move on because there is no sense of shame, there is no sense of decorum and there is no sense that there might be life in politics above the S-bend. These people on the other side enjoy nothing more than wallowing around in the septic tank of innuendo. But I would invite them to get a life, to come up above the S-bend and to consider what they might be able to contribute to the Australian people and to Australian political debate by actually coming up with some policy ideas and a vision for this nation rather than a vision of attack against their colleagues on the other side. They think that by cutting off members of the Liberal Party at the knees they somehow increase their own stature. That is not the case. (Time expired)

Senator CONROY (Victoria) (3.25 p.m.)—It is a well-known concept to make the poacher the gamekeeper. Here we have the Minister for Employment, Workplace Relations and Small Business stomping around the country, belittling unions and demanding that corporate Australia crack down on rorts, otherwise known as award conditions. At the time of the waterfront dispute he said:

... the reality is that the rorts and inefficiencies on the Australian waterfront have been going on for far too long. I think most Australians reckon that enough is enough. Certainly the strong reaction I’ve had is that it’s about time, it’s about time that someone finally took up these issues ...

We all know what Mr Reith did. He did not hesitate to call in the balaclavaed thugs and chained dogs. So incensed was he by their perceived rorts, he announced that he was launching a book called ‘The fat little book of MUA rorts’ and that it would be posted on his department’s web site. Yet for five years he has been in breach of his own award entitlements and it has been kept hush-hush. Only now has Mr Reith been forced to fess up—and there are still a lot of other questions which need to be answered.

Every senator and member is issued with a telephone services charge card at Commonwealth expense. The card may be used by only the senator or member personally to make telephone calls on parliamentary or electorate business. Yet today it has been revealed by Mr Reith that he has run up a telecard bill of more than $50,000 for which he cannot account. Some of that bill, we know, was due to the use of the card by a member of his family. Who gave away the PIN number? Senator Hill has mounted his defence, but at no stage has Senator Hill addressed the question of who handed the family member the PIN number. Would you, Senator Hill, hand your PIN number over to a member of your family? No, I bet you would not. I bet you have read the guidelines.
The DEPUTY PRESIDENT—Address the chair, please, Senator Conroy.

Senator CONROY—Can we believe that Mr Reith is so gullible as to not check expenditure of his own entitlements? Can we believe that Mr Reith, who is so quick and eager to check on the rorts of workers, did not ensure his own affairs were in order? Such haphazard management definitely goes against the prime ministerial code of conduct, which clearly states:

Although their public lives encroach upon their private lives, it is important that ministers and parliamentary secretaries avoid giving any appearance of using public office for private purposes.

Why did he give a member of his family the PIN number? The code says elsewhere:

Ministers are provided with facilities at public expense in order that public business may be conducted effectively. Their use of these facilities should be in accordance with this principle. It should not be wasteful or extravagant.

Who gave a member of the family the PIN number? Can we believe that Mr Reith has never read this code and is not aware of his obligations to the taxpayers? Again, can we believe that Mr Reith is so gullible as to not check expenditure and his own entitlements?

He took a very strong interest in exposing what he alleged were rorts by the MUA. He was especially intrigued by the surface of a billiard table. He accused Labor of supporting these rorts. He said of Labor:

The roters’ supporters over here support that; they support that. This is the latest in a long list of rorts—the Eddie Charlton rort—and you guys support it.

Who is supporting the rort today? Who is supporting the minister who gave, on his own admission, his PIN number and card to a member of his family? Who is supporting the rorts now? I wonder what Mr Reith is saying now. Labor pursued this issue at Senate estimates and waited 10 weeks for an answer to a question relating to telecard expenses of members and senators. When in doubt, Mr Reith brings in balaclavaed thugs and chained dogs to hound down the alleged roters. He does not hesitate to go to extravagant lengths—lengths that may extend as far as Dubai—to bring perceived roters to task.

When there is doubt about him, he pays back $950, crosses his fingers and hopes that no-one will notice the other $49,050 and that no-one will demand that the $49,050 be paid. It has been noticed, Mr Reith, and your actions stand in stark contrast to your strong action when you were chasing workers that you perceived roted their entitlements. Your action may well end up costing the taxpayer $49,050—money which could easily be put to a better use for the benefit of Australian taxpayers. Mr Reith’s explanations so far have been inadequate. Mr Reith is reported as believing that his telecard had been handed back to the department. (Time expired)

Question resolved in the affirmative.

Mental Health: Employment Services

Senator BARTLETT (Queensland) (3.30 p.m.)—I move:

That the Senate take note of the answer given by the Minister for Family and Community Services (Senator Newman), to a question without notice asked by Senator Bartlett today, relating to welfare services and mental health.

The question related to issues surrounding mental health. Today being Mental Health Day in Australia, I think it is important to draw attention to some of the issues surrounding this matter. It is an area that often does not get adequate attention in Australia both in terms of the extent of mental illness in our community and in terms of the impact that that illness has on people. It is in the area of our welfare system that sometimes some of the biggest difficulties relating to mental illness can come to light. A lot of attention in recent times has focused on the increasing number of people being breached over their activity agreements, which are part of their requirements for accessing Newstart income support payments. The minister indicated that there might be some difference of opinion as to how large those numbers are,
but there is no doubt that they are very significant numbers, growing numbers. Indeed, those numbers are presented by the government as being an indication of their success in cleaning up the so-called abuse of our welfare system.

From my experience in talking with those in the community who deal with the consequences of people being breached—and very often those people are young people—I can say that mental health issues are often a reason why that person was not able to meet the obligations that were put before them. I take some encouragement from the minister’s answer, as she acknowledged that this is a potential problem. I have no doubt that it is a real and current problem. The fact that the minister appeared willing to concede that these are difficult issues that need some more examination is encouraging. Certainly, I would encourage her and the government to direct more energy in that regard, because I have no doubt that it is a serious problem and that it is impacting on, and causing loss of income for, many people—especially many young people—many of whom are already very poor or in difficult circumstances. If you compound that with the disadvantages and difficulties that can arise because of mental illness—whether it is a long-term or chronic illness or a short-term illness—then clearly it is not only not a helpful response but a distinctively negative response for Centrelink to reduce their income because of too harsh an application of the activity test. The Democrats believe that this is an issue that needs closer attention. If you talk to people out in the field—whether they are in welfare rights centres or in community organisations—there is no doubt that mental health issues are involved in social security breaches in a number of cases. I cannot put a figure on it—indeed, I am sure that nobody can put a figure on it, and that is part of the problem. But it is a clear and real problem that is causing a lot of hardship for many people who often need extra assistance, not the extra burden of a cut in their income.

There is also the broader issue of how this will be dealt with in the government’s approach to welfare reform. I had the pleasure of speaking at a conference in Perth organised by the Western Australian Council of Social Service. I was involved in a session dealing with mental health issues and welfare reform, and it is clear that this is an area where people are not only concerned about how the government’s response may affect people with mental illness but also about there being insufficient awareness about what mentally ill people have to go through and the sort of assistance that they need. If we are talking about—as some aspects of the McClure report are—providing people with extra assistance that directly meets or more adequately meets their needs, then there needs to be specific awareness of the needs of mentally ill people, both in terms of seeking employment—that aspect of our welfare system, encouraging people into the workforce—and, more broadly than that, in terms of ensuring that their health needs are recognised and addressed and that barriers—whether they be from ignorance, discrimination or the other aspects of our society that get in the way of people’s full participation—are removed. The Democrats urge not just the government but all our political parties and the wider community to take note of Mental Health Day and Mental Health Week as an opportunity to increase awareness about this issue and to get stronger action throughout all levels of the community, business and government to address those issues so that mentally ill people can have as strong an opportunity to be a part of our community and to contribute to it as every other Australian.

Question resolved in the affirmative.

PERSONAL EXPLANATIONS

Senator BRANDIS (Queensland) (3.36 p.m.)—I seek leave under standing order 190 to make a personal explanation.

Leave granted.

Senator BRANDIS—It has come to my attention that in the newsletter which I publish, the ‘Brandis Briefing’, the list of committees on which I serve inaccurately records that I am a member of the Joint Standing Committee on Electoral Matters. This is not the case, and the information was included in the newsletter by mistake. I wish to take this opportunity to correct the record.
NOTICES

Withdrawal

Senator COONAN (New South Wales) (3.36 p.m.)—Pursuant to notice given on the last day of sitting, on behalf of the Standing Committee on Regulations and Ordinances I now withdraw business of the Senate notice of motion No. 2 standing in my name for two sitting days after today; business of the Senate notice of motion No. 1 standing in my name for six sitting days after today; and business of the Senate notices of motion Nos 1 and 2 standing in my name for 10 sitting days after today.

Presentation

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

That the following bill be introduced: A Bill for an Act to amend the National Crime Authority Act 1984, and for other purposes. National Crime Authority Amendment Bill 2000.

Senator Stott Despoja to move, on the next day of sitting:

That the Senate—

(a) notes that:

(i) the University of South Australia plans to shut down the Underdale campus of the university by 2005, and

(ii) as the only university campus in the western suburbs of Adelaide, the campus plays a vital role in facilitating access to higher education for students from the northern and western suburbs of Adelaide, which tend to have lower rates of participation in higher education than the city’s southern and eastern suburbs; and

(b) notes concerns by staff and students that the closure will exacerbate overcrowding and under-resourcing problems at the other campuses of the University of South Australia; and

(c) in light of these equity and resources issues, urges:

(i) the Federal Government to reassess the funding provided to the University of South Australia to enable it to keep the campus open, and

(ii) the management of the university to re-visit its decision to close the campus.

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

That the Senate—

(a) notes that:

(i) the Australian National Maritime Museum has acquired one of Australia’s most significant and spectacular collections of Aboriginal cultural heritage from the Yolngu people of north-eastern Arnhem Land, entitled Saltwater – Yirrkala Bark Paintings of Sea Country,

(ii) this collection of 77 bark works was created in 1996 at the instigation of a Yolngu Elder, Waka Mununggurr, and his desire to help non-indigenous people understand Yolngu law, particularly as it relates to the Yolngu’s claim to sea rights,

(iii) the acquisition of the collection by an Australian institution will help to ensure that this collection of national significance remains in Australia as a reminder of the beauty and vitality of Yolngu law and culture, as well as the ongoing relevance of customary law to the protection of the sacred country and waters of Indigenous Australians, and

(iv) this collection is set to tour the museums and galleries of Australia, Europe and the United States of America, helping non-indigenous people to better understand and appreciate the complexity and richness of Yolngu law and culture and its relevance in contemporary Australia; and

(b) congratulates the Grantpirrie Gallery for its generous donation to the museum, which was needed to make this acquisition possible.

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

That the Senate—

(a) condemns the Government for persisting with its Information Technology Outsourcing Program given that the Australian National Audit Office (ANAO) report presents a damning critique exposing the Government as
having failed to achieve its stated policy objective of achieving savings;

(b) expresses its concern that, despite the ANAO findings, the Government is continuing a program that has demonstrably:

(i) had program management costs reach inexplicable levels,

(ii) failed to achieve the savings promised by the Minister for Finance and Administration (Mr Fahey),

(iii) damaged the local information technology industry by structuring contracts to suit multinational corporations, and

(iv) hampered the capacity of agencies to innovate in the use of information technologies, including the electronic delivery of government services; and

(c) calls on the Government to immediately exclude the science agencies, described as Group 9 under the program, given the potential damage to their research and development capability.

Senator Lees to move, contingent on the Health Legislation Amendment Bill (No. 4) 1999 being read a second time, on the next day of sitting:

That it be an instruction to the committee of the whole that:

(a) the committee divide the Health Legislation Amendment Bill (No. 4) 1999 to incorporate in a separate bill items 7 and 9 of Schedule 1; and

(b) the committee add to that bill enacting words and provisions for titles and commencement.

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

That the time for the presentation of the report of the Economics References Committee on the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies be extended to 9 November 2000.

Senator IAN CAMPBELL (Western Australia— Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.37 p.m.)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Commonwealth Electoral Legislation (Provision of Information) Bill 2000, allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for this bill to be considered during these sittings and seek leave to have the statement incorporated in *Hansard*.

Leave granted.

The statement read as follows—

COMMONWEALTH ELECTORAL LEGISLATION (PROVISION OF INFORMATION) BILL 2000

Purpose of the Bill

The Bill amends the Commonwealth Electoral Act 1918 to:

- resolve any questions about past use by the prescribed authorities listed Schedule 2 of the Electoral and Referendum Regulations 1940 of electronically supplied elector information;

- avoid any potential argument about the admissibility of evidence (which may have involved use, by prescribed authorities, of elector information previously provided on tape or disk) in court; and

- resolve any questions about unavoidable future use of elector information that has already been supplied and embedded in the information systems of prescribed authorities.

Reasons for Urgency

The Bill must be passed as soon as possible to provide retrospective authorisation of the use by prescribed Commonwealth Government agencies and authorities of confidential elector information previously provided on tape or disk. It is necessary to ensure that past and future legal actions, taken on the basis of use of this information, are not jeopardised or called into question.

Possible legal actions taken by prescribed Commonwealth Government agencies and authorities where confidential elector information previously provided on tape or disk has been used at some point in an investigation could be called into question.

Recent legal advice, which overturned previous legal advice has pointed to the need for legislative amendment to resolve these issues.

(Circulated by authority of the Special Minister of State)
COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Extension of Time

Motion (by Senator Calvert, at the request of Senator Crane)—by leave—agreed to:

That the time for the presentation of the report of the Rural and Regional Affairs and Transport Legislation Committee on the provisions of the Wool Services Privatisation Bill 2000 be extended to 12 October 2000.

NOTICES

Postponement

Items of business were postponed as follows:

Business of the Senate notice of motion no. 1 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to the reference of matters to the Finance and Public Administration References Committee, postponed till 6 November 2000.

General business notice of motion no. 562 standing in the name of Senator Allison for today, relating to the proposed Albury-Wodonga bypass, postponed till 28 November 2000.

Business of the Senate notice of motion no. 2 standing in the name of Senator Bartlett for today, relating to the disallowance of Part 3.1 of the A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), postponed till 11 October 2000.

General business notice of motion no. 698 standing in the name of Senator Stott Despoja for today, relating to alternative meetings to the World Economic Forum, postponed till 11 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 31 October 2000.


Presentation

Senator COONAN (New South Wales) (3.39 p.m.)—by leave—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 my name for two sitting days after today for the disallowance of the A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), as contained in Statutory Rules 2000 No. 77. I seek leave to incorporate in Hansard the committee’s correspondence concerning these regulations.

Leave granted.

The correspondence read as follows—

A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 77

22 June 2000

Senator the Hon Rod Kemp

Assistant Treasurer

Parliament House

CANBERRA ACT 2600

Dear Minister

I refer to the A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 77, that make a variety of amendments to the Principal Regulations relating to the rounding of monetary amounts in tax invoices, financial supplies, GST joint ventures, reduced credit acquisitions and insurance.

New Part 3-1 of the Principal Regulations, inserted by item 3 of the Schedule to these Regulations, appears to be largely a re-writing of the previous Part 3-1, which was made on 20 October 1999. The only apparent difference between the two versions is the inclusion in the new version of subregulations 40-5.09(3) and (4), which provide further details as to what constitutes a “financial supply” for the purpose of the enabling legislation. The provisions within the new Part 3-1 have also been renumbered, the purpose of that being, in the words of the Explanatory Statement, to “more closely align with the numbering used in” the enabling legislation. The Committee would appreciate your advice as to whether it might have been preferable to insert two new subregulations into the existing provisions, rather than remaking the whole Part and whether the renumbering of these provisions may cause additional confusion to this area of the law.
The Committee would be grateful for your advice as soon as possible to enable it to finalise its consideration of these Regulations.

Yours sincerely
Helen Coonan
Chair
30 August 2000
Senator Helen Coonan
Chair
Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600
Dear Senator Coonan

A NEW TAX SYSTEM (GOODS AND SERVICES TAX) AMENDMENT REGULATIONS (No. 2) 2000 SR NO. 77

Thank you for your letter dated 22 June 2000, concerning the A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 77. I apologise for the delay in responding to you, but it appears that the letter may have been mislaid.

I note the Committee’s point that the renumbering of the existing Regulations might cause confusion. However, the original intention had been to have the numbering of the A New Tax System (Goods and Services Tax) Regulations 1999 (the Regulations) reflect the numbering of the provisions of the A New Tax System (Goods and Services Tax) Act 1999 (the Act), with some modifications to simplify the numbering. Unfortunately, as the Regulations developed, it became clear that the modified numbering system was not going to provide the desired consistency with the Act in the long term.

The decision was therefore taken to renumber the existing provisions as soon as possible. That way, prints of regulations made before 1 July 2000 would have the correct numbering and the numbering system would expand to encompass later amendments.

The numbering style used is consistent with that used in the Income Tax Assessment Regulations 1997.

In addition, it should be noted that while the main changes to the previous Part 3-1 were the inclusion of new subregulations 40-5.09(3) and (4), there were a number of other, mostly minor amendments to the previous Part 3-1 in Statutory Rules No.77. These amendments are explained in greater detail in the relevant Explanatory Statement accompanying the amending Regulations, but a summary of these has been attached for the convenience of the Committee.

Due to the number of amendments and the need to renumber, a decision was made to remake Part 3-1 rather than only insert 2 new subregulations. I trust this information will be of assistance to you.

Yours sincerely
ROD KEMP
Assistant Treasurer

ATTACHMENT

40-5.02 inserts a new example to clarify that an interest conferred under a public or private superannuation scheme is an example of an interest covered by the regulations.

40-5.06 inserts a new subregulation 40-5.05(2) to clarify that the entity that acquires an interest is also a financial supply provider.

40-5.08 amended as a result of the renumbering

40-5.09 The following amendments are made:

- inserts a new subregulation 40-5.09(2) to clarify that imported financial supplies maintain their status as financial supplies (and be input taxed) rather than subject to the reverse charge and taxable.

- inserts new subregulation 40-5.09(3) and amends items 6, 7 and 8 in the table to that subregulation to clarify when a supply is a financial supply.

- inserts a new subregulation 40-5.09(4) so that supplies made by a financial institution to a non-account holder are treated the same as supplies made to an account holder. The amendment also ensures that application fees that result in an account being established are input taxed.

- amends notes 1 and 2 as result of the renumbering

40-5.101 Inserts new regulation 40-5.10 to clarify when a supply is an incidental financial supply.

40-5.11 Amended as a result of the renumbering of the regulations as is note 3 to that regulation.

40-5.12 The following amendments are made:

- amends items 2, 4, 17 in the table to regulation 40-5.12 to clarify what supplies are not financial supplies and

- also amends the table to regulation 40-5.12 to remove the original item 11 which resulted in the renumbering of the remaining items

40-5.13 Amended as a result of the renumbering.
7 September 2000
Senator the Hon Rod Kemp
Assistant Treasurer
Parliament House
CANBERRA ACT 2600
Dear Minister

Thank you for your letter dated 30 August 2000 concerning the A New Tax System (Goods and Services Tax) Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 77. The Committee considered your response at its meeting today and agreed that it met most of its concerns. However, the Committee notes that neither the Explanatory Statement nor the attachment to your response give reasons for the amendment made to item 10 in subregulation 40-5.09(3). The Committee would therefore appreciate an explanation of this amendment.

The Regulations are subject to a notice of motion to disallow which is set down to be resolved on 12 October 2000. The Committee would appreciate your response as soon as possible but before this date to allow it to finalise its consideration of these Regulations.

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

A copy of the Explanatory Statement is attached, with the material which actually refers to subregulation 40-5.09(3) marked. (Please refer to page 6 of the Attachment to the Statement).

The relevant paragraph in the Explanatory Statement should read:

Under the current GST regulations, an interest in a time-sharing scheme is inadvertently treated as a financial supply although it is more akin to an interest in real property, which is taxable. It is treated as a financial supply because it currently comes within item 10 of regulation 40-5.09. Specifically, the definition of security in the regulations uses the meaning in section 92 of the Corporation Law, which includes a managed investment scheme. The definition of management investment scheme in section 9 of that Act includes a time-sharing arrangement from being a security under the item. [New paragraph 10(b) in subregulation 40-5.09(3)]

The only change is to the subregulation number underlined in the material in square brackets at the end of the paragraph.

I trust this information will be of assistance to the Committee.

Yours sincerely
ROD KEMP
Assistant Treasurer

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

Extension of Time

Motion (by Senator Allison) agreed to:
That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on matters specified in paragraph (c) of the terms of reference for the inquiry into online delivery of Australian Broadcasting Corporation material be extended to 29 March 2001.

MENTAL HEALTH WEEK

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

(a) notes the awareness that Mental Health Week gives to improving community attitudes towards mental health issues;

(b) notes that some of the major aims of Mental Health Week are:

(i) promoting early detection and prevention of mental illness,
(ii) expanding the focus on depression and anxiety,

(iii) promoting a more integrated system of health care, linking other stakeholders such as general practitioners and housing providers,

(iv) raising community awareness that mental health issues affect people of all ages,

(v) promoting more community care and fewer stand-alone psychiatric hospitals, and

(iv) increasing consumer and carer participation in decision-making and advocacy; and

(c) supports Mental Health Week for informing the public and widening the community awareness of surrounding issues.

ELECTORAL AMENDMENT (POLITICAL HONESTY) BILL 2000
CHARTER OF POLITICAL HONESTY BILL 2000

First Reading

Motion (by Senator Murray) agreed to:
That the following bills 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, and a bill to provide a Charter of Political Honesty, and for related purposes.

Motion (by Senator Murray) agreed to:
That these bills may proceed without formalities, may be taken together and be now read a first time.

Bills read a first time.

Second Reading

Senator MURRAY (Western Australia) (3.41 p.m.)—I move:
That these bills be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.
Leave granted.

The speech read as follows—

Public comment and debate consistently reveals a striking level of distrust of Australian politicians. It is a grave matter indeed when people lose faith in their leaders and representatives. When politicians are widely viewed as dishonest and untrustworthy, the perceived legitimacy of the entire political system is compromised. It is not enough for Australian politicians to protest their own integrity. Systemic distrust and electoral cynicism born of experience must be met with legislative solutions. The time has come for Australian politicians to require political honesty to be made a matter of law.

The Charter of Political Honesty Bill I propose is not a superficial commitment to vague principles to be ignored according to the dictates of political expediency. If passed, it will be an enduring and powerful commitment to a level of political honesty and accountability that the Australian public deserves and demands. Not only will it provide guidance on how we should behave, it will establish binding mechanisms for ensuring that our actions comply with standards of integrity and honesty befitting our public role. This is not an optional honesty bill.

There are four themes I wish to address. The first deals with the misuse of government advertising for party political purposes. Successive governments have used public funds to promote some of their policies through what are fraudulently labelled ‘education campaigns’. It is perfectly appropriate for governments to use public funds for education campaigns explaining policies, programs or services or informing members of the public of their obligations, rights and entitlements. However, the line between such legitimate campaigns and party political promotion has been well and truly crossed by a number of Australian governments.

The GST advertisements are a perfect example. Some of them were entirely legitimate. Others were widely perceived as a cynical partisan exploitation of the Government’s right to use public funds for education campaigns. A significant part of the problem was that there was no effective legislated check on the Government’s use of this power. The debate raged in the political arena with the usual level of partisan rhetoric and hyperbole, but this did little to satisfy the public that there is something that can actually be done about any determined government committed to an expensive campaign of self-promotion. What is required is an independent, enforceable and non-partisan check on government advertising.

The Auditor General has issued proposed guidelines for government advertising. The Joint Committee of Public Accounts and Audit has since suggested its own guidelines based heavily on the approach of the Auditor-General. This bill adopts guidelines largely identical to those proposed by the Auditor-General but complemented in some respects by the work of the Committee.

The guidelines are to be enforced by an independent committee consisting of the Auditor-
that are demonstrably false. Such advertising has political advertising to make statements of fact. There is no plausible justification for permitting practices Act. The bill prohibits political advertising must meet under the Trade similar standards of probity and honesty as commercial advertising to meet the directive of the political system that it is.

Regulating honesty in political advertising should not be left to politicians and spin doctors. Experience teaches that when the competitive interests of political parties are at stake, only force of law will ensure that reasonable standards of truthfulness are upheld.

Thirdly, the Charter of Political Honesty Bill requires the establishment of a parliamentary joint committee to develop a code of conduct for ministers and other members of Parliament. The Democrats have campaigned for this measure for some considerable time. We regard it as an important step towards improving parliamentary standards.

A code of conduct will clarify what is required of parliamentarians in the exercise of their duties. It will also act as a public statement of the minimum standards of behaviour that the public and the media can and should insist upon.

We recognise that there is little point in developing a code of conduct if there is no independent means of assessing compliance with it. Self-regulation of politicians by politicians has been of variable quality in the past. Too often governments seek to defend their own regardless of evidence, and too often oppositions seek to make political mileage without due regard for the truth of the matter.

The Charter of Political Honesty Bill establishes the Office of Commissioner for Ministerial and Parliamentary Ethics to enforce the code. It is vital that the setting of public standards reflects the values and expectations of the community at large, and that parliamentarians know that if they transgress those standards they will be investigated by an independent and impartial officer and then brought to account through proper parliamentary procedures. This bill will see the standards set by the proposed parliamentary committee, with the Commissioner for Ministerial and Parliamentary Ethics undertaking impartial investigations of any allegations of breaches of the code by parliamentarians.

The Commissioner’s role is not limited to investigating alleged impropriety. He or she will also be available to give advice on ethical standards to either House of Parliament and will be responsible for the implementation of an education pro-

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General, the Ombudsman and an advertising expert. The Committee will examine government advertising for compliance with the guidelines and will be empowered to compel the Government to cease or modify campaigns that do not stand up to scrutiny.

This will finally demonstrate to the public that the Commonwealth Parliament is serious about bringing the Executive to account for its taxpayer funded advertising campaigns.

I note with interest that Labor has developed its own government advertising bill, the Government Advertising (Objectivity, Fairness and Accountability) Bill 2000. It contains similar guidelines to those in the Charter of Political Honesty Bill, both bills being based on the Auditor-General’s recommendations. However, Labor’s guidelines are enforced by the courts and carry a maximum penalty of seven years imprisonment for breach.

The weakness of this approach is that the courts are very unwilling to rule on political questions or on the merits of governmental decisions. The courts may be prepared to intervene in the event of a gross abuse of public power, but questions such as how much money needs to be spent on a publicity campaign and what information should be conveyed is not an area in which a court is likely to substitute its judgement for that of the elected government of the day. Nor is a court likely to rule that an advertisement is unfairly biased towards one political party or another unless the bias is very clear indeed. Furthermore, as Tony Harris from the Australian Financial Review observed, ‘the severity of the penalty, coupled with difficulties in proving to a criminal standard that advertising is not objective, might reduce the prospects that ministers or official will ever be prosecuted.’

A powerful and independent committee whose decisions are binding is far more suited to the task of scrutinising government funded advertising and getting immediate change than a reluctant and probably slow-moving judiciary.

The second theme I wish to address is truth in political advertising. The Electoral Amendment (Political Honesty) Bill 2000 has been introduced as a separate bill for technical reasons, but it is an important part of the charter of political honesty. Its effect is to require political advertising to meet similar standards of probity and honesty as commercial advertising must meet under the Trade Practices Act. The bill prohibits political advertising that is misleading to a material extent.

There is no plausible justification for permitting political advertising to make statements of fact that are demonstrably false. Such advertising has long been outlawed in South Australia. The Commonwealth should follow suit. The law as it stands permits people to rise to power on the strength of political advertising that is totally fraudulent. This fosters a culture within political circles that regards deception as simply part of the political game rather than the attack on the integrity of the political system that it is.

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The focus should be on what systems can be put in place to ensure the same events do not recur. The focus should also be on the sorts of people running the show. The phenomenon of “parachuting” the mates of a new government into lucrative positions on various boards and authorities, at the expense of the taxpayer, continues. Yet, the adage of “jobs for the boys” should be an anachronism in 2000.

No government, no matter how good its intentions, can deflect the public perception of such appointments as being rewards for party hacks or others who have assisted the Government to gain office. Further, this perception can damage the reputation of these bodies, as in the public eye they are seen as being controlled by persons who lack the appropriate independence and who may not be as meritorious as they might be.

The Australian Democrats are concerned to ensure that wherever appointments are made to the governing organs of public authorities – whether they be institutions set up by legislation, “independent” statutory authorities or quasi-government agencies – that the process by which these appointments are made is transparent, accountable, open and honest.

The bill requires the proposed Commissioner for Ministerial and Parliamentary Ethics to determine a compulsory code of conduct for the making of appointments by ministers. This code of conduct will establish strict rules requiring that appointments be made on merit and providing the necessary openness and accountability in relation to ministerial appointments.

The Democrats have consistently put up amendments designed to compel ministers to make appointments on merit, and they have consistently been rejected by both Labor and the Coalition. These amendments were based on the recommendations of the 1995 Nolan Committee in the United Kingdom, which reviewed the processes for making public appointments and set out key principles to guide and inform the making of such appointments. In this bill, we do not seek to commit the Commissioner to any one approach. We would simply draw attention to the excellent work of the Nolan Committee in the hope that it will be taken into account in developing an appropriate code for Australia.

The Commissioner will be empowered to investigate complaints in relation to breaches of the code and report to each House on the result of the investigation. If ministers are uncertain as to their responsibilities under the code, the Commissioner will be available to give advice in relation to a particular appointment. The Commissioner will also issue guidelines to complement the code and will undertake an education program to inform ministers of their obligations.

Accountability proposals and the responses to them have a unique ability to demonstrate the real values of politicians and political parties. All non-government parties and politicians unite in criticising ministerial dishonesty or governmental impropriety. But often the loudest voices of criticism are the quietest of all when it comes to finding real and lasting solutions. This is particularly so when the political party concerned sees itself as an executive-in-waiting.

Accountability proposals expose the real agendas of politicians and political parties. Those that see governmental impropriety as an evil to be stopped support the implementation of mechanisms for providing proper levels of scrutiny. Those that see improper conduct primarily as an opportunity for a headline or a chance to embarrass their political opponents do not take accountability proposals very seriously at all. And those that enjoy, or hope to enjoy, the fruits of executive discretion and largesse actively seek to oppose or sabotage higher legislated standards.

If these bills are passed, they will implement reform that is desperately needed to assist in the restoration of public faith in parliamentarians and ministers. If they are rejected, they will expose to the public the real moral corruption behind much of the rhetoric.

Debate (on motion by Senator Calvert) adjourned.

**BUDGET 2000-01**

**Consideration by Legislation Committees**

**Additional Information**

**Senator CALVERT** (Tasmania)  (3.42 p.m.)—On behalf of Senator Tierney, I present additional information received by the Employment, Workplace Relations, Small Business and Education Legislation Commit-
tee relating to hearings on the budget estimates for 2000-01.

**BUDGET 1999-2000**

**Consideration by Legislation Committees**

**Additional Information**

Senator CAL VERT (Tasmania) (3.42 p.m.)—On behalf of Senator Eggleston, I present additional information received by the Environment, Communications, Information Technology and the Arts Legislation Committee relating to supplementary hearings on the budget estimates for 1999-2000.

**CHILD SUPPORT LEGISLATION AMENDMENT BILL (No. 2) 2000**

Report of Community Affairs Legislation Committee

Senator CAL VERT (Tasmania) (3.43 p.m.)—On behalf of Senator Knowles, I present the report of the Community Affairs Legislation Committee on the provisions of the Child Support Legislation Amendment Bill (No. 2) 2000, together with the *Hansard* record of the committee’s proceedings and submissions.

Ordered that the report be printed.

**PRIVACY AMENDMENT (PRIVATE SECTOR) BILL 2000**

Report of Legal and Constitutional Legislation Committee

Senator CAL VERT (Tasmania) (3.44 p.m.)—On behalf of Senator Payne, I present the report of the Legal and Constitutional Legislation Committee on the provisions of the Privacy Amendment (Private Sector) Bill 2000, together with the *Hansard* record of the committee’s proceedings and documents received by the committee.

Ordered that the report be printed.

**INDIGENOUS EDUCATION (TARGETED ASSISTANCE) BILL 2000**

First Reading

Bill received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:

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

Bill read a first time.

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**Second Reading**

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (3.44 p.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The *Indigenous Education (Targeted Assistance)* Bill 2000 will be the vehicle for the Government’s Indigenous education targeted funding programme for the 2001-2004 quadrennium and will provide the authority to appropriate some $591 million in grants to Indigenous education providers in the States and Territories over the quadrennium.

The bill will implement the 1999-2000 Budget initiatives for Indigenous education, including the Commonwealth priorities to improve literacy, numeracy and attendance outcomes for Indigenous students.

Specifically, the bill will provide funding for the Indigenous Education Strategic Initiatives Programme (IESIP) for the period 1 January 2001 to 30 June 2005 to maintain Commonwealth effort in improving education outcomes for Indigenous Australians. This incorporates supplementary recurrent funding and funding for specific projects with the purpose of meeting the objects of the bill. It will also provide for the continuation of the ‘mixed-mode’ course delivery away-from-base element of the ABSTUDY scheme, transferred to IESIP from 1 January 1999, for the 2001-2004 period. Specifically, the bill contains funding arrangements for education providers delivering ABSTUDY approved courses.

This bill will replace the *Indigenous Education (Supplementary Assistance)* Act 1989 and will operate on a quadrennial basis in line with the *States Grants (Primary and Secondary Education Assistance)* Bill 2000 commencing from 1 January 2001. These two bills represent the Government’s renewal of its commitment to school education and Indigenous education for the new schools quadrennium 2001 to 2004. The *States Grants (Primary and Secondary Education Assistance)* Bill 2000 provides Commonwealth funding for the education of all Australian school students while the *Indigenous Education (Targeted Assistance)* Bill 2000 provides additional funding for supplementary education programmes
designed to assist education providers improve educational outcomes for Indigenous students.

The Commonwealth Government is committed to working with Indigenous families, communities, States, Territories and education providers to overcome the educational disadvantages that many Indigenous children face. An important step towards this goal was the launch by the Prime Minister of the National Indigenous English Literacy and Numeracy Strategy in March of this year. This Strategy builds on the National Literacy and Numeracy Plan endorsed by the Commonwealth, State and Territory Education Ministers in March 1997 and is aimed at improving education outcomes for Indigenous people.

The objective of the Strategy is to achieve English literacy and numeracy for Indigenous students at levels comparable to those achieved by other young Australians. The Strategy will encompass the involvement of local communities, schools, parents and students; cooperative action between the Commonwealth and the States and Territories (which have primary responsibility for schooling); and coordinated action within the Commonwealth Government across relevant portfolios.

The Strategy will extend across the preschool, school and VET sectors. Education providers will be encouraged to adopt approaches to teaching that have been shown to achieve better student outcomes.

There will be extensive resources available for the education of all Australian children through State, Territory and Commonwealth recurrent funding programmes. Specific supplementary funding arrangements designed to support improved educational outcomes for Indigenous students will also be available. This Strategy will heighten awareness of Indigenous literacy and numeracy issues and accelerate implementation of successful teaching practices.

The passage of this bill will enable the Commonwealth to play its part, in concert with the States and Territories, in pursuing the goal of equitable and appropriate educational outcomes for Indigenous students by 2004. This goal is vital if Indigenous people and communities are to enjoy the many opportunities available in Australia and achieve their aspirations and hopes for their families and communities.

I commend the bill to the Senate and present the Explanatory Memorandum.

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

The DEPUTY PRESIDENT—There are two telecommunications bills expected but not yet here. I understand the renewable energy bill is going to be reported after the migration bill has been completed.

Senator CARR (Victoria) (3.45 p.m.)—by leave—Why aren’t these messages ready now?

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.45 p.m.)—by leave—My advice is that everyone was rung, that this was discussed with them this morning and that they had agreed, as there is about five minutes left on the migration bill, to get that finished and then do the message. It is only a matter of minutes that we are talking about. In fact, if we had not had this little debate, it might just about have been finished. If you want to do the messages now, we are happy to do them. This was done by agreement this morning, while I was out of the building.

Senator CARR (Victoria) (3.46 p.m.)—by leave—The Manager of Government Business has a different understanding from that which was communicated to me. I understood that we were dealing with messages now. Senator Bolkus is here for that purpose.

Senator Patterson—I am here for the migration bill, too, as understood by agreement.

Senator CARR—That is very good of you. There was no agreement with me.

Senator Ian Campbell—We rang your office and the whips.

Senator CARR—We have different messages.

The DEPUTY PRESIDENT—This is a matter for the Manager of Government Business to pursue.

MIGRATION LEGISLATION AMENDMENT (PARENTS AND OTHER MEASURES) BILL 2000

MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2000
In Committee

Consideration resumed from 9 October.

MIGRATION LEGISLATION AMENDMENT (PARENTS AND OTHER MEASURES) BILL 2000

The CHAIRMAN—The committee is considering the Migration Legislation Amendment (Parents and Other Measures) Bill 2000, as amended. The question is that the bill, as amended, be agreed to. Senator Bartlett was about to move Democrat amendment No. 1 on sheet 1943. Is that correct, Senator Bartlett?

Senator BARTLETT (Queensland) (3.47 p.m.)—Yes, thank you. Consequential to the vote we had last night to remove schedules 2 and 3 from the bill, this consequential requirement is in relation to the commencement provisions of the bill and I move Democrat amendment No. 1 on sheet 1943:

(1) Clause 2, page 2 (lines 3 to 19), omit subclauses (4) to (7).

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (3.48 p.m.)—Given the motions that were moved last night, this amendment is inconsequential. I believe it does not apply. I do not know whether it would be more appropriate for the senator to think whether he needs to move this or withdraw it.

The CHAIRMAN—As I understand, this is as a result of the vote which took place last night and is appropriate. It does not need to be withdrawn. It is consequential on striking out schedules 2 and 3.

Senator SCHACHT (South Australia) (3.49 p.m.)—Parliamentary Secretary, I want to get this clear. The government now says that this amendment moved by the Democrats, which the opposition has indicated in the previous part of the debate that we will support, is no longer necessary because the government has already taken the decision to change the bill to take account of the amendments anyway. Is that the correct position?

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (3.49 p.m.)—I have just been advised that this Democrat consequential amendment makes it cleaner.

Amendment agreed to.

Bill, as amended, agreed to.

MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2000

The bill.

Senator HARRIS (Queensland) (3.50 p.m.)—Before this bill is completed, I would like to speak to what happened here last night: that was, the Labor Party and the Democrats basically guillotining this bill and to a large degree making the bill meaningless.

Senator Carr—Guillotining!

Senator HARRIS—You killed the bill. As a result, the migration of elderly people related to Australian residents will largely be unregulated. On page 3 of the bill under clause 1 we still have a reference to the bill affecting a resident of Australia and in clause 2, at line 32, at (B), we also have a reference that will change the definition of an Australian resident to include anyone who has an authority to work in Australia.

Given, as I said yesterday, that a large percentage of the people who come in under this migration legislation amendment will come in under agreements, such a high percentage of those agreements being broken is of concern, particularly when you take into consideration the new definition of ‘resident’ and a person’s ability to access this bill in relation to their being here on a work authority. It may possibly still leave the Australian people exposed to a greater cost than they would have been if the government’s bill had stood as printed. We find ourselves now with the substantive sections of these bills removed. We are back to schedule 1, which refers to health cards. If people do default on the agreements they have entered into—and they have in the past to a large extent—the vast majority of these people will automatically be able to obtain a Medicare card. Again, we will have an escalating cost and an impost not only in relation to Medicare itself but also in relation to our residences, our hospitals and all of the other
facilities that will have to be put in place to accommodate these people, even down to providing interpreters for them.

It is very much on the heads of the Labor Party and the Democrats for having amended this bill in such a way that there are now no regulations whatsoever covering those previous sectors of the bill. I indicate that I will support the government’s bill as amended, but it falls far short of what the bill would have achieved if it had been passed either in its printed form or with some minor amendments that I believe would have improved it.

Bill agreed to.

Migration Legislation Amendment (Parents and Other Measures) Bill 2000 reported with amendments; Migration (Visa Application) Charge Amendment Bill 2000 bill reported without amendment or requests; report adopted.

Third Reading

Bills (on motion by Senator Patterson) read a third time.

Senator BARTLETT (Queensland) (3.57 p.m.)—by leave—Mr Acting Deputy President, I rise on a point of order. I was trying to speak to the third reading. It is my understanding that last night when I was speaking to this bill you indicated that it would be appropriate to negate the third reading on the Migration (Visa Application) Charge Amendment Bill 2000 and ask those two questions. I gained advice to that effect from the minister’s adviser, who confirmed it. I am not doing this to make life difficult; it is simply my understanding of a consequence of removing schedule 2.

The DEPUTY PRESIDENT—You are requesting that the questions for the third reading of the two bills be put separately?

Senator BARTLETT—Yes.

The DEPUTY PRESIDENT—Is leave granted for those two questions to be put again and separately?

Senator Patterson—This is news to me. It was not discussed with me. I do not know whether it was discussed with any of the advisers. I am not sure why Senator Bartlett wants to do this; I thought we had completed the bill and the reading of it. Does he have a good explanation as to why? Otherwise, I cannot see a reason to recommit it.

The DEPUTY PRESIDENT—Senator Bartlett, I thought, was on his feet.

Senator BARTLETT—I indicated yesterday, when I was speaking in the committee stage of the debate that, in removing schedule 2 from the Migration Legislation Amendment (Parents and Other Measures) Bill 2000, it was my understanding that, consequential to that, it would be appropriate to negate the Migration (Visa Application) Charge Amendment Bill 2000. I asked the minister to indicate at the time whether that was an incorrect understanding. I did not receive a response and therefore assumed it was a correct understanding. During the division last night, I also went over and double-checked my understanding with the adviser of Minister Ruddock, who confirmed it. I am not doing this to make life difficult; it is simply my understanding of a consequence of removing schedule 2.

Senator Schacht interjecting—

Senator BARTLETT—The whole of schedules 2 and 3 are gone, and the visa application charge amendment bill then becomes irrelevant because schedule 2 of the parents and other measures bill, linked to facilitating the operation of the visa application charge amendment bill, provides the opportunity to hike the charge for visa applications from around $12,500 to, I believe, $30,000. That was a measure that I was not keen to support, and, as I said, it was my understanding that it would be a consequential requirement of removing schedule 2 from the first bill to negate the visa application charge bill. That clarifies things.

Senator HARRIS (Queensland) (4.00 p.m.)—by leave—I would just like to bring to your notice that the entire time that you were putting the vote on the third bill, Senator Bartlett was standing to get the call.

The DEPUTY PRESIDENT—There is no disagreement on that, Senator Harris.

Senator HARRIS—It is my understanding that if the chair is putting a vote and a senator rises in their place, that person has the call. What I am clearly saying to you is...
that Senator Bartlett had risen and you failed to recognise him.

The DEPUTY PRESIDENT—First of all, Senator Harris, I was not in the chair at the time, and we are about to resolve the issue. Senator Ian Campbell is seeking the call.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (4.01 p.m.)—I do not think there is any disagreement. What I suggest, so that the Senate does not waste any more time, is that we move on to consideration of the next item of business. We indicate that there was some sort of agreement; there is some sort of lack of understanding. Let us clear up the understanding, and I indicate on behalf of the government that we will give leave to retake the vote. We understand that there was some sort of agreement; there is some sort of lack of understanding. Let us clear up the understanding, and I indicate on behalf of the government that we will give leave to recommit the vote, potentially straight after this next item of business, and it can be resolved to the extent that everyone is happy with the resolution.

RENEWABLE ENERGY (ELECTRICITY) BILL 2000

Consideration of House of Representatives Message

Message received from the House of Representatives returning the Renewable Energy (Electricity) Bill 2000 and acquainting the Senate that the House has agreed to Senate amendments Nos 3, 4, 8 to 16 and 21, has disagreed to Senate amendments Nos 1, 2, 5 to 7, 17 to 20 and 22 to 24, but has made an amendment in place of amendment No. 24; and requests the reconsideration of the bill in respect of the amendments disagreed to and the concurrence of the Senate in the amendment made in place of amendment No. 24.

Ordered that the message be considered in committee of the whole immediately.

House of Representatives message—

SCHEDULE OF AMENDMENTS MADE BY THE SENATE TO WHICH THE HOUSE OF REPRESENTATIVES HAS DISAGreed:

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

The objects of this Act are:

(a) to encourage the additional generation of electricity from renewable sources; and
(b) to reduce emissions of greenhouse gases; and
(c) to ensure that renewable energy sources are ecologically sustainable.

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

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

(a) it enhances individual and community well-being and welfare by following a path of economic development that safeguards the welfare of future generations; and
(b) it provides for equity within and between generations; and
(c) it protects biological diversity and maintains essential processes and life-support systems; and
(d) it does not rely on lack of full scientific certainty as a reason for postponing use of a measure to prevent damage to the environment where there is a threat of serious or irreversible environmental damage.

(5) 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

(6) 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.

(7) 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:

(a) hydro;
(b) wind;
(c) solar;
(d) bagasse co-generation;
(e) black liquor;
(f) wood waste;
(g) energy crops;
(h) crop waste;
(i) food and agricultural wet waste;
(j) landfill gas;
(k) municipal solid waste combustion;
(l) sewage gas;
(m) geothermal-aquifer;
(n) tidal;
(o) photovoltaic and photovoltaic Renewable Stand Alone Power Supply systems;
(p) wind and wind hybrid Renewable Stand Alone Power Supply systems;
(q) micro hydro Renewable Stand Alone Power Supply systems;
(r) solar hot water.

(2) The following energy sources are not eligible renewable energy sources:
(a) fossil fuels;
(b) waste products derived from fossil fuels.

(3) The regulations may prescribe any matter necessary or convenient to give effect to this section.

(17) Clause 135, page 80 (line 8), at the end of the clause, add:
; (d) the register of applications for accredited power stations.

(18) 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

(19) 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.

(20) 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.

(22) 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 worked out under paragraph (a) is not a multiple of 10 cents—that amount rounded down to the nearest multiple of 10 cents.

(3) 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:

\[
\text{Most recent index number} - \text{Previous index number}
\]

where:
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.

(23) 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.

(24) 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; 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;


(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 possess 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.

SCHEDULE OF THE AMENDMENT MADE BY THE HOUSE OF REPRESENTATIVES IN PLACE OF SENATE AMENDMENT No. 24:

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 possess appropriate qualifications to undertake the review; and

(b) include one or more persons who are not employed by the Commonwealth or a Commonwealth authority.

Senator Brown—Mr Acting Deputy President, I rise on a point of order. I ask that the message be circulated as soon as possible so that we can see exactly what we are dealing with.

The ACTING DEPUTY PRESIDENT—I understand that the message should also have been circulated; we will check on it. If you do not have a copy, we will ensure that you get a copy as soon as possible.

Senator BOLKUS (South Australia) (4.04 p.m.)—While someone gives Senator Brown a copy of the message, and I would like to have one as well, could I indicate that the opposition will not be supporting that part of the message which asks the Senate to agree with the House when it says it does not agree with some of our amendments. Some of these amendments are manner and form, in a sense. They do not raise major issues of principle, and I think what we have got here is a knee-jerk reaction by a minister who is not prepared to accept that others may have a different view to him, by a minister who was probably suffering jet lag when he made a decision in respect of some of these amendments, and by a minister whose senior minister, in the true sense of the word in this portfolio, is Senator Minchin.

We actually moved amendments here in a quite reasonable way and had them debated. Quite a number of issues were thrown up during the Senate deliberations on this bill. Very substantive issues and very important matters were raised and the opposition took the view, as did the minor parties, that there were some amendments that were necessary and some which we would ensure an ongoing scrutiny of to ensure that unforeseen consequences did not take place, and we would come back at a later date to address those issues. In other words, we did not accept everything that was put up through the deliberative process of the Senate, but we in the opposition were quite selective about the items that we supported. I am sure Senator Brown and Senator Allison would say the same thing about the Greens and the Democrats.

We are now in a situation where the government has said, ‘It does not matter that you have had a committee process, that the bill has been looked at, and that there has been a large number of submissions. It does not matter that people have identified problems with the legislation; we will not listen to them. We will not listen to anyone who dis-
agrees with us.’ As I said, the government has said they are not prepared to accept the most simple of amendments.

If you look at amendments Nos 1 and 2, for example, which the House disagrees with, amendment No. 1 is an Australian Greens amendment which gave some meaning to the objects clause of the legislation. What was that meaning? The objects of this act are deemed to be, by the amendment passed by the Senate:

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

How often has the government said that that is the objective of the act? The minister has put out press statement after press statement, not only in Australia. I am sure that when he goes to The Hague in just a few weeks time he will tell the rest of the world that this is the great objective of this legislation. We will tell the rest of the world that it is an objective that the government has told the Australian parliament not to share, not to agree to. Subclause (b) says ‘to reduce emissions of greenhouse gases’. What is the purpose of this legislation? This is legislation announced at the greenhouse conference at Kyoto by the minister in order to demonstrate to the world—

Senator Hill—It was announced by the Prime Minister before Kyoto.

Senator BOLKUS—It was announced by the Prime Minister before Kyoto, telling them that the Australian government was serious about greenhouse emissions and that the Australian government was going to do something about it. So much for the Prime Minister’s word. As the minister now says, the Prime Minister made that commitment, but it is a commitment that the cabinet is not prepared to agree with. Has the minister lost control of his portfolio or has the Prime Minister lost control of his senses and his commitment? Go back to The Hague, Senator Hill, and we will tell them that the promise made by the Prime Minister at Kyoto on the reduction of greenhouse gases is something that he no longer believes in, because he will not allow it to be placed in the legislation.

Subclause (c) says, ‘To ensure that renewable energy sources are ecologically sustainable.’ Once again, you could go through the government’s Internet site and find press statement after press statement. You can come into this place and you can hear statement after statement by the minister saying that these three objects are the objects of the act. Why not accept them as the objects of the act? Because the government says in its official explanation that this clause, these amendments Nos 1 and 2—and I must say that amendment No. 2 is, once again, a Greens amendment that gives definition to ‘ecological sustainability’: a definition which appears not only in this government’s documentation but in that of the previous Labor government—substantially alter the approval processes for renewable energy generation projects seeking to be eligible under the measure. Someone must have put that excuse in the wrong box. Someone must have ticked that off, and that someone must have been suffering jet lag at the time. In the schedule it says:

The additional tests imposed by these amendments are not clearly defined and would make participation in the scheme difficult, increasing uncertainty for project proponents.

The difficulty that the draftspeople have found in respect of amendments (1) and (2) is probably in understanding the purport of them. They say:

This is counter to the intention of the legislation, which is to support the expansion of renewable energy generation capacity in Australia.

The purpose of the legislation for an international constituency is that, by supporting the expansion of renewable energy generation capacity in Australia, they would be having an impact on the level of greenhouse gases emitted in Australia. We can go on through the amendments. The Senate accepted an amendment to define what is an eligible renewable energy source. It listed, (a) to (r), a number of sources. That list is not anything radical; it is nothing novel; it is nothing irregular. It is a list on which you will find, if you go through this minister’s statements, at one time or another, if not on one occasion, all these aspects listed as renewable energy sources.
But we do not say this is an exhaustive list. We made it very clear in debate that this is a list of some instances. What is not an eligible renewable energy resource is listed in subclause (2), ‘Fossil fuels and waste products derived from fossil fuels’. When we discussed that aspect of it, Senator Campbell, representing the minister, said, ‘There’s no need for that because it’s already in other parts of the legislation.’ But we are now told these sorts of amendments are out of order because they run counter to the objectives of the legislation. Then we go to subclause (3), which says that ‘the regulations may prescribe any matter necessary or convenient to give effect to this section’. This is a clause that allows the government to add other eligible renewable energy sources.

The register of applications is something that we debated the other day. Indexation is a critical issue and I turn to opposition amendment No. 22. The Senate decided that, unless the charge was indexed, it would lose value and as a consequence lose impact. As a consequence of that, the sorts of renewable energy sources this legislation is claiming to be able to bring about will not happen. We have had the figures provided to us in relation to the need for indexation. Over 10 years, if this measure is not indexed, it would be worth about half the value it is now. Let us accept that the value of the charge at the moment is not one that gives people enormous confidence that it will achieve much by way of an alternative renewable energy industry. There are concerns as to whether it is sufficient to drive the outcome. But if you do not adjust it to the CPI, over that immediate period you will have the value of that penalty basically being valueless. If you increase it in accordance with CPI, the value will be maintained and you will have a better opportunity of actually achieving the sorts of outcomes the government says it wants to achieve. The $40 declines to $30 by 2010. If, however, it is CPI adjusted, it will have a value of $53.29. So, in essence, it is going to be valued either at $53.29 in 2010 or at $30, if you do not have that CPI adjustment.

We think that amendment is quite critical to the ongoing success of any scheme that comes out under this legislation. We also believe that it is an adjustment that the Australian Greenhouse Office thinks is important and one that the minister himself thinks is important. Essentially I am saying two things: (1) reasonable amendments after considered discussion and debate with a lot of public input have been rejected by the government on the one hand; (2) in their rejection they have not even come up with any reasonable options to reject the clauses adopted by the Senate. So we will be insisting that the amendments that the House of Representatives does not agree with be agreed to.

Motion (by Senator Hill) proposed:

That the committee does not insist on its amendments nos 1, 2, 5 to 7, 17 to 20, and 22 to 24 to which the House of Representatives has disagreed and agrees to the amendment made by the House in place of amendment no. 24.

Senator BROWN (Tasmania) (4.15 p.m.)—I oppose the motion by the government because I agree with Senator Bolkus that the Senate should stand firm on these amendments. I would have thought that the Minister for the Environment and Heritage, who was not here for the debate on this important legislation as it unfolded, certainly in the committee stage, would have taken this opportunity to congratulate the Senate on improving the legislation.

I want to look at some of the amendments that have been rejected by the minister and his government through the House of Representatives. The first is the rejection of the Senate adding to the Renewable Energy (Electricity) Bill 2000—which we must remember is to produce environmentally friendly energy, such as wind power and solar power—these objects:

(a) to encourage the additional generation of electricity from renewable sources;—
that is what the bill is all about—
and (b) to reduce emissions of greenhouse gases;—
something the government says it ascribes to—
and (c) to ensure that renewable energy sources are ecologically sustainable.

That is the problem for the government because at the heart of this legislation is the
deceit that you can turn Australia’s native forests into woodchips, burn them in a furnace and produce electricity and call that ecologically sustainable—and, of course, that is a lie; it is unsustainable. You cannot destroy wildlife habitat, ancient forests or woodlands, chip them and turn them into electricity and have that seen as either renewable energy—which is the title of this bill—or sustainable. I will be looking forward to the minister’s explanation of how burning forest woodchips is either a renewable process or ecologically sustainable. Certainly Senator Ian Campbell, who stood in for the minister last week, sat glued to his seat rather than respond to that question. The Senate is saying, ‘You are pursuing ecologically sustainable processes, such as solar power and wind power; don’t allow in under the fence these destructive processes and accredit through certificates under this legislation such things as burning woodchips as renewable power.’

I also reiterate that there is a big project proposed for tidal power near Derby in the Kimberley, which effectively involves damming those outlets to the ocean of the wild country there where you get tides of up to 10 metres high and the waterfall effect of the sea rushing in and out of those regions. That is an absolutely spellbinding and world-renowned phenomenon, and this government wants to put a concrete block across tidal outlets like that and call that environmentally acceptable—ecofriendly. Well, it is not. It has a major impact on the environment, and the government should see it for what it is. It should simply be honest about this.

In the definition section—and this is the second amendment which the government in the House of Representatives has rejected—the Senate added to the definition of ‘ecologically sustainable’ a couple of provisions which I suspect this government and this minister for the environment simply cannot wear because those provisions are about honesty in definition. Part (b) says that ‘ecologically sustainable’ means providing for ‘equity within and between generations’. That means giving to the next generation a world that we can enjoy now, not taking away from the environmental heritage. What does the government have to fear about that? The government is rejecting the amendment because it is in the business of destroying forests to produce energy and that is certainly outside the bound of intergenerational equity. Part (c) says that ‘ecologically sustainable’ means that the action is consistent with protecting biological diversity and maintaining essential processes and life support systems. The government cannot accept this amendment because what it wants to do, amongst other things, is allow for new big dams which suffocate everything behind them in terms of life-rich valleys and ecosystems and woodchipping of forests—the most species-concentrated components of the ecosystems of many of our states. The government wants to burn that and still call it ecologically sustainable when patently it is not.

When you get to amendment (5), the Senate has inserted in the list that the regulator should publicise ‘the eligible renewable power sources from which power is intended to be generated’. The government says, ‘Let’s not do this,’ and it says that because it does not want to say to the public in an area, ‘This renewable generation is coming from this unacceptable source.’ The Senate is saying, ‘Let’s have transparency,’ but the government says, ‘Let’s have a cover-up.’ When you get down to the list of sources which are considered to be okay, the government, rather than accepting that list, says: This amendment reduces flexibility in the administration of the scheme and reduces the range of renewable energy sources ...

So it means that the government has, beyond this list of more than a dozen alternatives which are to be classed as energy sources, other sources in mind. I would like the Minister for the Environment and Heritage, Senator Hill, to explain to the committee what they are. I certainly believe that legislation should be specific. The minister apparently believes that legislation should be obscure and leave anything to do further down the line.

Senate amendments (18) and (19) are criticised by the government because it says they would:

... segment a market—
that is, renewable energy—
that is designed to offer a generic product, which
is a megawatt hour of renewable energy. Liable
parties have made representations to the effect
that they consider exposure of the fuel source—
that is, saying whether they are burning
woodchips to call it green energy—
used to create renewable energy certificates that
they get accreditation for from Senator Hill, the
minister for the environment—
quite falsely under this legislation as renew-
able energy when it is not—
would reduce their competitive position by cre-
ating high and low value certificates.

Let me unscramble the jargon there. The
minister is saying, ’We do not want on these
certificates, which I accredit and which are
going to make more expensive power like
solar power and wind power actually sale-
able on the market, the producer of the
power to have to say where they are getting
their energy from.’

I will tell you why the government does
not want this. The public is savvy and it does
not mind buying solar power. In fact, tens of
thousands of households in this country are
paying extra on their bills so that they can
buy renewable energy from existing hydro
schemes, solar schemes and wind power schemes rather than buying polluting fossil
fuel power. The minister, who is an advocate
of burning forests in furnaces, says, ’If you
have to put that on your certificate, the pub-
lic will not wear it. The public is going to
prefer solar and wind power, and those peo-
ple like Forestry Tasmania, which are in the
business of burning native forests in fur-
naces, would be at a disadvantage because
the public would find out about them.’
Senator Robert Hill, the minister for the en-
vironment, says, ’We will get over this
problem for our friends the woodchippers by
not allowing the public to know where the
power is coming from.’

That is the sort of minister that we have in
the environmental seat at the moment. No
wonder, by the way, that his candidate for the
global council of the World Conservation
Union—which is meeting at the moment in
Amman in Jordan and discussing, amongst
other things, as a priority, renewable en-
ergy—has lost the vote overnight and that
the Wilderness Society’s candidate, Christine
Milne, a former parliamentary leader of the
Greens in Tasmania and a renowned advoca-
cate for the environment, has been elected
against the wishes of this government and
despite a tour de force of lobbying by this
government for an alternative candidate.
There has not been, since the 1980s, such an
upset in the world’s premier environmental
body. In fact, Australian governments—seri-
al Labor and Liberal governments—have
never had their candidates voted down. I
know; I stood in 1993 in Buenos Aires
against the government backed candidate and
lost. The government has such a network
with other governments, with business and
with environmental groups around world that
a patch-in-the-pants organisation like the
Wilderness Society—bless their hearts—gets
run over every time. But on this occasion,
Christine Milne took the podium for the can-
didacy and gave an expose on the perform-
ance of the Australian government before the
premier world audience of representatives of
nations and their environmental spokespeo-
ple. In particular, that galvanised developing
countries who, like the public of Australia,
do not like to be cheated. And Senator Hill,
despite all his efforts and the huge amount of
effort by his Environment Australia depart-
ment to get up another candidate, in a huge
upset, lost on the floor of the World Conser-
vation Union conference.

What he is trying to do here today is to get
the Senate to drop amendments which sim-
ply say: let us be honest with the Australian
people. When the certificates are issued for
renewable energy, let them say where that
energy is coming from. If it is solar power,
let it be said; if it is wind power, let it be
said; and if it is burning woodchips from
native forests, let it be said. What does the
minister say? He says, ’I, as minister for the
environment, do not back that.’ What a
situation for a minister for the environment
to be in. I hope he will reconsider. More and
more Australians are becoming aware of
how much he has let down this portfolio and
how much, when he goes overseas, he is
trying to put a gloss, which is now frag-
menting, on the Australian government’s
failure to address just this issue of global
warming and the need for Australia to get back on track with renewable energy.

If he is in proper form, Robert Hill, the minister for the environment, will go to the next major conference on global warming, which is in The Hague in the Netherlands next month, with the coal lobby, who will be there again to twist his arm, if it needs to be twisted, against the international interest there is in—and the responsibility there is on our shoulders to do something about—global warming; and that interest is much more vigorous than anything this government is doing. We owe it to coming generations. We should not leave them with the social, economic and environmental impact that global warming is so obviously going to bring—not within a matter of centuries, but within a matter of decades. They are going to wear the cost of the inaction and the duplicity of this government at the turn of the century.

The government has said here that liable parties have made representations to it and that they consider exposure of the fuel source on these energy certificates would reduce their competitive position. So I ask the minister: would he inform the committee as to what those liable sources are, who or which part of the industry has informed the government that writing the source of the energy on these certificates would put them at a disadvantage? I predict that the minister will not answer that question.

The government’s excuse for turning down amendment (23) is that it would substantially delay the implementation of the measure and the scheme would not be able to commence as the government requires. In relation to amendment (23), the Senate has, in effect, said that draft regulations must be made available for public comment for a period of not less than 30 days before those regulations are made. Again, what the Senate has said is, ‘Let the public in on this.’ I am fantastically proud of Australians, in particular young Australians, and I say that very sincerely. They are the most knowledgeable community in the world as far as the environment is concerned.

Senator Brown—I think the senator opposite said that all I do is run the government down on this. (Time expired)

Senator Allison (Victoria) (4.30 p.m.)—We are disappointed that the government is not accepting many of the amendments that were agonised over in this chamber. It is fair to say that, at the end of the day, we did not get anything like what we wanted. The amendments which were agreed to were reasonable. The Democrats would certainly have preferred many of our other amendments to have been agreed to by the Senate, but I think that, after all, we did a pretty good job on this bill. There were some smaller amendments that the Senate agreed to which will allow people to know, when a generator applies to be registered, just what their output would be from each source. We also requested that the Senate accept a related amendment requiring that the register of certificates indicate where the energy had been sourced from. Again, that was an opportunity for us to have an early indication of where we are going with this bill.

The government says that it expects the renewable energy industry to get a real kick on with this bill, and that is the hope of the Senate as well. We do trust that this legislation will both reduce greenhouse gas emissions and give a real burst to Australia’s renewable energy sector. If that does not happen to be the case and we end up burning native forest timbers and depending on biomass—if we end up at the end of the scale of renewables, which is the cheap end, the ones that are easy to achieve, such as collecting gas from municipal wastes and that kind of thing—we will do the renewables sector in
this country a great disservice, because this is an enormously important opportunity.

The government has said that it will agree to a review process after three years. This was our amendment and we are glad to see that at least some review has survived although, as senators will recall, I withdrew our amendment in favour of both the Greens’ and the ALP’s. Three years is a long time down the track. The small provisions which I urge the minister to think about carefully would allow us to have some indication earlier on if things are going awry, if the bill is not doing what we all hope it will do—that is, give us a good balance and a real advantage to the sector that we most want to see prosper under this legislation, and that is wind.

I think the government has been ungenerous, to say the least. We would have liked to have seen the list of eligible renewable energy sources in the bill. Our amendment No. 7, as amended, does attempt to get up a list of renewable sources which would be eligible, and so far the government has not said, ‘That is so restrictive. You have forgotten about X, Y and Z.’ Of course, we could add new eligible sources to the legislation at any time if the government were of a mind to consider that. Included in those eligible sources is wood waste. It is a problem for the Democrats to have that in there because we know that that includes native forest wood waste and we oppose that. Nonetheless, it was a good attempt at saying, ‘What are the eligible renewable energy sources?’ and putting in a list of them so that it is quite clear in the legislation and we do not have to wait until a regulation comes out at some later stage to discover what it is we are all talking about here. So that is a disappointment.

As Senator Bolkus has said, we thought that a number of the other amendments made some sense and we reckon the House of Representatives ought to be persuaded to support them. Again, I think the Senate has a problem with this bill. We do want it to pass—or at least the Democrats want it to pass. We are also acutely aware of the threats that have been made by members of the government over this legislation to withdraw the bill altogether if the Senate interferes with it too much. That would be a great pity. I sincerely hope the government will not consider doing that and that it will take this opportunity to consider in particular the amendments that I have mentioned, because I think they are worth while. They have been put forward in the best possible faith, if you like, and we think that the bill would be enhanced by them. Obviously there are a lot of other amendments which we think would have enhanced it much more too. We think the government could at least give more serious consideration to those amendments.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.37 p.m.)—We have a bill here that was amended in the Senate. In relation to one amendment of the Australian Democrats, we accepted it in the other place. It was an important amendment to ensure that a penalty was in fact a penalty and not a charge that was tax deductible. That was within the spirit of the original intent and I think that amendment has served a useful purpose. We have also accepted that there be a review after three years by an independent party and that review would be made public. That would enable the government, but more importantly the community and the parliament, to get a good understanding as to how this act is working in practice. Out of that, issues that have been of concern to the Senate, such as whether the level of penalty is sufficient, would have the opportunity to be reconsidered.

Senator Allison raised the issue of the energy sources. As I understand it, when making application the energy sources would have to be indicated. So that data would certainly be available for consideration by the reviewer. If, as a result of the review indicating that an inappropriate mix of sources has been utilised, the parliament thinks that some rejigging of the scheme is necessary, then the parliament in the future would have that opportunity. I think I know where the Australian Democrats are coming from. They would like to be confident that this legislation will encourage particularly the utilisation of such sources as wind and solar, while being less enthusiastic about some other sources such as biomass and, I think I
could fairly say, not enthusiastic at all about some sources such as forest waste. I can say to the Australian Democrats that I am advised that the government’s best estimate of the percentage of energy that would be sourced through this bill from forest waste would be just about three per cent. It is a very small percentage of the total energy source, not a percentage that would be said to have any significant effect on decisions to harvest a native forest or not. It is really an incidental matter.

There is no doubt that the take-up under this bill is likely to be the least-cost options first. That is not surprising, and I would respectfully suggest to honourable senators that there is nothing wrong with that, either. There are many lower cost opportunities to develop renewable energy in Australia and the government is keen to encourage that to take place. More expensive options—options where perhaps the technology is not as well established or has not been previously commercialised—may be taken up under this legislation later after the cheaper options are taken up first. I remind honourable senators and in particular the Australian Democrats that this bill should not be looked at alone; it should be looked at as complementary to the $350 million that the government is putting up to encourage other forms of renewable energy, in particular those that need a boost at the commercialisation stage in order to be economically viable such as the options that I announced last weekend in relation to solar panels that intensify light from the sun upon solar cells. The two projects that we announced needed an enhancement by the government of $1 million each. They should be seen as important but being addressed through a different way; that is, through the direct grant path rather than getting an immediate boost through a scheme such as this. As we can build some economies of scale into the utilisation of such technically sophisticated sources of renewable energy, the cost will come down, and in the future they may well be picked up with this bill, either in its first term or after the three-yearly review when it no doubt will be further enhanced.

I urge the Australian Democrats to see it in those terms: that this is a first step; that it will establish a very significant industry in Australia which currently does not exist in the way that we are talking about post this bill—a $2 billion investment in renewable energy. The sources of power will be made available to the registrar so that they will be taken into account in the review after three years. The government and the parliament will have the opportunity to consider such modifications as are demonstrated to be necessary through that review, post the first three-yearly phase.

As I said, the government has picked up the non-tax-deductible amendment, which I think was the very important amendment; it has taken on board and accepted the need for the review after three years, so that we can all be confident that the legislation in practice is working in the way in which it is intended and we can give consideration to any refinements that should be made. We would suggest to the Senate that that should be sufficient for the Senate to recognise that this legislation is in a form that can be implemented, get the investment into the industry, give us that opportunity to make renewable energy more commercially viable in this country, and bring significant benefits in terms of greenhouse gas outcomes.

As I said yesterday, adoption of this legislation at the moment in Australia will actually put us up on the top rung of countries in terms of the percentage of our power contributed by renewable resources. Once you take out the nuclear energy powers, the nuclear energy parties, then we really are on the top rung. As I said, once you start characterising the energy of places like Denmark according to its hydro source, then we are even further up the ladder.

I commend the decision that has been made in the other place and the package that is now brought back to this chamber through the message as sufficient for the Senate to be able to accept that today it would be enacting a very worthwhile and workable piece of legislation that can contribute to a major step in the right direction for Australia in building a better balance of energy sources and contributing worthwhile goals in terms of greenhouse gas outcomes and other environmental outcomes.
Senator BROWN (Tasmania) (4.47 p.m.)—I thank the Minister for the Environment and Heritage for his contribution. What he did not do was respond to the questions about why we should not put the source of energy on the certificate for the public to be able to read it at the outset. Senator Allison was expressing concern that we have to wait until after three years for a review, and the minister confirms that we would indeed have to do that—and I am not sure if the public would even then find out. Somewhere down the line after the next two federal elections we would be able to find out which sources had won out in terms of getting this government advantage in renewable energy. The question to the minister has to be: why not tell the public now that the renewable energy certificate which was giving a new energy plant an advantage in the market is indeed a solar power scheme, a wind power scheme—or is from burning of sugarcane or native forest wood waste, woodchips? Is there a reason why this should be not known to the public? I do not think there is, but the question to the minister is: is there a reason, and, if so, what is that reason?

I notice that in the return of the Renewable Energy (Electricity) Bill 2000 to the Senate from the House of Representatives the government says that liable parties—that is, some people in the renewable energy business—have made representations to the government to the effect that exposure of the fuel source used to create renewable energy certificates—that is, saying where they are getting their renewable energy from—would reduce their competitive position by creating high and low value certificates. That is, the public, the buyers of the electricity, are going to prefer solar power over woodchip. The minister says, ‘We will not release that information for at least three years down the line.’ So the public cannot make a choice. Are we really to accept that?

The minister also said that the wood waste from forests and woodlands—and there have been projects mooted on this in New South Wales, Victoria, Western Australia and Tasmania, at least—would make up only three per cent of the increase in electricity output in Australia over the next 10 years. That is three per cent of two per cent, which on my calculation is 0.06 of a percentage point. I agree with the minister that that is very small indeed.

The question I have to ask the minister—and I hope he is listening while he is talking with Senator Allison at the back—is this: has his department taken into account the Southwood project in Tasmania? You will remember that I spoke about this extensively last week, so people are well acquainted with it. This is the project of Forestry Tasmania and the Bacon Labor government to burn 300,000 tonnes of native forests and wildlife habitat as woodchips in a furnace on a new industrial site at Judbury in the Upper Huon Valley—that is an hour or more’s drive south-west of Hobart—to produce 30 megawatts of power, enough to power a sizeable town or small city. That of itself is more than the three per cent that Senator Hill is talking about. I ask Senator Hill whether he is saying to the committee that the Southwood project’s intention to burn 300,000 tonnes of woodchips is at the outset not going to be permitted under this scheme. If that is the case, we should know, and certainly Forestry Tasmania should know—and I would commend him on that. If it is not the case, then I do not believe his figures and I do not believe the figures that he has had put before him.

Really this is a case of public accountability. That is the major thrust of the amendments which are here and which we want the government to adopt. Last week I lost the argument—with the Labor Party, even—that woodchips should not be entertained here. The Labor Party agrees with the government that burning of woodchips can be classified, along with solar power and wind power, as a good thing in terms of ecological sustainability. The Greens are absolutely appalled by that concept, but the big parties agree with it. That has gone through, but what the government is essentially saying here is ‘We don’t want the public to know about it.’

I am pleased to hear that the Labor Party has drawn the line at that. I am pleased to
hear that the Democrats have drawn the line at that. I certainly will draw the line at that; I have drawn the line well before that. It is up to the government to say who the liable parties are that have been lobbying it. Is it the woodchip corporations? It is up to the government to say whether it is excluding Southwood, for example, from getting renewable energy certificates. It is up to the government in particular to say why it cannot be honest with the Australian people, who I was saying in the earlier submission are the most environmentally sophisticated and literate people in the world according to international surveys on the environment, and let them know what the product is. This is simply a matter of good labelling and honesty in business. This is a deceitful piece of legislation. But I think the government, nevertheless, could get its wish through—that the woodchippers and others be serviced by this piece of legislation—if it were to be at least open with people. It would find itself adopting these amendments and then, I suppose, getting the legislation through this place with the support of the Labor Party and Democrats—remembering that I was the only senator who voted against this legislation yesterday, when it was before this place.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.54 p.m.)—All I can really say is that the anecdotally based contribution of Senator Brown is not consistent with the advice that we have had. We appointed consultants to give us advice on this matter. They, no doubt, sought the information from the industry upon which they gave us that advice. Senator Brown comes in here and he says that he knows of other possible projects that could change those figures. That may or may not be so. I can only say that, when we appointed independent consultants to give us the advice, those consultants obviously had no political bias and we expect them to be acting objectively and professionally. That is what they are being paid for and that is the source of the figure that I have given to the Senate.

Senator BROWN (Tasmania) (4.54 p.m.)—When I ask the minister, 'What is the source of the advice?' I do not expect him to say, 'Oh, there is a consultant in the way that excuses me from giving that information to the Senate and therefore to the Australian public.' He knows the answer but he is not prepared to tell us, and that is an indictment in itself of the attempt by this legislation to withhold information on a very important environmental factor, which is: where are our renewable energies coming from? While the minister is off seeking advice, I just want to come back to his contention that Australia is doing extremely well amongst the community of nations. This bill is about how we go between now and the year 2010 in terms of new energy, and it is aiming at two per cent of that in Australia being from renewable sources. But because of the fact that it is measured in current output, not in the output of 2010, it actually turns out to be one per cent of the electricity production in this country by the year 2010.

However, I will take the government’s figure of two per cent. When we look at the rest of the world, the average for other nations between now and the year 2010 is 7.4 per cent renewable energy out of the new sources they are looking at. So Australia is less than one-third of the world average. We come in behind many other like countries in the world, many of which are aiming at above 10 per cent through to 15 per cent. Certainly Denmark is there at 20.3 per cent, with an aim a few decades down the line of making that 100 per cent. Here we are, Australia, the world’s worst per capita greenhouse polluter, and the figure is going through the roof under this government and under this minister for the environment. They have come up with one of the poorest regimes for rectifying that amongst the community of nations. I know we can all use figures to our advantage or disadvantage. I am taking those figures from a chart from Greenpeace that I produced here and that I have quoted from in here. There has been no countermanding it. The fact is that Australia is an extraordinarily poor performer to date; but this legislation of itself, if that is all the government has in its saddlebag, is going to mean that Australia is going to be an even worse performer as we go down the line.
Senator Hill has to go to the post-Kyoto conference, which is at The Hague in the Netherlands, next month. I am afraid it is going to be an occasion of Australia copping a bollocking from the rest of the world, and not because Australians want it that way. This is the sunny country. I reiterate that Australians want this to be a solar powered nation. We have the best expertise in the world. But this government has turned its back on that, notwithstanding the announcements the minister made on the weekend. I am aware that, since I have been in this place, the government has taken all $12 million in research and development for the solar energy sector and transferred it across to coal and gas because that is where the lobbyists are.

Our technology is facing the unenviable position of having to go offshore, whereas governments overseas such as those in the US, Japan and Switzerland have massive programs for funding citizens putting solar panels onto their roofs. In some cases the tiles are made entirely out of solar panels—there are whole roofs of them. There is not any legislation of that sort in sight in this country. We do not have eco taxes, we do not have pollution control taxes and we certainly are holding the pack back as far as renewable energy is concerned. And here we have a piece of legislation which says that the first cab off the rank, and probably the biggest classified source of renewable energy in the near future, is a giant woodchip furnace in Tasmania. I would urge the Labor Party and the Democrats to at least insist on public accountability in this legislation. That is what these amendments are about and we should stick to them.

Senator BOLKUS (South Australia) (4.59 p.m.)—I would like to briefly make a couple of observations. I have already indicated our position on these amendments, and we will insist on them. But I would like to alert Senator Brown to something going on essentially behind his back. While he is raising very important matters in this debate and being very productive in doing so, we are unwittingly allowing Senator Hill enough time to try to con the Democrats into supporting his proposal again. I tried to get involved in the discussion, but I was curtly told that I was not wanted and was not needed. There is a real problem here, Senator Brown, which is that, for as long as we are raising the general points, Senator Hill, fresh from his lack of success overseas—on two occasions in the last 48 hours—is taking this time as an opportunity to try to con the Australian Democrats into supporting his measures.

Can I just say one thing: this minister cannot afford to go to The Hague without this legislation. Once we recognise that strategically, we should not give in to him. The legislation is soft enough as it is. The legislation has enough holes in it as it is. Any more concessions to this minister will, I believe, make the legislation almost ineffectual. So let the message reach the Australian public and anyone who picks up this debate when the minister goes to The Hague: if our amendments are not insisted upon, if we do not maintain the value of this legislation, if we do not give it direction in the objects clause, then this legislation is nothing like what the Prime Minister promised the international community some 3½ years ago at Kyoto. It is an unfair outcome that we are raising important matters when Senator Hill, as I said, is busily trying to con the Democrats, but I hope that this time the Democrats will not give in.

Mr Temporary Chair, I would like to split the motion that is before the Senate. We are prepared to accept the government’s adoption of the Australian Democrats amendment in terms of the review. We do not think that it is as good as the one that was accepted by the Senate last week—for the reasons that I, Senator Brown and, at that stage, Senator Allison expressed then—but we are prepared to accept it. If we can break off the motion and treat it in two parts, we will not insist on our amendment (24) and we will accept the government’s alternative, which is the Democrats amendment for that particular clause. However, we will insist on all the other amendments that have come back from the House of Representatives.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.02 p.m.)—I thank the Senate, particularly Senator Bolkus and Senator Brown, for al-
lowing us some time to further discuss these matters, a result of which is that I think Senator Allison is going to insist on amendment (5)—she can correct me if I am wrong. Firstly, I should say that I think each amendment should be taken separately. I think that Senator Allison is going to insist on amendment (5) except for subclause 2. The difficulty with the subclause is that it refers to the ‘estimated average annual output’, which could be calculated over quite a number of years.

Senator Bolkus—Mr Temporary Chairman, I rise on a point of order. Is Senator Hill acting as press secretary for Senator Allison or is he the minister? I am sure that she can tell us what she wants to do, Minister.

The TEMPORARY CHAIRMAN (Senator Hogg)—There is no point of order. Minister, could you resume your explanation?

Senator Hill—Secondly, amendment (6) will appear in a slightly amended form to make it clear that the information that is required to be provided pursuant to amendment (5) has to appear on the public record.

The TEMPORARY CHAIRMAN—Do you have a form of words?

Senator Hill—I think she has—

Senator Bolkus—You failed as a press secretary. Go back to your old job!

Senator Hill—I think we are doing very well in difficult circumstances, Senator Bolkus. The form of words for amendment (6) may well be: ‘(3) The Regulator must enter details of the eligible renewable power sources as provided by the intended generator on the register of applications.’ Senator Allison might indicate whether she thinks that I have understood her position correctly.

Senator Bolkus (South Australia) (5.05 p.m.)—On the procedure: Senator Hill suggested that we take the amendments individually. Why don’t we do so? As we come to each one, either he on behalf of Senator Allison or Senator Allison herself may feel inclined to tell us what they want to do.

The TEMPORARY CHAIRMAN—Senator Bolkus, I was going to suggest from the chair that I think we need the suggested form of words that has been put forward by the minister to be properly documented and circulated to members in the chamber. In that case, I take the suggestion that we split the original motion and that we deal with it item by item. Or we can do (1) and (2) together—

Senator Hill (South Australia—Minister for the Environment and Heritage) (5.06 p.m.)—We can do all except (5) and (6) then.

The TEMPORARY CHAIRMAN—All right. Let us do (1), (2), (7), (17) to (20), (22) and (23) only. So the motion becomes:

That the committee does not insist on amendments Nos 1, 2, 7, 17 to 20, 22 and 23.

That is the first motion that is before the chair.

Senator Brown (Tasmania) (5.07 p.m.)—I would prefer that each amendment is taken in turn, as Senator Bolkus has suggested.

Senator Bolkus (South Australia) (5.07 p.m.)—Just to help the committee, Mr Chair: I do not really need to insist on that now, Senator Brown. If we can deal with that patched together, I would hope that the Australian Democrats would be supporting us in insisting on our amendments with respect to those or they would be opposing us, in which circumstance the sort of cognate vote would probably expedite proceedings. That is unless there are some other reasons why you would want to have them all individually.

Senator Brown (Tasmania) (5.08 p.m.)—I was not opposed to expediting the proceedings, but I did want to ask Senator Allison on each amendment—most of these amendments were put forward by the Democrats and they are now dumping them—what it is that the government said to her that has encouraged her to cave in like this. This is an extraordinary event that we are witnessing here. We saw yesterday the Democrats vote for this bill, which does involve this terrible proposal that forests be burnt and turned into electricity and that that be classed as renewable. We have seen the Democrats turn down an earlier Greens amendment that, before that happened, there should be a Common-
wealth environmental impact assessment, remembering there will be an assessment at state level—but in Tasmania at least that means nothing because the minister can simply override it.

Now we are seeing the government say to the Democrats: ‘Look, we are going to apply a little bit of pressure to you. We won’t let this legislation through if you do not agree to us rejecting these amendments from the Senate, even though you put up some of them.’ As Senator Bolkus has said for the Labor Party, the pressure is really on the government because it wants to go to the COP6 talks at The Hague on global warming in the Netherlands next month and say that it has passed this legislation; it has at last passed a piece of very modest legislation to do something about the enormous problem of global warming in Australia. Instead, a quick chat in the back row with Senator Allison during the course of these proceedings, if we are to understand the minister—and I am still waiting to hear from Senator Allison on this—sees a comprehensive cave-in on these amendments, with the exception of half of one and a bit of another. We are talking about a dozen amendments at least. Most of these amendments are core Democrat territory, which is that to set aside the environmental component is to be transparent and is to be publicly accountable. They are saying, ‘Make the government be publicly accountable.’ The first amendment, which is apparently now going to be thrown out by the Democrats, is just stating that the object of this bill is to reduce greenhouse gas emissions, and also to ensure that renewable energy sources are ecologically sustainable. This is not just Greens territory; this has been in the past a bulwark of Democrat environmental policy. But here, if Senator Hill is to be heard correctly, Senator Allison is saying, after a quick chat from him, ‘We’ll dump that.’ This is extraordinary behaviour from the Democrats, if that is the case. The pressure is on the government. The government would accede to these amendments because it wants to take this legislation to The Hague, but with a quick chat the Democrats have caved in to Senator Hill on it, having said they would not—all within the space of about 20 minutes.

I am not going to go further at this particular juncture on this because I do want to hear from Senator Allison. I have been in parliaments long enough to know that sometimes there are extraordinarily unforeseen circumstances which lead people to act totally out of keeping with past behaviour, past principles and even party policy. So I cede the floor to Senator Allison, who no doubt is going to be shepherded from here on by Senator Hill in this matter. But I think Democrat voters and all Australians deserve an explanation for this behaviour.

Senator HILL (South Australia—Minister for the Environment and Heritage) (5.13 p.m.)—What an extraordinary contribution that was. If this bill passes, those of us who vote for it—it does not matter what party or interest group they represent—will be able to go out and say that they have passed legislation that will result in the largest boost to renewable energy in the history of this country. For anyone that is seriously interested in Australia’s contribution to the greenhouse challenge, that must be a great day. Anything that is going to boost the investment in renewable energy—let alone an investment of $2 billion that will significantly introduce economies of scale, bring down the price and therefore encourage further utilisation of renewable energy—would have made a significant contribution to a better result from Australia in terms of global greenhouse gases. So I find it absolutely amazing that Senator Brown, who claims to be an environmentalist, would come in here and argue against that. For Senator Brown to try and suggest to particular senators who have a green constituency that their constituency might in fact be disappointed in an outcome that amounts to such a huge boost to renewable energy is an obscure argument, to put it at its best. Certainly, after the passage of this legislation, I will have no hesitation in saying that it is the single most important contribution that we have made.

As you would know, Mr Temporary Chairman Hogg, most of the projects announced by the Prime Minister in November 1997 making up Australia’s then domestic response to the greenhouse issue were no regrets projects. In other words, they were
projects calling for a contribution from industry and the community that did not require an extra financial commitment. They were best practice projects that would primarily be driven for other objectives than for greenhouse gas abatement. This was the major one of those November 1997 initiatives that went beyond no regrets and actually required an additional financial contribution from Australian industry. As it turns out, the contribution has been estimated at some $2 billion, which would otherwise not be spent and is therefore a significant economic cost. I am pleased to say that, in the end, industry accepted that it is a reasonable economic cost in terms of the contribution that they could make to help Australia achieve a better greenhouse gas outcome.

What the Senate is doing today is legislating the first major initiative beyond no regrets that requires an extra economic burden to help Australia achieve a better greenhouse gas outcome. As I said, that is something which I would have thought would be applauded by all Australians who are seriously interested in the issue of global warming. If I might put that in a broader context, the target that Australia accepted at Kyoto was never going to be easy. There are some people, such as Senator Brown, who dismissed it as a free kick—that was naive to anyone who makes an objective study of these issues. In fact, our graph of business as usual indicated that Australia’s greenhouse gases were likely to rise between 1990 and the first reporting period of 2008 to 2012 by about 45 per cent. To reduce a projected increase of over 40 per cent down to just eight per cent in that short period of time was always going to be a major effort. It was the equivalent effort in terms of cost of abatement of all the other major industrialised countries who were a party to the Kyoto protocol.

The reason the Kyoto protocol was successful in the end was that the international community accepted Australia’s principle of differentiation—that is, that all countries should accept a fair share of the burden, but it would be differentiated according to the different costs of abatement and, furthermore, that it could be implemented by each state according to its national circumstances. Obviously, certain policies and measures in one economy can be at a very different cost and have very different practical aspects from another economy. What we argued successfully in Kyoto was that each state, each economy, should be able to look at the opportunities that it has to reduce its greenhouse gases in terms of accepting approximately an equal share of the cost burden. Out of that, Australia was given by those making the assessment a figure of an eight per cent rise over that period—a difficult target but, we believed, a fair target. We were benefited by the fact that in the lead-up to the Kyoto conference the Australian government had done considerable work on what domestic initiatives would be necessary to help us achieve that target. Those initiatives have been introduced over the intervening period and up to the stage of this one, which, as I said, is the first major initiative beyond no regrets which has required a legislative base. When fully implemented, those initiatives are going to help Australia significantly to achieve its target.

Since Kyoto, the task for Australia has become more difficult because of the economic success that we have experienced. One thing that we did not judge correctly at Kyoto was the extent of economic growth that would be achieved by the Howard government. That growth—an extraordinary economic result to the background of the Asian economic crisis—has made Australia’s task even more difficult, but the government has addressed that, in particular with the suite of initiatives that were announced last year as part of the negotiation over the GST package. Here again the Australian Democrats deserve some credit because some of these extra greenhouse initiatives were their initiatives. They took the political opposition, with the political moment that Senator Brown is never prepared to do, to use their leverage over the GST to get these better environmental outcomes. So we saw reforms such as the new fuel quality standards, the new emission standards for vehicles and the like being committed to by the government. When we add the initiatives added by the Prime Minister in November 1997 to the extra initiatives announced by the Prime Minister as a
result of the negotiation with the Australian Democrats at the time of the GST debate, then we should be able to address the extra burden in greenhouse terms that we now face as a result of the economic prosperity that has been experienced in intervening years.

What it demonstrates, however, is the commitment of this government to achieving its Kyoto target. Some governments have done very little since Kyoto. They are waiting until they see whether Kyoto is ratified by sufficient states to come into legally binding effect, and then they will address the issue. Australia, because it has an energy intense economy, recognised that achieving its target would require very significant structural change economically, and that we could not afford to wait until the Kyoto protocol came into legal effect. We had to commence the implementation of the reform package immediately. That is why the Australian government has been working through the suite of initiatives—and out to November 1997—since the time of the Kyoto conference just a week or two after that prime ministerial announcement.

It is why the Australian government has picked up and is now implementing these extra initiatives that were announced last year, even though the Kyoto protocol is still not legally binding. Some have condemned us for that; they say that we are getting ahead of the game. I cannot imagine Senator Brown ever accepting that Australia is ahead of the game in terms of environmental actions, but the real fact is that it is not that we are ahead of a game; it is just that we are ensuring that the reforms are in place and are being implemented in time to bring in the greenhouse benefits to enable us to meet the first accounting period, which is very rapidly approaching. It is a much stronger position in which Australia now finds itself in the international negotiations as a result of the decision it took to implement its policies rather than to wait upon ratification.

The key point I make—because I suspect that the drafting is nearing conclusion—is that we cannot afford to lose any one of the initiatives. If we lose any one of these initiatives, we will be back behind the eight ball again. We certainly cannot afford to lose this key initiative which, as I said, is going to significantly change the profile of Australia’s emissions in terms of lifting renewable energy. It has the pull effect of requiring such a substantial capital investment that will bring renewable energy down to an economically competitive position, a result being the take-up will accelerate and that extra step will be taken towards meeting what we think is a fair but reasonable commitment accepted at Kyoto. I do say that, if we can conclude this debate in a way that this bill does pass today, the Senate will be making a very significant contribution to Australia meeting its target and therefore Australia playing its part in achieving a better global outcome on greenhouse gases.

Senator ALLISON (Victoria) (5.26 p.m.)—I rise to speak on the Democrats’ position on the Renewable Energy (Electricity) Bill 2000. To some extent this legislation is very much a Democrats type bill. We would have done it differently of course, and the amendments we put to the legislation expressed the way in which we would have done that. It has been a privilege to be involved in this legislation. It would be easy to reject the bill because our amendments did not get up, but I keep remembering the message that came from just about every one of the submissions to the inquiry, and that was, ‘Whatever you do, don’t sink this bill.’ There is a good reason for that. It is an important start in a whole new direction of weaning us off fossil fuels and looking to renewables as the future. For that reason, we will not be insisting on the amendments we supported previously. We believe that, just as it would be easy for us to insist, it would be easy for the government to say, ‘We don’t especially care for this legislation and so we will pull the bill. The Senate has gone too far in amending it.’ Certainly industry would be behind that, judging by the submissions that we had. This is not a popular bill with those high energy users out there and with those people who believe that greenhouse is something of a myth, that those of us who are environmentalists complain too much and that the science is at best questionable. We know that is not the case but nonetheless we do need to identify quite a significant sector out there that would be quite happy to
see this bill put in the bottom drawer forever more.

It has been difficult to encourage the government to change its bill, and I think I understand the reason for that. Minister Hill has agreed that we can at least know in advance of the three-year review period what sort of renewable energy sources power will be generated by those who will do the generation. I think it is important for us to have access to information about where the energy is going to come from. If the minister is wrong and it is not going to be three per cent biomass and it is going to be more like 90 per cent biomass, then we will know very early on in the process. It is a small amendment and a small concession by the government but, at the end of the day, we need to balance the risks associated with this bill not going ahead with the advantages of it doing so. It has not been easy for us to come to this decision, but nonetheless I keep going back to the message that came through loud and clear throughout the hearings, and they were, ‘Try to amend it if you can. Try to improve the bill — there are plenty of ways to do that — but please make sure that it passes the Senate in the best form that the Senate can manage.’ So that is what we will do today.

Senator BOLKUS (South Australia) (5.30 p.m.) — We have just witnessed two of the most amazing performances that I have experienced in this place for quite a long time. We heard Senator Hill — and I will return to him in a few moments — claiming that early ratification of Kyoto is too late, so the government has been off restructuring the economy for the last four years. What an amazing claim from a minister who is failing in meeting the Kyoto targets. But, as I said, I will get to that later on.

We heard Senator Allison, with all the cards in her hand, saying, ‘You can have them all; I will give the game away.’ Senator Allison, knowing full well that this minister needs this legislation, basically said, ‘I am prepared to fall over — don’t pressure me at all.’ After this, the Democrats stand for nothing when it comes to renewable energy. The least they stand for is honesty; the most they stand for is total gutlessness.

Senator Hill — What does Labor stand for?

Senator BOLKUS — Senator Allison put out three press statements last week, and you were not here to read them, Senator Hill, because you were somewhere else trying to wrangle future debates on greenhouse and trying your very hardest, once again, to absolve this government from any responsibility. The Democrats put out three press statements which will be remembered for their dishonesty and for the way they conned the Australian press gallery. The statement put out on 10 October by Senator Allison claimed ‘Democrats amendments passed by the Senate include ... ’ and she then claimed ownership of amendments passed by the Senate. Unfortunately for Senator Allison, they were not the Democrats’ amendments. She should have known that and her office should have known that. Gore-speak hits the Australian Democrats! They have short-term memory loss.

The debate had finished only seconds before, but the Australian Democrats claimed credit for amendments passed that were not theirs. The statement said that Democrats amendments passed by the Senate included tax deductibility. That was an opposition amendment. Another amendment passed was ‘penalties to be CPI indexed’. That was an opposition amendment. ‘A review of legislation after three years’ was not their amendment. What else do they claim? They claim that they have successfully moved an amendment that the ‘register of renewable energy certificates must show the energy source used and be
published on the Internet’. Whose amendment was that? It was Senator Brown’s, the Australian Greens’. As I said, Goerespeak has hit the Australian Democrats. It is not the first time they have done it, but never have they done it more blatantly than they did it last week. It was a dishonest press statement and they ought to apologise—not just to the Australian public but to the journalists who, because of the speed of turnover and the time in which they have to write stories up there, took them at their word. They claimed credit for amendments which they supported but which they now dump.

The other amazing aspect of their performance last week was that they were quick to condemn everyone else. They were quick to condemn Senator Brown and they were quick to condemn the Labor Party. They asked: ‘Will Labor destroy confidence in green power today?’ I tell you what: we did not destroy confidence in green power that day, but this afternoon they have destroyed confidence in them as well as in green power. They said in that press statement: ‘There is still time for the Labor Party to get over its attack of gutlessness and to give this legislation back its credibility.’ Senator Allison, this legislation had credibility when it went to the House of Representatives. That is why the government was not prepared to accept the amendments that we moved and that Senator Brown and you accepted last week—amendments which, through the whole course of the deliberations of the Senate committee, you thought were quite vital. Will the Australian Democrats now give this legislation its credibility? Will the Australian Democrats now show some guts? It took five minutes from this jet-lagged minister to con you this afternoon. Come on: this is the minister who has got to go to The Hague with something. His own Greenhouse Office says—despite what he says—‘This government is failing in meeting its greenhouse objectives.’ Its own government bureaucracy is saying that it made promises at Kyoto which it has not kept. We are saying that we want to rip the spine out of the back of this legislation. Why? What sort of concession is there? We will come to the concession later.

Senator Allison claimed last week that, because of the ALP’s ‘display of cowardice’, the government will have the numbers to pass this legislation largely unchanged. They did not have to rely on anyone’s cowardice in this place, Senator Allison. All they had to rely on was your gullibility and the Australian Democrats going along with you. Form has shown, time and time again, when the Bunsen burner is put on, it is amazing what sort of greenhouse gas emissions affect the Australian Democrats, or what emissions at all affect the Australian Democrats. There has been absolutely no imperative for you to fold within 12 hours of this legislation coming back from the House of Representatives. Make them stew for a while. Let them cogitate. Let them continue those battles between Senator Hill and Senator Minchin. Let them go back to the Prime Minister’s office and say to the Prime Minister that the Senate demands some effective legislation. But no. You do not even force this minister back to confront Senator Minchin on this legislation. He has been rolled often enough; what we were trying to do was to give him a bit of strength to go back to the oval office and to say to them, ‘Prime Minister, you made a commitment pre Kyoto. It is a commitment we need to keep.’ This minister has not even been told to go and do that—and why? Because the Australian Democrats have shown the gutlessness and cowardice which they have accused others of showing.

Destroying the environment should not be tax deductible. But in the press statement Senator Allison put out last week she said, ‘It is important to link the charge with increases in inflation. If the coalition lets industry off the hook, these new targets will be a joke.’ That is straight out of the press statement: ‘These new targets will be a joke.’ Senator Allison, congratulations; you are voting for a joke. In your own words you are voting for a joke. You know that not having the charges CPI indexed basically means that this measure will not be as effectual as this parliament wants it to be or as the community wants it to be. You say in your press statement of 31 August, and you are modest enough not to claim ownership of that Senate report:
A Senate report tabled earlier this month concluded that it would probably be more attractive for liable parties to pay the charge rather than comply, a problem that would be exacerbated if the charge were tax deductible and not linked to CPI.

At $40, the charge is already too low to encourage the more expensive renewables, wind and solar.

At $40, less the effect of the CPI, it is going to be too low to encourage those industries you want to encourage. So as I say, Senator Allison, in your own words, by letting this minister off the hook on this provision you are voting for a joke. You say you have made some minor gains. Let us look at some of those gains. We have been asked to treat amendments Nos 5 and 6 separately. Amendment No 6, an Australian Greens amendment not an Australian Democrats one, as claimed in that press statement last week, says that there should be a list of:

(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.

Senator Allison comes in today and says, ‘We’re not going to insist on subclause (ii). Subclause (ii) is there to keep an eye on the very things that the Australian community and you and Senator Brown and I have raised in debate. We want to know what the sources are. We want to protect against excessive reliance on native forests. If you take away that subclause you take away accountability on the extent of what use and reliance will be made on each particular source. You are taking away accountability for the thing that you ratified about last week—the protection of native forests. You are allowing this government the capacity to hide from the truth when it comes to the protection of native forests. That is what you are doing by the deletion of that subclause. Turning to amendment No 6, you say you want to change that from what was adopted before, which was ‘The Regulator must enter details of the application on the register of applications for accredited power stations’ to ‘The Regulator must enter details of the eligible renewable power sources as provided by the intended generator.’

What is wrong with the increased level of accountability? What you are doing here, together with the revised amendment No. 5, is ensuring that the community will not be able to adequately scrutinise these particular provisions. If you are concerned about native forests you ought to be worried about the capacity these amendments give to a government and a regulator to conceal the facts from the public. So you put out a press statement last week saying that you are concerned about the protection of native forests. What you have done is not just allow the government to use native forests as a source, and we acknowledge that there are some dangers in that but we are supporting it. Unlike us, you want to give the government the capacity to keep those facts hidden from the public. We think adequate scrutiny demands that your amendments, your further concessions, be rejected.

As I say, this is an amazing performance from the Australian Democrats. They ought to apologise to us, particularly to the press gallery for conning them last week, and for the language they used. As for the minister, he has done it again: he has conned the Australian Democrats. Smooth-talking language we are used to from this minister but for him to come in and say, ‘We’re really serious about Kyoto and we’ve decided not to wait to bring about the structural change that is needed to achieve the objectives of Kyoto’—this is the minister who leads the government in this place, a government that has presided over the rock-bottom level of the Australian dollar, a rock-bottom level that reflects that the rest of the world knows our economy is going in the wrong direction. The level of the dollar reflects what the rest of the world thinks of our economy and the direction in which it is going. Minister, you have failed; this government has failed.

Senator Herron—What a joke!

Senator BOLKUS—This government is a joke, Senator Herron; you are spot-on about that. It is a joke because the direction in which you should have taken us is not the direction in which we are going. What the world markets are doing to the Australian
dollar now is basically what they have done in their investment patterns over the last five years: they have found new sources of investment. They have gone into new industries—IT or whatever. If this government were actually doing its job in respect of meeting Kyoto targets, we would have been going through a restructuring of our economy, which the rest of the world would have recognised and respected. The Prime Minister says, ‘I’ve been to the Olympics and I’ve spoken to lots of people and I know about IT.’ The trouble is that he obviously did not register with the people he spoke to, because on every day he spoke to someone from the world IT community at the Olympics the dollar kept on going down. They realise that this Prime Minister is on the wrong track and they realise that you are on the wrong track. We want, and we do need, a restructuring of this economy. We need a new economy, we need IT and IT services—

Senator Herron—What’s the pound doing?

Senator BOLKUS—Senator Herron, if it were up to you we would still have the pound as our currency in Australia. Gladly, we do not. If we were doing the right thing we would recognise that IT, IT services and the application of IT to produce the new industries we are talking about are fundamental to our restructuring. But, Senator Hill, all we have seen in the four or five years since Kyoto is a government in gridlock. You and Senator Minchin are like two Greco-Roman wrestlers at Darling Harbour, not able to budge each other. That is what we have seen: putting the ‘Darling’ back into Darling Harbour but not being able to budge each other. It has taken so long to get an outcome from cabinet on this particular legislation. It has been there for so long because the two ministers could not agree. At the end of the day the inevitable happened: Senator Hill got rolled. So if we are really serious about early action, Senator Hill, how long has it taken for this one? If we are really serious about early action, no-one has told the state governments, no-one has demanded sectoral approaches, no-one has told industry and no-one has told the Prime Minister. In the aftermath of the Olympics he is still telling everyone what he knows about IT and, consequently, about reducing the level of the dollar. Commitment requires some action and recognition of the underlying restructuring that needs to take place. We are not achieving our Kyoto targets and, Senator Hill, when you go to The Hague in just a few weeks time they will be waiting to find out what we have done. In terms of what we have done, this sell-out by the Democrats this afternoon by agreeing with you will not stand up to scrutiny.

Senator BROWN (Tasmania) (5.45 p.m.)—This is a historic day for the Democrats, and a very sad day at that. In June last year the Democrats passed the GST legislation for the government—gave the government the numbers—and attendant on that a $2 billion plus per annum boost to transport, mining and logging corporations through the diesel fuel rebate to create an added impact on the atmosphere through polluting gases and global warming gases. At the same time the Democrats guillotined new environmental legislation through here at the behest of Minister Hill which took away the requirement that the government hold environmental impact assessments on a whole range of matters and confined it to five or six particular matters and, against the wishes of the majority of environmental groups in this country, handed back to the states the power over the environment. The states being smaller and much more vulnerable, this enhanced the power of the corporate sector to degrade environmental standards in this country when we need more national environmental action, not less. Now the Democrats have endorsed and given the government, on the eve of the conference in The Hague on global warming, a piece of legislation which is of the same order.

This legislation is not only some of the weakest legislation in the world on this matter but also, as Senator Hill said a moment ago, the single most important contribution that we have made—what a yardstick! In fact, it is the only legislative contribution anywhere that adds a penalty clause. There is a single penalty clause in this legislation which was much weaker than the Greens put forward—$1,000 for the Greens. It has been
watered down to less than $100 by the Democrats, but it is over the $40 that the government put forward. It is complicated to explain that, but it was to avoid companies simply paying the $40 a unit to get out of their obligation to invest in and get behind solar power and wind power. But what Senator Allison has done on behalf of the Democrats—none of whom join her on the benches today, and I do not blame them—is put through legislation which is going to be a great boost to some of the most environmentally obnoxious corporations in the country. That includes the forestry corporation in Tasmania—which is first cab off the rank, as I explained to the committee earlier today—which wants to put in a 30-megawatt power station to burn woodchips from world heritage value forests in the Huon, Picton and Weld areas to sell through the proposed Basslink onto the markets in Melbourne, Canberra and Sydney as eco-friendly power. The Democrats have voted for that legislation.

To me this is not so much energy renewable legislation as forest destruction legislation. Beyond that, this legislation will allow major dams to be built in the future without the past scrutiny demanded by federal governments—such installations as the proposal at Derby to concrete up sea outlets to produce electricity, which is now going to get an inherent public subsidy through the certificates the government and the Democrats want to give to them. Senator Allison says, ‘But there is a good side to this piece of legislation, which is that the dinkum energy renewable people—the solar power producers and the wind power producers—want to get legislation up which is going to help their industry.’ But, by accepting woodchips and other forms of non-renewable energy into this legislation, the real players—the solar power people and the wind energy people—are put at a disadvantage because woodchips and biomass are cheaper. It is mass production stuff. They are going to squeeze out the availability of these certificates to the dinkum players who are on the cutting edge, who are bringing in new technology and who are really the hope for the world against global warming. They are getting massive government assistance in countries like Switzerland, Germany and the United States but they are going to be cut out of this deal by the very fact that into this nest has been laid the cuckoo of woodchip power generation.

Let me give you an example of the scale of what we are talking about. Senator Hill, quite rightly, was extolling earlier today and on the weekend the virtues of two solar power stations to be built in the centre of Australia to produce a couple of megawatts of power. That single woodchip installation burning world heritage forests in Tasmania will produce 30 to 40 megawatts. There is a limit under this legislation on who gets the certificates. It is quite easy to see how that cuckoo in the nest of this otherwise environmentally acceptable legislation is going to eradicate the chickens we really wanted to foster. That is what is happening here, and the Democrats have accepted that. Senator Allison for the Democrats says, ‘If we didn’t do this the government mightn’t pass the legislation.’ Goodness gracious, if that is the tack to be taken in here, then the government can get the Democrats to pass any piece of legislation it wants. What will be next—education legislation coming down the line, legislation to reduce democratic wherewithal in this country? It does not pass my notice that Senator Murray—who is a stickler for proper democratic processes—brought two pieces of legislation into this place today for honesty and transparency, and he will be getting my support. But later in the afternoon, Senator Allison caves in to Senator Hill and says, ‘But we’ll stop the public from getting information that they deserve to get,’ in terms of what has become a scam piece of legislation that is going to foster the interests of corporations which are not in the business of being environmentally friendly; they are in the business of being environmentally destructive.

In particular, at the outset there was a Greens amendment which was supported by the Democrats and Labor Party but was rejected by Prime Minister Howard and his government in the House of Representatives. Let me read these objects at the start of the act. These are objects which would be in the act if the Democrats stood firm but are now
being eliminated by Senator Allison’s actions. It would say that the objects of the act are to encourage the additional generation of electricity from renewable sources; it would say that the objects of the act are to reduce emission of greenhouse gases; and it would say that the objects of the act are to ensure that renewable energy sources are ecologically sustainable. I ask Senator Allison: which of those objects does she object to? Is it that the Democrats do not believe that this act should encourage additional generation of electricity from renewable resources? Is it that they do not believe the act should pursue the reduction in the emission of greenhouse gases, or is it—through you, Chair—that the Democrats, through Senator Allison, are objecting to the act ensuring that renewable energy sources are ecologically sustainable? It is on that third one that the government’s insistence, now supported by the Democrats, is going to wipe that objection out. You cannot burn wild Australian forests and woodlands—the wildlife that lives in them, essentially, is eradicated by the logging processes behind these furnaces being created and the incentive that this bill will give to them nationwide: in New South Wales, in Victoria, in Western Australia, as well as in Tasmania—and claim that to be an ecologically sustainable process. This bill, by Senator Allison’s own actions, is now branded as not reaching the standard of ‘ecologically sustainable’, and she has agreed to have that definition removed.

When you get to the definitions section, which is next, the government did not want to say that this legislation would ensure that it provides for equity within and between generations—in other words, to make sure that the coming generation is not harmed by our actions now. Patently, this bill is going to harm the interests of coming generations; it is going to foster the woodchip industry; it is going to foster ecologically destructive processes like the proposed Derby tidal power station in the Kimberley.

Another definition under this legislation is that ‘ecologically sustainable’ means the protection of biological diversity—that is, our wildlife and native plant life—and maintains essential processes of life support systems. Well, you cannot allow that anymore in this Democrats-Howard government legislation because it is going to be involved in fostering the destruction of native forests. That is what Senator Allison and the Democrats have done today. When it does get to the Greens amendment—I might give a score here—the Democrats have agreed to hold the line on 1½ out of 12 amendments which they, with the Greens and the Labor Party, sent to the House of Representatives just yesterday. So they have caved in on 10½ out of 12—somewhere between 80 and 90 per cent.

Senator Bolkus—You are wrong. It is a half out of 12.

Senator BROWN—Senator Bolkus is telling me it is a half out of 12. Well, I am being a bit generous. Amendment No. 5 would insist that the government reveal the eligible renewable power sources from which power is intended to be generated so that the public can know. It then said: ‘And you should say how much.’ The Democrats say, ‘We will push for the woodchippers to have to fess up and tell the public to whom they are selling this power in Sydney, in Canberra, in Melbourne, in Brisbane’—the national grid is being interconnected to this so-called ecologically friendly power coming from the destruction of our forests—but they will not have to say how much.’ Senator Allison is going to have overnight to consider this. I ask that Senator Allison come in tomorrow and explain why not. I ask Senator Allison and the Democrats to hold a caucus meeting and to review this action that has taken place at the back of the Senate today. I believe that this flies in the face of the Democrats’ proud record on the environment, from the Franklin days right through the great forest controversies of the eighties and nineties, up until June of last year, when things began to change and sour. I ask the Democrats to consult their membership, their electorate, their constituency and their voters. I ask all the Democrats to consider overnight what is happening in this place. Is any piece of legislation which has ostensibly got an environmental label on it good enough for the Democrats when coming from the Howard government? Or is it important that we
stand strong on environmental principle in a world in which global warming is one of the greatest problems of the age?

I reiterate: under this government Australians have become the worst polluters per head of population—not due to the individuals but due to the forest industries, the transport industries, the coal burning industries—in the world. The government—knowing that—at Kyoto got the best deal in the world out of the rest of the community of nations. We could increase that pollution by 10 per cent over the same period when the rest of the world had to reduce it. Now we know that, due to the lack of action by this government, even that figure has blown out—that this country was producing 18 per cent more by 1998 and that that is likely to run to more than 20 or even 30 per cent rather than 10 per cent by the target date of 2010. And then in comes a piece of legislation like this which is amongst the weakest in the Western world. The Danes are aiming at 20 per cent; this government is aiming at two per cent—and it is going to get a big slab of that out of burning forests in Australia. What sort of legislation is that? What sort of party is the Democrats to give succour to that legislation? What sort of a cave-in have we seen here today? The Democrats must spend tonight reconsidering this cave-in. Senator Lees needs to be consulted—so do the other senators who are mindful of their environmental history as well as this nation’s environmental heritage, which is being sold out by this cave-in today.

Progress reported.

**Senate adjourned at 6.00 p.m.**

**DOCUMENTS**

**Tabling**

The following government documents were tabled:

- National Science and Technology Centre (Questacon)—Report for 1999-2000.
- Treaties—

  **Bilateral**—

  **Multilateral**—
the Regulation of Whaling of 2 December 1946.
Protocol relating to the Madrid Agreement Concerning the International Registration of Marks, done at Madrid on 27 June 1989.
Universal Postal Union: Sixth Additional Protocol to the Constitution of 10 July 1964, as amended: Convention, and Final Protocol; General Regulations, done at Beijing on 15 September 1999.


Tabling

The following documents were tabled by the Clerk:

Currency Act—
Currency (Royal Australian Mint) Determination 2000 (No. 7).
Currency (Royal Australian Mint) Determination 2000 (No. 8).
National Health Act—
Determination under Schedule 1—PIB 24/2000.

Radiocommunications Act—
Radiocommunications (Spectrum Reallocation) Declaration No. 2 of 2000.
Radiocommunications (Spectrum Reallocation) Declaration No. 3 of 2000.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Health and Aged Care: Salaries
(Question No. 1742)

**Senator Faulkner** asked the Minister representing the Minister for Health and Aged Care, upon notice, on 2 November 1999:

As a dollar amount, and as a percentage of the department’s total outlay on salaries, what was the cost in 1996-97, 1997-98 and 1998-99 financial years of: (a) staff training; (b) consultants; and (c) performance pay.

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

**(a)**

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<tr>
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<tbody>
<tr>
<td>The cost to the department of staff training (1), as a dollar amount.</td>
<td>$12,449,235</td>
<td>$11,182,744</td>
<td>$7,186,731</td>
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The Department’s total outlay on salaries:

<table>
<thead>
<tr>
<th>Total outlay on salaries (2)</th>
<th>$298,696,000 (3)</th>
<th>$288,911,000 (4)</th>
<th>$161,913,000 (5)</th>
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<tbody>
<tr>
<td>The cost of staff training as a % of the department’s total outlay on salaries.</td>
<td>4.17%</td>
<td>3.87%</td>
<td>4.44%</td>
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**(b)**

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<tr>
<td>The cost of consultants used by the department, as a dollar amount.</td>
<td>$14,852,372</td>
<td>$23,911,488</td>
<td>$21,588,005</td>
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<tr>
<td>This cost as a % of the department’s total outlay on salaries.</td>
<td>4.97%</td>
<td>8.27%</td>
<td>13.33%</td>
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**(c)**

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<td>The cost to the department of performance pay, as a dollar amount:</td>
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<td></td>
<td></td>
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<tr>
<td>SES performance based payments (6)</td>
<td>$217,870</td>
<td>$181,566</td>
<td>$441,404 (7)</td>
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<tr>
<td>Non-SES performance based payments (6)</td>
<td></td>
<td></td>
<td>$754,662</td>
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<tr>
<td>This cost as a % of the department’s total outlay on salaries.</td>
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<td></td>
<td></td>
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<tr>
<td>SES performance based payments:</td>
<td>0.07%</td>
<td>0.06%</td>
<td>0.27%</td>
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<tr>
<td>Non-SES performance based payments:</td>
<td></td>
<td></td>
<td>0.47%</td>
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(1) As reported in the relevant Annual Report for each financial year.

(2) Total outlay on salaries comprises ‘basic remuneration (for services provided)’ and ‘separation & redundancy expenses’ as reported in the relevant financial statement in the Annual Report for each financial year.

This figure includes outlay on salaries for the Department and TGA and CRS Trust Account (1998-99 Annual Report, page 412).

This figure includes total outlay on salaries for the Department and TGA Trust Accounts for the full year and CRS Trust Account up to 20 October 1998. The lower total outlay on salaries for the 1998-99 financial year is due to the machinery of government changes resulting in two divisions (Family and Children’s Services Division and Disability Programs Division – including the Commonwealth Rehabilitation Service) and associated corporate staff transferring to the new Department of Family and Community Services. The date of transfer of staff and associated outlay on salary under the machinery of government changes was 20 October 1998.

The cost of performance pay for the 1996-97 and 1997-98 financial years does not include rating below 5 (Outstanding) and 4 (Superior) for which officers were not eligible to receive performance pay.

The cost of performance pay for the financial year 1998-99 does not include ratings below 5 (Outstanding), 4 (Superior) and 3 (Fully Effective) for which officers were not eligible to receive performance pay. This changed from previous years where only 4 and 5 ratings received performance pay.

There were no performance payments made for non-SES staff in 1996-97 and 1997-98 financial years. Performance payments for non-SES staff through Australian Workplace Agreements (AWAs) were not introduced until mid-June 1998, with the actual performance payments being made in the 1998-99 financial year.

This response has been prepared using information provided in the Department’s Annual Reports for the 1996-97, 1997-98 and 1998-99 financial years.

Department of Transport and Regional Services: Fringe Benefits Paid
(Question No. 2306)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 6 June 2000:

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

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

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

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

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

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

The following information is provided in respect of the Department and its agencies –

Department of Transport and Regional Services:

1. (a) and (b) 97/98 $271,693
   98/99 $695,986
   99/00 $733,169

In addition, in 1998-99 the Department became aware, and notified the ATO, of an underpayment of FBT in prior years relating to certain benefits provided to staff located in the Indian Ocean Territories.
The Department made an additional FBT payment in 1998-99, of $761,702 in relation to these prior year benefits, of which $297,245 was attributable to the 1997-98 year.

(2) Motor Vehicle
Expense Payment covers predominantly education and telephone expense reimbursements
Housing
Hospitality

(3) The Department estimates that the cost of FBT compliance for the 1999-00 financial year was $33,190 and that similar compliance costs were incurred for the 1997-98 and 1998-99 financial years.

(4) During the 97/98 financial year the Department paid $97,541 in performance pay to SES employees.

(5) The Department estimates that the cost of compliance for these payments at $250.

Australian Maritime College and AMC Search Ltd

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<tr>
<th>(1)(b) FBT Payments $ - FBT years (ending 31/3)</th>
<th>97/98</th>
<th>98/99</th>
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<td>Motor Vehicle</td>
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<td>Debt Waiver</td>
<td>602</td>
<td>290</td>
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<td>Expense Payment</td>
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<td>28,849</td>
<td>16,056</td>
</tr>
<tr>
<td>Housing</td>
<td>27,672</td>
<td>36,601</td>
<td>42,315</td>
</tr>
<tr>
<td>Board</td>
<td>5,940</td>
<td>16,503</td>
<td>13,059</td>
</tr>
<tr>
<td>Entertainment</td>
<td>16,574</td>
<td>17,011</td>
<td>15,062</td>
</tr>
<tr>
<td>TOTAL FBT</td>
<td>119,687</td>
<td>142,044</td>
<td>128,703</td>
</tr>
</tbody>
</table>

(2) Motor Vehicle
Expense Payment, predominantly education and telephone expense reimbursements
Housing
Board
Entertainment

(3) Amounts of compliance costs include record maintenance, return preparation and audit
1997/98 $2000
1998/99 $2275
1999/2000 $3250

(4) Performance incentive payments were made to some senior executives in the way of contributions to Superannuation Funds.

(5) Minimal, as only required the raising of the relevant cheque and Superannuation lodgement forms.

Australian River Co. Limited

<table>
<thead>
<tr>
<th>(1)(b) FBT Payments $ - FBT Years (ending 31/3)</th>
<th>97/98</th>
<th>98/99</th>
<th>99/00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor car – statutory formula</td>
<td>222,869</td>
<td>166,491</td>
<td>5,650</td>
</tr>
<tr>
<td>Health Insurance</td>
<td>38,343</td>
<td>29,577</td>
<td>0</td>
</tr>
<tr>
<td>Entertainment</td>
<td>117,362</td>
<td>72,119</td>
<td>2,317</td>
</tr>
<tr>
<td>Spouse Travel</td>
<td>10,360</td>
<td>7,807</td>
<td>1,358</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>Telephone</td>
<td>11,166</td>
<td>5,386</td>
<td>1,503</td>
</tr>
<tr>
<td>TOTAL</td>
<td>492,688</td>
<td>343,848</td>
<td>10,828</td>
</tr>
</tbody>
</table>

(2) As Above

Compliance costs  
97/98 $50,000  
98/99 $50,000  
99/00 $5,000  

(4) Nil  
(5) Nil

**Australian Maritime Safety Authority**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>$383,427</td>
</tr>
<tr>
<td>1998/99</td>
<td>$464,189</td>
</tr>
<tr>
<td>1999/00</td>
<td>$617,198</td>
</tr>
</tbody>
</table>

(2) The FBT payments were in respect of components of employees salary packages and work related expenses.

(3) Estimated FBT compliance costs are $25,000 pa.

(4) The only "incentive" paid to employees is "performance pay". Amounts are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997/98</td>
<td>$178,000</td>
</tr>
<tr>
<td>1998/99</td>
<td>$233,000</td>
</tr>
<tr>
<td>1999/00</td>
<td>$548,000</td>
</tr>
</tbody>
</table>

"At risk" salary has been excluded from these figures. AMSA has extended the number of employees covered by performance pay arrangements, during the period for which figures are provided.

(5) Estimated cost of managing the "performance pay" system is $50,000 pa.

**National Capital Authority**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>97/98</td>
<td>$28,804</td>
</tr>
<tr>
<td>98/99</td>
<td>$13,884</td>
</tr>
<tr>
<td>99/00</td>
<td>$15,213</td>
</tr>
</tbody>
</table>

(2) The incentives (benefits) paid to departmental officers and employees that attracted FBT over the above periods included Car Fringe Benefits, Meal Entertainment and Living Away from Home Allowance

(3) The compliance costs of calculating FBT in the preceding years are largely unknown. However, it can be assumed that as amounts attributed to individual employees were not required to be tracked prior to this FBT year, the compliance costs would have been lower. The compliance costs for this year’s FBT was approximately $1283.00 (one APS 6 x 8hrs x 4 days @ $22.30 per hour plus on-costs of 80%).

(4) The following incentives (benefits) that did not attract FBT (eg exempt benefits or benefits subject to the ‘otherwise deductible rule’) included: payment of travelling and vehicle allowances (not processed through payroll), reimbursement of telephone expenses, reimbursement of spectacle related expenses and reimbursement of self education expenses.

(5) Compliance costs associated with the payment of these non-FBT benefits is again difficult to calculate for previous years. However, each claim could be calculated at $7.50 per claim (one APS 3 x 15 mins per claim @ $16.65 per hour plus on costs of 80%).
Albury-Wodonga Development Corporation

(1) Value of FBT payments made by the AWDC in the financial years -
1997-98 - $57,081.00
1998-99 - $48,540.74
1999-2000 - $41,864.23

(2) Incentives paid to officers and employees that attracted FBT over the above periods:
- Motor Vehicles
- Home Telephones
- Hospitality
- Study Assistance
- Rental Housing

(3) Prepared in-house, estimated cost –
1997-98 - $726.00
1998-99 - $758.00
1999-2000 - $819.00

(4) Performance pay and retention bonuses

(5) Prepared in-house, estimated cost –
1997-98-$50.00
1998-99-$52.00
1999-2000-$56.00

Stevedoring Industry Finance Company

(1) None
(2) None
(3) None
(4) None
(5) None.

Civil Aviation Safety Authority (CASA)

(1)
1997-98 - $1,667,994.05
1998-99 - $1,278,374.15
1999-00 - $1,332,518.98

(2) Incentives paid to employees of CASA included
- Employees salary sacrifice (including acquisition of motor vehicles)
- Senior Manager’s motor vehicles
- Fleet vehicles
- Loss of license insurance
- Higher education contributions
- Remote allowances for travel
- Semi official telephones
- Relocation expenses
- Living away from home allowance
- Entertainment and
- Car Parking.
(3) 1997-98 - $9,360.00
1998-99 - $11,602.50
1999-00 - $9,730.00
(4) Non FBT incentives included -
- Payroll allowances
- Staff bonuses and
- Some remote allowances for travel.
These incentives were included in the payroll and taxed in the hands of CASA employees.
(5) Compliance cost associated with non FBT incentives were negligible and included in payroll costs.

Airservices Australia
(1) (b) FBT payable by Airservices for years-
1997-98  $10,290,244
- includes an amount of $8,274,119 which was recovered through managers and employees salary packages and therefore represents no net cost to Airservices.
1998-99  $15,300,578
- includes an amount of $13,268,258 which was recovered through managers and employees salary packages and therefore represents no net cost to Airservices.
1999-00  $13,288,658
- includes an amount of $11,086,323 which was recovered through managers and employees salary packages and therefore represents no net cost to Airservices.
(2) NIL incentives paid.
(3) Estimate of hours taken to prepare the FBT Return:
1997-98  NIL records kept.
1998-99  NIL records kept.
1999-00  Approximately 800 hours amounting to $26,000.
(4) NIL incentives paid.
(5) Not Applicable.

Department of Health and Aged Care: New Tax System Consultants
(Question No. 2379)

Senator Faulkner asked the Minister representing the Minister for Health and Aged Care, upon notice, on 20 June 2000:
(1) How many consultants have been engaged or used by the Department, and all agencies in the portfolio, to 31 May, in order to: (a) advise on the internal implementation of the new tax system; and (b) advise on, and/or publicise, the effect of the new tax system on the portfolio’s client group(s).
(2) Can a full list be provided of all consultants engaged or used in relation to the purposes set out in (1), together with the cost of each consultancy.

Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:
(1)(a) 19
(b) 2
(2) See attachment A.
**Attachment A**
Consultants engaged by the Department of Health and Aged Care

<table>
<thead>
<tr>
<th>Division/ Agency</th>
<th>Consultant</th>
<th>Cost (1a)</th>
<th>Cost (1b)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medibank Private</td>
<td>Brightstar *</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>SAP *</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Dun &amp; Bradstreet *</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Ernst and Young *</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td></td>
<td>Mallesons Stephen Jaques *</td>
<td></td>
<td>*</td>
</tr>
<tr>
<td>ARPANSA</td>
<td>Andersen’s Legal</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Australian Government Solicitor</td>
<td>$15,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deacons Graham James</td>
<td>$10,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minter Ellison</td>
<td>$15,000.00</td>
<td></td>
</tr>
<tr>
<td>Health Insurance Commission</td>
<td>Price Waterhouse Coopers</td>
<td>$50,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Price Waterhouse Coopers **</td>
<td>$220,381.00</td>
<td>**</td>
</tr>
<tr>
<td></td>
<td>Deloittes Consulting **</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Boomerang Integrated Marketing and Advertising</td>
<td>$578,400.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SAP</td>
<td>$30,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acumen Alliance</td>
<td>$5,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Plaut</td>
<td>$6,000.00</td>
<td></td>
</tr>
<tr>
<td>Aged and Community Care Division</td>
<td>Equanimity Consultants Pty Ltd</td>
<td>$227,259.03</td>
<td></td>
</tr>
<tr>
<td>Office of Aboriginal and Torres Strait Islander Health</td>
<td>Walter and Turnbull Chartered Accountants</td>
<td>$36,753.00</td>
<td></td>
</tr>
<tr>
<td>Portfolio Strategies Division</td>
<td>Acumen Alliance</td>
<td>$438,630.00</td>
<td></td>
</tr>
<tr>
<td>Health Services Division</td>
<td>KPMG Chartered Accountants</td>
<td>$7,470.00</td>
<td></td>
</tr>
<tr>
<td>Corporate Services Division</td>
<td>Paxus Australia Pty Ltd</td>
<td>$104,486.00</td>
<td></td>
</tr>
</tbody>
</table>

*Publication of amounts paid to consultants would breach Commercial-In-Confidence arrangements.

Total cost is $257,932.00

**Estimated Cost**
Department of Veterans’ Affairs: Programs and Grants to the Bass Electorate
(Question No. 2416)

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

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

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

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

(1) Total grants, approved under programs administered by my Department, to organisations or individuals located within the federal electorate of Bass during 1999-2000 financial year were as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>1999-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran &amp; Community Grants</td>
<td>$20,490</td>
</tr>
<tr>
<td>Their Service – Our Heritage</td>
<td>$7,895</td>
</tr>
</tbody>
</table>

(2) Funding under these programs and/or grants is determined in response to the eligibility and merit of applications lodged by ex-service and community organisations and individuals across Australia and is not budgeted for by electorate.

Department of Veterans’ Affairs: Programs and Grants to the Kalgoorlie Electorate
(Question No. 2434)

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

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

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

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

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

(1) Assistance is available for people within the federal electorate of Kalgoorlie under the following programs administered by my Department:

- Veteran & Community Grants
- Their Service – Our Heritage commemorative program. Assistance is available for eligible proposals under three schemes –
  - The Regional War Memorials Project
  - The Local Commemorative Activities Fund
  - The Commemorative Activities Program

Building Excellence in Support and Training Program

(2) Total grants approved to organisations in the Kalgoorlie electorate during 1996-97, 1997-98, 1998-99 and 1999-2000 financial years were as follows:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran &amp; Community Grants</td>
<td>Nil</td>
<td>$8,500</td>
<td>$4,050</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

(3) Funding under these programs and/or grants is determined in response to the eligibility and merit of applications lodged by ex-service and community organisations and individuals across Australia and is not budgeted for by electorate.

Department of Veterans’ Affairs: Programs and Grants to the Eden-Monaro Electorate
(Question No. 2453)

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

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

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

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

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

(1) Assistance is available for people within the federal electorate of Eden-Monaro under the following programs administered by my Department:

Veteran & Community Grants

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Their Service – Our Heritage</td>
<td>Nil</td>
<td>$7,870</td>
<td>$9,050</td>
<td>$3,000</td>
</tr>
</tbody>
</table>

(3) Funding under these programs and/or grants is determined in response to the eligibility and merit of applications lodged by ex-service and community organisations and individuals across Australia and is not budgeted for by electorate.

In 2000-2001 grants totalling $4,723 have been made to ex-service organisations in the Eden-Monaro electorate under the Building Excellence in Support and Training Program.

Department of Veterans’ Affairs: Programs and Grants to the Gippsland Electorate
(Question No. 2472)

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

(1) What was the level of funding provided through programs and/or grants administered by the department to provide assistance to people living in the federal electorate of Gippsland in the 1999-2000 financial year.
(2) What level of funding provided through these programs and/or grants has been appropriated for the 2000-01 financial year.

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

(1) Total grants, approved under programs administered by my Department, to organisations or individual located within the federal electorate of Gippsland during 1999-2000 financial year were as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>1999-2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran &amp; Community Grants</td>
<td>$25,000</td>
</tr>
<tr>
<td>Their Service – Our Heritage</td>
<td>$10,970</td>
</tr>
<tr>
<td>Building Excellence in Support and Training</td>
<td>$18,418</td>
</tr>
</tbody>
</table>

(2) Funding under these programs and/or grants is determined in response to the eligibility and merit of applications lodged by ex-service and community organisations and individuals across Australia and is not budgeted for by electorate.

Department of Foreign Affairs and Trade: Missing Laptop Computers (Question No. 2504)

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

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

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

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

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

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

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

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

Department of Foreign Affairs and Trade (DFAT)

(1) Yes. (a) None (b) Four (c) $14,845 (d) The average replacement cost of each stolen laptop computer was $3,711; (e) None of the stolen laptop computers have been recovered, and two have been replaced.

(2) No.

(3) One of the stolen laptop computers was used by a Departmental systems administrator in connection with the Non-National Secure (NNS) system and only contained departmental administrator software.

(4) Not applicable

(5) Not applicable

(6) None
AusAID
AusAID has not had any laptop computers lost or stolen since 1 January 1999.

Department of Foreign Affairs and Trade: Missing Computer Equipment
(Question No. 2523)

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

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

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

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

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

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

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

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

Department of Foreign Affairs and Trade (DFAT)

(1) Since 1 January 1999, the Department of Foreign Affairs and Trade has not lost or had stolen any desktop computers. However, some computer components were stolen.

(a) The department has not lost any computers or computer components.

(b) The department has had stolen one computer processor, one memory chip, one set of computer speakers, and one mouse.

(c) The total value of these components was around $800.

(d) The normal replacement value of the items was $350 for the processor, $350 for the memory chip, $20 for the speakers and $80 for the mouse.

(f) The computer mouse was replaced.

(2) No.

(3) Not applicable

(4) Not applicable

(5) Not applicable

(6) None

AusAID

AusAID has not had any desktop computers or any other item of computer hardware lost or stolen since 1 January 1999.
Department of Transport and Regional Services: Salaries
(Question No. 2560)

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

(a) $1,002,476 or 2.0 per cent of salaries
(b) $7,983,302 or 15.9 per cent of salaries
(c) The Department of Transport and Regional Services does not have a performance pay scheme.

Department of the Treasury: Salaries
(Question No. 2561)

Senator Faulkner asked the Minister representing the Treasurer, 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 Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th></th>
<th>Dollar amount</th>
<th>Percentage of salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff Training</td>
<td>$721,278 (a)</td>
<td>1.8%</td>
</tr>
<tr>
<td>Consultants</td>
<td>$3,288,215 (b)</td>
<td>8.2%</td>
</tr>
<tr>
<td>Performance Pay</td>
<td>$565,239 (c)</td>
<td>1.4%</td>
</tr>
</tbody>
</table>

(a) Includes costs of conferences and seminars, training courses, studies assistance, and SES development programs, but not ‘on the job’ training costs and indigenous cadetship programs

(b) Includes consulting fees, travel costs, product testing, and other incidental costs.

(c) Performance-related payments made to staff during the 1999-2000 financial year amounted to $565,239. However, these payments relate to an 18 month appraisal period.

Department of Health and Aged Care: Salaries
(Question No. 2569)

Senator Faulkner asked the Minister representing the Minister for Health and Aged Care, upon notice, on 7 July 2000:

As a dollar amount and as a percentage of the department’s total outlay on salaries, what was the cost of: (a) staff training; (b) consultants; and (c) performance pay, in the 1999-2000 financial year.

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

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$135,999,042</td>
<td></td>
</tr>
<tr>
<td>Staff training</td>
<td>$ 2,480,898</td>
<td>1.82%</td>
</tr>
<tr>
<td>Performance pay</td>
<td>$ 931,747</td>
<td>0.69%</td>
</tr>
</tbody>
</table>

Information on total outlay for consultants will be available in the Department’s Annual Report, which is to be tabled in Parliament in October 2000.
Department of Transport and Regional Services: Salaries
(Question No. 2603)

Senator Faulkner asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 25 July 2000:

(1) What was the Department’s total outlay on salaries and salary-related costs in the financial years:
   (a) 1996-97;
   (b) 1997-98;
   (c) 1998-99;
   (d) 1999-00.

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;
   (c) 1999-00.

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

The following information is provided in respect of the Department:

(1) The total outlay on salaries and salary-related costs for the financial years indicated was:

<table>
<thead>
<tr>
<th>Year</th>
<th>Outlay</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 1996-97</td>
<td>$54,793,000</td>
</tr>
<tr>
<td>(b) 1997-98</td>
<td>$49,492,000</td>
</tr>
<tr>
<td>(c) 1998-99</td>
<td>$53,808,000</td>
</tr>
<tr>
<td>(d) 1999-00</td>
<td>$64,856,000</td>
</tr>
</tbody>
</table>

(2) The cost of contracts for outsourced services and functions in the financial years, expressed as a dollar amount and as a percentage of the Department’s total outlay on salaries, for the financial years indicated was:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 1996-97</td>
<td>$  237,626</td>
<td>0.4%</td>
</tr>
<tr>
<td>(b) 1997-98</td>
<td>$132,581</td>
<td>0.3%</td>
</tr>
<tr>
<td>(c) 1998-99</td>
<td>$  221,435</td>
<td>0.4%</td>
</tr>
<tr>
<td>(d) 1999-00</td>
<td>$3,791,823</td>
<td>5.9%</td>
</tr>
</tbody>
</table>

Bananas: Import Risk Analysis
(Question No. 2719)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 14 August 2000:

(1) Has an import risk assessment process commenced for the importation of bananas from the Philippines; if so, when did the assessment commence and when is it scheduled for completion; if not, when is the assessment expected to commence.

(2) Will the risk assessment process follow the routine or the non-routine path as detailed in the Australian Quarantine and Inspection Service Import Risk Analysis Process Handbook.

(3) If the non-routine path is to be followed, what is the timetable for progressing each step as defined in the handbook.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
(1) The import risk analysis (IRA) process for the importation of bananas from the Philippines commenced on 28 June 2000.

(2) The IRA will be conducted following the non-routine path as outlined in the AQIS Import Risk Analysis Process Handbook.

(3) The non-routine IRA is expected to take 18-24 months for completion from the date of commencement. Table 1 provides an outline of the dates for the progression of each step as defined in the handbook.

**Table 1. Tentative timeline for the IRA for bananas from the Philippines**

<table>
<thead>
<tr>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>13 March 2000</td>
<td>In Plant Quarantine Policy Memorandum (PQPM) 2000/01, AQIS advised stakeholders of the receipt of the access request.</td>
</tr>
<tr>
<td>28 June 2000</td>
<td>IRA commenced. Stakeholders’ comments sought by 31 July 2000 on a proposal to follow the non-routine path.</td>
</tr>
<tr>
<td>September 2000</td>
<td>Notification to stakeholders that the non-routine path would be used. Consultation with stakeholders on timing, issues and composition of the Risk Analysis Panel (RAP).</td>
</tr>
<tr>
<td>October 2000</td>
<td>Formation of the RAP.</td>
</tr>
<tr>
<td>February – July 2001</td>
<td>Collation and analysis of technical information and preparation of technical reports and the draft IRA paper.</td>
</tr>
<tr>
<td>August 2001</td>
<td>Draft IRA paper released for stakeholders’ comments for 60 days.</td>
</tr>
<tr>
<td>October 2001 – March 2002</td>
<td>Consideration of stakeholders’ comments, and preparation of the final IRA paper.</td>
</tr>
<tr>
<td>March 2002</td>
<td>Release of the final IRA paper.</td>
</tr>
<tr>
<td>April 2002</td>
<td>Adoption of policy if no appeal is lodged.</td>
</tr>
</tbody>
</table>