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

NATIONAL CRIME AUTHORITY AMENDMENT BILL 2000 (No. 2)

First Reading

Motion (by Senator Ian Campbell) agreed to:
That the following bill be introduced: A Bill for an Act to amend the National Crime Authority Act 1984, and for other purposes.

Motion (by Senator Ian Campbell) agreed to:
That the bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading

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

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

This bill amends the National Crime Authority Act 1984 and has been necessitated by the High Court’s decision in R v. Hughes. That decision casts doubt on certain investigatory functions of the National Crime Authority and the purpose of this bill is to remedy that situation.

The National Crime Authority was established in 1984 as a national crime body exercising both Commonwealth and state functions. It is the only law enforcement agency in Australia whose investigations are not limited by jurisdictional boundaries. The authority is not confined to only investigating breaches of Commonwealth law but is empowered to investigate offences against both Commonwealth and state laws. It is a truly national body and its existence reflects the seriousness with which the Commonwealth and states view organised crime.

The High Court’s decision in Hughes questions the capacity of Commonwealth authorities to exercise powers and functions conferred on them by state legislation, in situations where the power or function is coupled with a duty and there is no federal head of power to support that power, function or duty.

The bill amends the National Crime Authority Act to ensure that when the authority is investigating offences there is a connection with a federal head of powers in as many situations as possible. This is achieved by expanding the scope of Commonwealth references to include offences against a law of a state where that state offence has a federal aspect. In addition, where the authority is under a duty to investigate a matter pursuant to a state reference, then those references will be limited to matters that have a federal aspect. The bill also amends the act to clarify that the authority does not have any duty or obligation under Commonwealth law to perform any function or exercise any power conferred by a state law, unless there is a federal aspect.

The amendments will ensure that the important work of the National Crime Authority in investigating organised crime is not jeopardised by the High Court’s decision in Hughes.

Ordered that further consideration of this bill be adjourned to the first day of the 2001 autumn sittings, in accordance with standing order 111.

BUSINESS

Consideration of Legislation

Motion (by Senator Ian Campbell) agreed to:
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.

COMMONWEALTH ELECTORAL LEGISLATION (PROVISION OF INFORMATION) 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.

Second Reading

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The National Crime Authority was established in 1984 as a national crime body exercising both Commonwealth and state functions. It is the only law enforcement agency in Australia whose investigations are not limited by jurisdictional boundaries. The authority is not confined to only investigating breaches of Commonwealth law but is empowered to investigate offences against both Commonwealth and state laws. It is a truly national body and its existence reflects the seriousness with which the Commonwealth and states view organised crime.

The High Court’s decision in Hughes questions the capacity of Commonwealth authorities to exercise powers and functions conferred on them by state legislation, in situations where the power or function is coupled with a duty and there is no federal head of power to support that power, function or duty.

The bill amends the National Crime Authority Act to ensure that when the authority is investigating offences there is a connection with a federal head of powers in as many situations as possible. This is achieved by expanding the scope of Commonwealth references to include offences against a law of a state where that state offence has a federal aspect. In addition, where the authority is under a duty to investigate a matter pursuant to a state reference, then those references will be limited to matters that have a federal aspect. The bill also amends the act to clarify that the authority does not have any duty or obligation under Commonwealth law to perform any function or exercise any power conferred by a state law, unless there is a federal aspect.

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Leave granted.

The speech read as follows—

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The High Court’s decision in Hughes questions the capacity of Commonwealth authorities to exercise powers and functions conferred on them by state legislation, in situations where the power or function is coupled with a duty and there is no federal head of power to support that power, function or duty.

The bill amends the National Crime Authority Act to ensure that when the authority is investigating offences there is a connection with a federal head of powers in as many situations as possible. This is achieved by expanding the scope of Commonwealth references to include offences against a law of a state where that state offence has a federal aspect. In addition, where the authority is under a duty to investigate a matter pursuant to a state reference, then those references will be limited to matters that have a federal aspect. The bill also amends the act to clarify that the authority does not have any duty or obligation under Commonwealth law to perform any function or exercise any power conferred by a state law, unless there is a federal aspect.

The amendments will ensure that the important work of the National Crime Authority in investigating organised crime is not jeopardised by the High Court’s decision in Hughes.

Ordered that further consideration of this bill be adjourned to the first day of the 2001 autumn sittings, in accordance with standing order 111.
Technology and the Arts) (9.33 a.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—

This bill contains provisions, which will:

- resolve any questions about past use of electronically supplied elector information by prescribed Commonwealth government agencies and authorities, being prescribed authorities as listed in schedule 2 of the Electoral and Referendum Regulations and as defined in the Commonwealth Electoral Act 1918;
- avoid any uncertainty surrounding the admissibility of evidence in court which has been gathered relying, in some way, on electronically supplied elector information;
- resolve any questions about future use of elector information that was supplied electronically and which has been incorporated into prescribed authorities' information systems and from which it would be impracticable to identify and/or remove the information.

The amendments result from legal advice obtained in June and July 2000, including advice from the Solicitor General, that indicated that the Australian Electoral Commission (the AEC) could only provide elector information in electronic format to prescribed authorities (that is, agency heads and authority chief executive officers of those Commonwealth agencies and authorities listed in schedule 2 of the Electoral and Referendum Regulations 1940) if permitted purposes for the use of the information had been prescribed. At the time, no such permitted purposes had been prescribed.

There was also concern that prescribed authorities may have difficulty in progressing cases, which had, in some way, relied upon elector information supplied electronically by the AEC.

Without the proposed amendments, there is a possibility that previous actions taken by prescribed authorities as a result of the use of elector information could be called into question and that challenges to prosecutions may result in lengthier trials and an increase in the number of appeals. The government’s legal advice is that such challenges and appeals are not likely to succeed; however, they could result in the unnecessary waste of court time and legal resources. It is, therefore, preferable that any doubt in relation to the past use of elector information by prescribed authorities be removed. These amendments will fulfil that purpose.

The proposed amendments will also authorise the future use of elector information previously supplied on tape or disk that has been incorporated into a prescribed authority’s information systems from which it would be impracticable to identify and/or remove the elector information supplied by the AEC. This will ensure that future actions taken by prescribed authorities cannot be called into question.

Further, the proposed amendments clarify that the use by prescribed authorities, after 30 June 2000, of elector information previously supplied on tape or disk is governed by the regulations prescribing permitted purposes in place at the time of use.

I commend the bill to the House.

Debate (on motion by Senator Carr) adjourned.

ORDERED that the bill be listed on the Notice Paper together with the Commonwealth Electoral Amendment Bill (No. 1) 2000.

RENEWABLE ENERGY (ELECTRICITY) BILL 2000

Consideration of House of Representatives Message

Debate resumed from 10 October, on motion by Senator Hill:

That the committee does not insist on its amendments Nos 1, 2, 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) (9.35 a.m.)—Last night, while considering the Renewable Energy (Electricity) Bill 2000, we were faced with the situation where the Democrats, following a 10-minute discussion between the Minister for the Environment and Heritage, Senator Hill, and Democrats’ Senator Allison, caved in to the government on 10½ of the 12 amendments that the Senate had insisted on. Senator Allison is not here at the moment, but let me recap the events of last night. The Democrats are in the process of allowing the government to get
through legislation in time for the world conference on global warming in The Hague in the Netherlands next month without amendments which are very important for the public record. These amendments include, for example, the requirement that people who are producing energy to get an advantage from the government certification of that energy as eco-friendly state up front the source of that power. The most vexatious component of this legislation is that it is going to enable the government to license as environmentally friendly electricity the electricity made from burning in furnaces the woodchips from native forests. That is why I find this the most deceitful piece of legislation that has been given the stamp of approval of this parliament since I have been here.

We have the Democrats taking the pivotal role in that deceit now and knocking out amendments made by the Greens and the Labor Party which would at least make the process more transparent. Moreover, we have the Democrats knocking out their own amendments of just a couple of days ago. On one amendment, which was to insist that there be a list of allowable energy renewable sources in the legislation so that people can gain the advantage and the clear commercial gain there is from having government certification that their energy is environmentally friendly and renewable, Senator Allison put a very similar amendment to the Greens which was based on the Australian Greenhouse Office list—and that means it is a very low denominator, it is not going to be very strictly environmentally accountable at all—of what could be renewable energy. Now Senator Allison, after a quick chat with Senator Hill, is removing from the legislation this list that she put forward and insisted on just a couple of days ago.

I will read what Senator Allison had to say about this very list just a few hours ago in terms of parliamentary debating time. Senator Allison said:

We think it is important that this [list] is in the legislation instead of being left to regulation at some other stage. All we have to go on so far is an indication from the Australian Greenhouse Office as to what it would propose as guidelines for proposing eligible sources. We think it is important to get it into the legislation, and that is what this amendment does.

She went on to say:

As I said, aside from delivering certainty to the renewables industry, our main reason for tabling this list is to exclude all products, both waste or otherwise, from non-plantation native forests. Shane Rattenbury from Greenpeace told the inquiry that the worst case scenario would be that this legislation would provide a greater incentive to use native forests as a fuel source, and therefore a greater incentive to exploit native forests. We think it would have been ideal to have adopted the CEDA—

that is spelt ‘CEDA’ in Hansard, and I think it should be SEDA—

green power rules, which exclude native forest exploitation and hydro that involves the new damming of ecosystems. I urge the Senate to support this amendment.

Now Senator Allison and the Democrats have welshed on that urging. What was important yesterday is dispensable today. What was environmentally secure just a couple of days ago is now no longer important to the passage of this legislation.

I reiterate Senator Allison’s argument, which she put through quoting the evidence of Shane Rattenbury from Greenpeace to the Senate inquiry, that the worst case scenario for this legislation would be that it would give incentive for the use of native forests as a fuel source and therefore a greater incentive to exploit native forests. Now we have the Democrats supporting just that. That is the worst case scenario by Senator Allison’s own description, endorsing what Greenpeace had to say. Now she is endorsing it herself. What an extraordinary hour in the life of the Democrats, who through this legislation are turning their back on 2½ decades of assiduous campaigning in the parliament, if not on the forest floor, for Australia’s wild forests.

This legislation sets the stage for the burning of Australia’s native forests as woodchips to convert into electricity as in the next three to five years the Japanese woodchip market for native forests collapses. That is the economic prediction. What is happening through this legislation is that the woodchip corporations have got the government, and therefore ipso facto the Demo-
crats, to bring online an alternative for their exploitation of native forests. The worst case scenario which Senator Allison was talking about a couple of days ago is now one she endorses. She endorses this legislation. The Democrats back, through this legislation, the certification of the destruction of native forests, their turning into woodchips, their burning in furnaces and that being sold on the market as ecologically sustainable. That is a lie: it is not ecologically sustainable. That is a deceit: it is not ecologically sustainable. I charge Senator Allison or any other Democrat to get up and say how burning of woodchips out of native forests is ecologically sustainable. You cannot have it both ways.

I am sure that Senator Allison, if she does come into the chamber, is going to argue that this legislation is the best we can get, after a quick chat with Senator Hill. How wrong she is. It is Senator Hill who needed this legislation to go to the world conference next month in The Hague to say that Australia has got a bill through which says that two per cent of energy between now and 2010 has to be renewable—that is, environmentally friendly. There are two things going to happen there. One is that there are going to be lobbyists there from the Wilderness Society and from the Greens. Christine Milne, just newly elected to the global council of the World Conservation Union at the meeting currently occurring in Amman, Jordan, will be one of those at The Hague, with pictures of the grand forests of Tasmania in flames after being logged to be fed into the woodchippers. How is Senator Hill going to argue that this is environmentally friendly energy that is being produced in Australia? How is Senator Hill going to argue, moreover, that a two per cent aim is a responsible thing for the worst performer in the world—that is, the Australian government—on greenhouse gases when other countries like Denmark are aiming at 20 per cent and the world average is 7.4 per cent? So, whichever way you look at it, this legislation falls well short of the mark.

Let me remind the committee that last week the Democrats blocked two amendments which the Greens had proposed to this legislation. One was that there should be a federal environmental impact assessment of major energy sources which people want to be labelled as environmentally friendly, which is effectively getting a federal free kick and getting a federal imprimatur which will enable the more expensive environmentally friendly energies such as solar and wind to be sold on the Australian market as such.

We said that there should be an environmental impact statement. Senator Allison, on behalf of the Democrats, voted with the government to block that move. Then, looking at the two per cent target, we said that is one-third of the world average and way short of the mark. It should be raised to 10 per cent to bring us to average levels and to at least half the target that the Danes have set for their country. The Democrats blocked that. Now we have the Democrats comprehensively caving in on amendments which the Labor Party, the Democrats and the Greens had insisted on to this very second-rate piece of legislation. After a quick chat with Senator Hill, the Democrats have said, ‘Yes, we’ll go with the government.’ The Democrats are skidding along on the coat-tails of this environmentally reprehensible Howard government. It is an extraordinary day—Senator Bolkus, you can put your hands over your ears for this—when the Democrats become worse environmental performers than the Labor Party.

**Senator Bolkus**—They have been doing it for a year.

**Senator BROWN**—Senator Bolkus was listening, even though I advised him not to. Senator Bolkus is right. The Democrats have now moved closer to the Howard government than to the Labor Party. I remind the chamber that the Labor Party endorsed the burning of woodchips in this legislation. At least they had some public accountability built into the amendments, but not the Democrats. Last week, they said they wanted it; this week, they do not want it. This is going to be an important part of the election debate over the next 12 months. I do not believe the government, the Labor Party or, for that matter, the press gallery understand the importance of the environment to the Australian public. Opinion polls show differ-
ently, particularly with young Australians. I do not believe that the major parties understand the intelligence of the Australian community, right from youngsters at school through to older Australians, and their knowledge of the need for us to be environmentally responsible. I note the concern in this legislation that we take into account future generations when we are thinking about who we give accreditation to as far as producing environmentally sound energy is concerned—also knocked out by this Democrat backflip. There is no longer intergenerational equity needed to be mentioned in the legislation. So this is a parlous parliamentary situation for the environment which is quite out of keeping with the aspirations of the Australian people. What I find quite extraordinary is the sea change which has come over the Democrats: political expediency in front of environmental excellence.

Senator Bolkus—It is not a sea change; they are all at sea.

Senator BROWN—I do not think they are at sea at all; I think they are sunk when it comes to the environment. You cannot sell out like this. The Democrats have a particularly savvy membership. They have a very fluid voting base. A lot of Australians have believed in the past that voting for the Democrats is going to at least ensure an environmental watchdog in the Senate, but they know that that is not the case anymore. The Democrats had a quick chat with the Howard government, as happened with the GST, as happened with industrial relations and as happened with the important environment legislation that was guillotined through this place 12 months ago—a quick chat and the Democrats are gone. They do not have independent thinking on this anymore. They do not have the environment at the top of the mast anymore. They will stand accountable for that.

Senator HILL (South Australia—Minister for the Environment and Heritage) (9.49 a.m.)—The Senate is debating the Renewable Energy (Electricity) Bill 2000, a very important piece of legislation to support the investment of about $2 billion in renewable energy. This will be the first time that this parliament has passed legislation of that type and would be the greatest single support mechanism for the renewable energy industry in Australia’s history. Furthermore, contrary to what was said by Senator Brown last night, there are in fact very few countries in the world with legislation of this type which actually requires wholesalers to purchase a percentage of their energy from renewable sources. This is a very significant piece of legislation in meeting Australia’s greenhouse target and is a step towards rebalancing our energy sources from the heavy bias towards carbon. However, some of the detail has proved to be difficult around the edges. Those negotiations, specifically in relation to the message before the Senate today, are continuing. Some parties desire extra time to settle aspects of that detail. The government, being cooperative as usual, is agreeable to that course of action. Because of that, I suggest that progress be reported.

Progress reported.

Senator BROWN (Tasmania) (9.52 a.m.)—by leave—It would be helpful if the government could indicate at what stage later in the day the committee might sit again.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (9.52 a.m.)—by leave—I think it is a very reasonable request of Senator Brown to know what business we will be dealing with and the intention of the government, which has been in rapid consultations, but I have not been able to speak to Senator Brown because he has been making the most eloquent contribution to—

Senator Hill—Fair go!

Senator IAN CAMPBELL—We might not agree with the content, but the way he delivered it was superb. We intend to make good use of the Senate’s time by now dealing with an outstanding matter on the Migration (Visa Application) Charge Amendment Bill 2000. Senator Bartlett will be seeking leave to redeal with a matter that was dealt with yesterday, and I have agreement from most people in the chamber—I have not had a chance to talk to you, Senator Brown, because you were talking—to move on to the Commonwealth electoral bills. Our intention would be to conclude those, as long as it is
done in a timely manner, and then to bring the renewable energy bills back on.

**MIGRATION (VISA APPLICATION) CHARGE AMENDMENT BILL 2000**

**Third Reading: Recommittal**

**Senator BARTLETT (Queensland) (9.54 a.m.)—**I seek leave to recommit the third reading vote on the Migration (Visa Application) Charge Amendment Bill 2000. Leave granted.

**Senator BARTLETT—**Just for the clarification of those trying to follow the debate on the broadcast or in *Hansard*—because the votes on this bill have been split up over four different days—the Democrats’ position is that, the removal of schedule 2 from the Migration Legislation Amendment (Parents and Other Measures) Bill 2000, which was consequential to the Migration (Visa Application) Charge Amendment Bill 2000, would enable the government to increase the charge for visa applications. The Democrats will therefore be voting against the third reading of this bill.

**The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—**I put the question that the bill be now read a third time.

Question resolved in the negative.

**COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2000**

**COMMONWEALTH ELECTORAL LEGISLATION (PROVISION OF INFORMATION) BILL 2000**

**Second Reading**

Debate resumed from 9 October and today, on motions by Senator Hill and Senator Ian Campbell:

That these bills be now read a second time.

**Senator BARTLETT (Queensland) (9.55 a.m.)—**I rise to speak in the second reading debate on the Commonwealth Electoral Amendment Bill (No. 1) 2000 and Commonwealth Electoral Legislation (Provision of Information) Bill 2000. I understand we are just dealing with the second reading stage at this point in time. The Democrats have a long interest in electoral issues and electoral reform. It is worth pointing out whenever legislation to amend the Electoral Act is debated in this place that the Democrats, more so than virtually anybody else in the country in many ways, have a special and personal interest in the electoral law because it determines how people get elected to this place. It is almost self-evident that we have an interest in electoral legislation, and it is also an important issue for the entire Australian community. Australia does have a very strong, long and proud history of nearly 100 years as a democracy, and the integrity and the strength of our electoral laws are in many ways fundamental to the fabric of society. It sounds like a bit of a grandiose statement, but in many ways I think it is true. Whilst electoral law is not something that occupies the mind of the public in great detail, it is something that is crucial. If public confidence in the electoral system is lost, public confidence in our system of government declines. If that were to happen, quite clearly there would be a serious danger of a breakdown in community support for how we are governed and how society is ordered. These bills therefore are very important, as electoral legislation always is.

The Commonwealth Electoral Legislation (Provision of Information) Bill 2000 in some ways could be seen as a retrospective bill and therefore requires extra examination. The public would be aware of and would remember, as all senators would, the issue that arose a few months back when the Prime Minister tried to send out a personally addressed letter to every elector in the country about the government’s new tax package. It came to light that the use of the electoral roll for that purpose was contrary to the Electoral Act. I think the use of the electoral roll for such a purpose is inappropriate. If the public feel that, by registering to cast their vote to determine who governs this country and who is elected to parliament, somehow or other they will become part of a massive junk mail database, people will clearly be less inclined to enrol to vote. We need to encourage people by every mechanism possible to enrol to vote, to ensure that their voice is heard and that they are not disenfranchised. The Democrats believe we need to send clear signals to the public that enrolling to vote will mean only that, and that it will not mean that they will be then subject to junk mail or propa-
ganda mail from the Prime Minister or from commercial interests for the rest of their lives. So it is an important issue. I think there was appropriate concern about the use of the roll for the purpose that the Prime Minister chose. I certainly note and congratulate the work of the ALP in bringing that misuse to light.

The Commonwealth Electoral Legislation (Provision of Information) Bill 2000, one of the two bills we are debating conjointly today, seeks not to legitimise what the Prime Minister tried to do with his mail-out but to remove any doubt about previous distribution of the electoral roll by the Electoral Commission for purposes they believed were legal, based on advice they had at the time. So it does not specifically relate to legitimising that action by the Prime Minister because, obviously, once his misuse came to light the mail-out did not go ahead in that form. But it does ensure that previous actions by the AEC in good faith are clearly legitimised.

The Commonwealth Electoral Amendment Bill (No. 1) 2000 also links to that purpose. There are aspects of it that the Democrats have an interest in, particularly the issue of privacy. The Democrats opposed in this chamber the expansion of the information provided to political parties and to members of parliament via the electoral roll. An amendment was passed through this place to enable all registered political parties to receive information about people’s dates of birth and salutations. We do not believe that is necessary. Obviously it is helpful to political parties and parliamentarians for targeting their message but, in terms of the balance between privacy and people’s individual information versus the ability of parliamentarians to target their message, I think the privacy of people’s details, such as their dates of birth, should be given priority, and the Democrats opposed that measure at the time. Unfortunately, it was successful and is another example of the further expansion of the use of the electoral roll. While I think there were legitimate criticisms of the Prime Minister’s use of the roll for a nationwide personal mail-out, one could examine the uses of the roll by all political parties and parliamentarians. Certainly we are provided with large amounts of information by the Electoral Commission under the law as it stands. I do not believe all of that is necessary. I think it can be counterproductive by giving people a negative feeling about the essential act of putting themselves on the roll.

Another issue that has come to light since this bill was tabled not too long ago, and for which amendments have already been circulated, is in my view equally important if not more important—that is, the registration of political parties. The Joint Standing Committee on Electoral Matters not too long ago tabled its report on the 1998 election. That is a very worthwhile document, and I encourage people who are interested in electoral law to have a read of it. The Australian Electoral Commission also produces reports on funding and disclosure issues after each election and they also have recommendations, some of which go to the issue of the registration of political parties. The Democrats’ view, which we expressed in our submission to the electoral matters committee and, to an extent, in our additional report to the electoral matters committee, expressed concern about how easily political parties can be registered and remain registered.

This was highlighted to a huge extent in New South Wales at the last state election where, because of the very low quota required for election there and the above-the-line voting system, which allows parties to direct preferences based on the determination of their registered officer, it was realised that, by setting up a range of different front-parties and channelling preferences to each other, people could get elected with a minuscule number of votes. That is in fact what happened in New South Wales. There were, I think, two or three people elected to eight-year terms in the upper house of New South Wales for percentages of the vote that were below one per cent—from memory, I think they were around 0.1 or 0.2 percent. Those sorts of activities, while clearly legal, are a manipulation of the electoral system. I think it brings into disrepute the whole political process and the way the public perceives the parliamentary process. We have not had a
problem in the federal parliament yet because of the higher quota needed to get elected, but it was a concern, and the New South Wales parliament acted after the last election to change the rules for the registration of political parties. I think that was appropriate. Although I do not agree with all the changes made, I think the intent of removing that use is appropriate.

We have seen in the last few weeks another quite blatant attempt at an abuse of the electoral system by a One Nation MP—or a former One Nation MP; I am not sure if he still is or not—David Oldfield and a former One Nation official, Mr Ettridge. It was a quite cynical and blatant attempt to use what could be called a loophole in the Electoral Act to establish a political party, even though in the real sense of the word no such political party exists. When the public think of a political party they think of a group of people, a sizeable, coherent group of people, with an agreed philosophy that is seeking election to parliament to try to implement social or legislative change or to highlight particular issues. In this case it was an attempt to—and it links with and mirrors what was done in the New South Wales upper house—basically just register a good label, something that might grab people’s attention and get some votes. So you could register yourself as the ‘No GST party’ despite having no policy about the GST. We saw in the New South Wales election people registering with all sorts of names. Indeed there was a case of a party registering as the ‘Animal Liberation Party’, despite having no links at all with animal liberation organisations. It is quite possible for people to take on board any label without any support base, no numbers of people behind them, and indeed to adopt policies completely opposite to that of the label they have put in place. We have seen that attempt in the last few weeks by Mr Ettridge and Mr Oldfield to use the provision in the Electoral Act where having a member of parliament anywhere at any level in Australia entitles you to register as a political party.

I do not have a problem with a member of parliament setting up a party around themselves. The clearly misleading component of that action was not that a member of parliament chose to set up a party with a particular philosophy but that they chose to set up a number of parties with themselves as the legitimisation of that. You can set up one party but to try to set up an unlimited number of parties solely on the basis of one person is clearly an abuse and a misuse. That has always been able to be done but we have had to wait for someone of the calibre—if I could use that word advisedly—of Mr Oldfield who is basically willing to cynically exploit any loophole in electoral legislation solely for the purpose of gaining votes and political representation. It is probably an indication of the character of some of the people who were involved—or still are; I do not know if they still are or not—in One Nation. That is the sort of character they have, and, without wanting to give advice to other political parties, because we all have our difficulties, I would think One Nation would be well rid of Mr Oldfield. But that is a matter for them, obviously. This is an indication of the depths to which some people will stoop to abuse the electoral process despite the obvious damage that would cause to public confidence and faith in the process.

This is not a matter of politicians and political parties changing the rules to suit themselves; it is a matter of parliament acting responsibly to ensure that the Commonwealth Electoral Act does not become a joke that is misused by any spiv who comes along. It is not just a matter of people misusing it to get elected, of course. We have public funding at federal level—which the Democrats strongly support as a way of reducing the power of corporate donations—and it is an appropriate and necessary part of an accountable political process, in the Democrats’ view, but it does put more of an onus on political parties to be accountable, open and aboveboard. For people to be able to use loopholes to register an unlimited number of parties, with no serious community support behind them, could quite reasonably be seen as almost trying to find the right advertising slogan or package to attract enough votes to get them some money.

It was quite clearly stated by Mr Ettridge, I think it was, that the No GST Party was
meant to be a low maintenance party and that members would get in the way of keeping the party running. It was clearly a matter of grabbing a label with no attempt to build any political organisation or public support around it. The Democrats have a concern about that, and it has not arisen just because of recent actions; it is a concern that we expressed in our submission to the electoral matters committee over 12 months ago. The Democrats stated in our additional report that is included in the report from that committee that was brought out a few months ago that people should not be able to register multiple political parties with the same membership base—whether that membership base is one member of parliament or the required 500 members that is already in place at federal level. Otherwise you could have a situation where, once you had 500 people, you could register an unlimited number of names, all with the same membership and all with the same person as the registered officer, who could then control an unlimited number of preference distributions for an unlimited number of parties at a Senate election. We have not seen that level of abuse at federal level yet, but we are now in a situation where some people are looking at abusing the act, and if there is one there are going to be more. It is clearly appropriate to make that change, and the Democrats recommended before this recent incident came to light that it be made. So it is certainly not a concern that we have come across just in the last few weeks in the light of what Mr Oldfield has tried to do. That issue will be dealt with in more detail in the committee stage of the debate. It is an important one which does need to be addressed.

I also draw attention to the views expressed by the Democrats in the electoral matters committee in relation to the operations of political parties. Recognising the importance of getting this legislation through, there are extra amendments that the Democrats would otherwise move to improve the electoral laws, but we will not do so on this occasion. The Democrats have always strongly worked towards greater disclosure of donations and funding, and there have been a lot of improvements over the last decade in that regard, but there are still extra issues in relation to that.

The Democrats have strongly supported and continue to push for more use of a proportional representation system of voting, despite the use of labels such as 'unrepresentative swill' for places such as the Senate. There is no doubt that the Senate is far more democratically elected than the House of Representatives in terms of people getting representation roughly in proportion to their support amongst the community. Those sorts of outcomes increase public support for the electoral process because people realise that their vote is more likely to lead to electing somebody to represent their views. That is an issue that we have always been keen to pursue.

I think the broader issue of the behaviour of political parties—and there are current situations, not just in Queensland and not just with the ALP in terms of branch stacking—raises concerns about legitimacy of the political process. Rather than using those examples to score political points and attack political parties, we need to step back from specific instances and take an approach that will ensure that abuses do not happen—not for political advantage but for increasing public confidence in the electoral system. Hopefully the current electoral matters committee inquiry into that issue and into the integrity of the electoral roll will produce that outcome.

That leads to the issue of accountability of political parties. In our supplementary report to the Joint Standing Committee on Electoral Matters report the Democrats recommended that, to be eligible for registration as a political party at national level and qualify for public funding and have your party name on the ballot paper, a party should be required to meet minimum standards, and that is not just in terms of having 500 members or having an member of parliament but in terms of demonstrating that they are actually a legitimate organisation. Currently there is a requirement that parties have to submit their constitution, but there are no rules as to what actually has to be in that constitution—the constitution can be one line. We believe that there should be at least a few minimum stan-
We are not wanting to regulate the entire operation of every single party—everyone can set themselves up in different ways—but we believe there should be a few minimum standards to ensure that there is at least a definition of what is a member and some outline as to how people are preselected. Obviously, how people are preselected determines in many cases who gets to be elected to parliament, and we believe that some minimum standards in that regard are crucial. The Democrats in other contexts will continue to pursue actions such as that to increase the accountability, openness and democracy of all political parties. We believe that would be beneficial to public confidence and public participation in the electoral process. Australia has a proud tradition as a democracy.

(Time expired)

Debate (on motion by Senator Ian Campbell) adjourned.

TOBACCO ADVERTISING PROHIBITION AMENDMENT BILL 2000

In Committee

Consideration resumed from 5 October.

The bill.

Senator DENMAN (Tasmania) (10.17 a.m.)—Tobacco advertising is meant to encourage people to smoke. Labor will move an amendment to the Tobacco Advertising Prohibition Amendment Bill 2000 to close any loophole allowing publicity via funding annual conferences, as with the Liberal Party’s tobacco sponsored conference last year.

The companies use advertising to encourage consumers to pick their particular product brand once they are hooked on tobacco. Attempts by this industry to create smoke screens are finally falling on deaf ears. Companies use advertising and sponsorship to help people start or stay on cigarettes. We all know now that the tobacco industry is not a benevolent fund and that the actions of those companies over the last decades put them squarely lower than heroin dealers when it comes to lies and deliberately targeting the young. More people give up narcotics than cigarettes. Tobacco companies have lied under oath and deliberately made their product more addictive. They have falsified and suppressed scientific reports in the interests of profits. They must represent the most destructive and deceptive companies we have ever seen.

The Tobacco Advertising Prohibition Amendment Bill 2000 is a step along the road to bringing these promoters of slow death to heel and will stop loopholes in the law that have allowed health ministers to exempt advertising bans on the basis of cultural or sporting events of international significance. Unfortunately, the Labor amendment will not be supported. This will leave open the possibility of companies being granted exemptions until 2006, instead of closing that loophole in 2002, as the amendment proposed by the Labor Party would have done. Differences aside, any attempt to bring these companies into line is to be congratulated. Tobacco is responsible for more deaths than alcohol use, motor vehicle accidents and illicit drugs combined. One cigarette has over 4,000 chemicals, including 43 known carcinogens.

In saying this about tobacco, I do not support the prohibition of tobacco; rather, reasonable control. Imagine if a substance 10 times more addictive than heroin were controlled by organised crime. The stupidity of the laws relating to illicit drugs should never be imposed on more psychotropic substances, such as nicotine; rather, an end to the promotion of that use should be our aim. History has shown that we create enticement if we outlaw pleasure for adults—real or manufactured. In the long term it may be useful to phase out the sale of tobacco products in all but tobacconists and hotels, as I suspect that tobacco has been commodified as a normal grocery by the young long before they have their first cigarette.

In an ever image driven world, where we human beings are becoming almost commodities, smoking cigarettes has increased amongst young women, and we have seen a lot of publicity about this very recently. It is a great concern that more and more young women are taking up smoking. This may be related to the anorexic role models thrust into young minds via popular media mediums as young women strive to be thin. Further in-
vestigation may be warranted to tease out the truth of that statement. As I said, there has been an enormous amount of publicity recently about young women and tobacco smoking, and maybe we do need to look at the reasons for that increase.

However, regardless of the initial inducement to smoke, once started, smoking is extremely hard to stop. Apart from the addictive properties of the drug itself—more addictive then heroin—the constant repetition involved is in itself reinforcing. Many people who stop smoking complain about having nothing to do with their hands, so habitual is their consumption. Thus I find it surprising that cigarette replacements such as nicotine gum, patches and inhalers are still expensive. One would suggest that if the replacements were half the cost of tobacco the inducement at least to switch would be far greater.

It seems we are reaching the end of the benefits relating to the tobacco price increase behaviour modification strategy as evidenced by the increase of the black market tobacco ‘chop chop’. This suggests that, if the price of addiction becomes prohibitive, new suppliers will emerge in the market simply to fill the need. That is what nicotine becomes: a need which many people addicted to tobacco will freely admit to. If they had only $10 left, they would choose to buy cigarettes rather than food; thus, their need for the drug overrides their choice for food.

Another alarming trend is the rate of tobacco products usage amongst Aboriginal and Torres Strait Islanders. Compared with the mainland average of 22 per cent, the consumption in Aboriginal and Torres Strait Islander communities is 54 per cent, which is more than double that of the overall population. Boredom and high rates of alcohol consumption due to high rates of unemployment may explain some of the cause. Whatever the cause, with over half the population of Aboriginal and Torres Strait Islanders smoking, the impact on their morbidity rates is obvious. Higher rates of tobacco use are also recorded amongst the unemployed, lone parents, people living alone and those without postgraduate qualifications. This group may find it hard to stop as other life choices are limited, usually by economic constraints. I would suggest reading George Orwell’s *Road to Wigan Pier* to anyone who would like a greater understanding of why the poor find it much harder to modify their behaviour than the rich.

Old arguments relating to lack of revenue for sporting or other cultural events with the demise of tobacco revenue have proven to be spurious. The vacuum left was soon filled by companies promoting far healthier products such as milk. In addition, forward thinking governments have used sports popularity to promote speed reduction messages for drivers and safer drinking messages for the general population. According to one study in 1988, the medical and lost productivity costs of tobacco amounted to $7 billion. This is nearly double the amount cigarette companies contribute to tax, which is around $4.2 billion. Thus cigarettes represent an overall loss to the community of about $3 billion a year. The costs mentioned above do not include passive smoking health problems or fires started by cigarettes. The cost of passive smoking may add another $2 billion to the bill, and firefighters suggest that cigarettes account for most of the house fires in the community.

Unfortunately, as wealthier countries become more restrictive in the way they deal with tobacco companies, these companies move into Third World countries. In some of those countries, smoking has become a status symbol fuelled by massive promotional campaigns. One must say, too, that smoking was a status symbol in Australia in the fifties and sixties. In Indonesia, for example, British American Tobacco invested in a number of mobile cinemas with not only ads running through the films but also free cigarettes being given out to adults and children. This is reprehensible behaviour in anyone’s terms. No wonder the British Medical Association, in an article in the *Guardian* on 15 November 1998, termed the tobacco companies ‘the most efficient drug pushers’ who offer false glamour as their award—a statement, I think, we could safely assume that our own Australian Medical Association would agree with. Indeed, the Alcohol and Drugs Council of Australia, the ADCA, have identified the reduction of tobacco use as their highest pri-
ority in their document Drug policy 2000. This correctly shows tobacco use is one of the greatest concerns in health related drug problems in Australia.

I could go on for some time citing various studies and suggesting films such as The Insider, starring Australia’s own Russell Crowe, which highlight the lengths to which the tobacco companies may have resorted in the past in their attempts to manipulate both their political and public face. Thus, I suggest this bill, though four years too late in Labor’s view, will reinforce the need not to outlaw the product but to curtail the ability of tobacco companies to push their product in a way that both entices and flatters mainly the young into starting something that may eventually lead to their early death.

Senator ALLISON (Victoria) (10.27 a.m.)—The Democrats have always been opposed to tobacco advertising. The Democrats supported the general ban on tobacco advertising that was enacted by the Tobacco Advertising Prohibition Act. We strongly opposed the exceptions to the general ban that are permitted under the act. The Democrats believe that the ban on tobacco advertising should apply right across the board. There is just no safe level of tobacco use and we believe that there is no safe level of tobacco advertising. Allowing high-profile events, such as the Grand Prix in Melbourne, to promote tobacco products undermines, in our view, the intent of the act and the effectiveness of the general ban on advertising.

I want to start with a quote from the minister for health, Dr Michael Wooldridge, who said:

... every cigarette you have does you damage. The damage is immediate.

Dr Wooldridge has also said:

... smoking has been the leading preventable cause of death in Australia for many years, killing more than 18,000 Australians every year.

I remind honourable senators that that means 50 people every day.

Back in 1995, the then federal Minister for Human Services and Health established the so-called Rassaby panel to review section 18 of the tobacco advertising act—that is the section which allows exemptions from the legislation for major sporting events. The report of that review was held up for more than a year by the coalition, but when it finally came out into the open it recommended the repeal of section 18 to take effect from 2001—that is next year—and no new exemptions up until that time. Instead, what we are dealing with here is a bill which allows tobacco advertising until 2006—some five years after it was recommended. The government said in its response to the Rassaby report:

... because States and Territories may rely heavily on the financial benefits of hosting high profile sporting and cultural events, the Commonwealth Minister ... will retain the power to exempt such events from the ban on tobacco advertising. The Federal Government will, however, more rigorously assess future proposals from sporting organisations which apply for such exemptions.

Unfortunately, neither of those statements stands up to much scrutiny. The veil of secrecy that surrounds contracts for major sporting events such as the Grand Prix makes it extremely difficult to know how much the public purse is subsidising these events. Official attendance figures are not independently audited and, according to Save Albert Park—that watchdog of the race which has monitored the event for some time—they are grossly exaggerated. Supposedly, the Grand Prix showcases Melbourne to the world, but there has yet to be a study of what the economic benefit of this showcasing actually delivers. Supposedly, Albert Park was greatly improved but, in my view, the cutting down of more than 1,000 trees and the construction of massive sheds and underpasses is not much of an improvement on what was once a very pleasant park. The Victorian government set up an audit review panel to look at probity issues with the secret Grand Prix contracts. That panel said:

Due to confidentiality obligations undertaken by the Corporation, the Review is unable to report further on significant ongoing obligations and liabilities arising from these arrangements.

The existing contract places significant obstacles (most notably the threat of cancellation of the contract) before a government wishing now to disclose the terms agreed by the previous Government.
The report notes that the international promoters were responsible for the degree of secrecy and that:

... significant obstacles are placed in the way of government personnel (including those working on this review) wishing to have access to, let alone wishing to disclose particular details of the contract.

The report says:

The Review has been informed by the Grand Prix Corporation that a term of the contract provides that if the details of the contract are disclosed, the international contracting parties are entitled to terminate the contract.

They would say that, wouldn’t they? The review panel did not actually sight any confidentiality clause because it was confidential. So we do not know who knows what the Grand Prix costs Victorians. The fee paid to Mr Ecclestone is rumoured to be at least $20 million. Apparently the UK has already offered Mr Ecclestone $29 million for the race. The review panel recommended that the contracts between the Grand Prix Corporation and Parks Victoria be disclosed but, when Save Albert Park asked to see these licences for recurrent works and various capital works licences, access was refused on the basis, again, of commercial-in-confidence.

The point I am trying to make is that the federal government could not possibly have been provided with the evidence that shows that the state of Victoria relies heavily on the financial benefits that come from the Grand Prix. Neither did the federal government take into account the costs to the Victorian state government of the direct and indirect social costs of the tobacco use that would be the result of tobacco advertising. Quit Victoria and the then Commonwealth Department of Human Services and Health estimate that Victoria is already paying out $3.2 billion a year in costs associated with smoking. The risk factor in the development of adolescent smoking behaviour is exposure to tobacco advertising. The *Lancet* reported in its article entitled ‘Boys smoking and cigarette brand sponsored motor racing in 1997’ that boys who cited motor racing as their favourite television sport were much more likely to become regular smokers than those who did not watch tobacco sponsored motor racing. And neither did the federal government—and I quote again:

... more rigorously assess future proposals from sporting organisations which apply for such exemptions.

Breaches of the conditions which apply for exemption from the ban have been ignored again and again. In fact, no applications have been refused in the last 12 months. Approved were Australian Indy 300, Rally Australia, Australian Motorcycle Grand Prix, Australian Ladies Master Golf Championship and the Formula One Grand Prix. The Victorian state government and the Commonwealth have been perfectly happy to overlook the flagrant breaches of the conditions put on the exemption from the tobacco advertising act for the Grand Prix in Melbourne. Fortunately, the Grand Prix watchdog in Victoria, Save Albert Park, prepares a post race report. In 1998 it noted in its report:

The Commonwealth Department of Health and Family Services Tobacco and Alcohol Strategies Section has been provided with extensive information and evidence of what are believed to be serious breaches of the tobacco exemption granted for the Australian F1 Grand Prix.

There is evidence of:

- tobacco advertising outside the circuit;
- a 24 hour period when some tobacco signage was displayed without the required warnings (a time period when 8,000 to 10,000 people cycled past the area); and
- merchandise that did not comply with the tobacco exemption available for sale.

The federal department of health said that the Grand Prix Corporation would be required to give an assurance that no further breaches would occur. In other words, they took no action. The 1999 exemption was granted with barely a rap on the knuckles. The Kennett Victorian government confirmed that there were breaches of its Tobacco Act 1987 but it decided to take no action. In 1997, there were 27 tobacco advertising signs—including one double-sided overpass sign—in the park from a few days before the race until about a week afterwards. I suggest you can only conclude that governments, state and federal, are in the pockets of tobacco companies. Just look at the health minister’s
statement when introducing this bill. In his second read speech he stated:

This bill represents several years of negotiation with international motor sport, particularly the FIA ... and the international Grand Prix Corporation. Australia, because of its relative geographic isolation, was always subject to being held hostage or to ransom by losing such events, a condition that was not placed on European countries. We have been able to negotiate an arrangement whereby with these time frames international motor sport has given undertakings that Australia will not be placed at any disadvantage in future negotiations, because it gives them time to arrange alternative sponsors.

My question is: why did these negotiations take several years? What do the tobacco companies have over our governments in this country? The announcement, and presumably the negotiation, had happened by 1998. Why does the Grand Prix need eight years to find other sponsors? What an incredibly long time frame. How many young people will take up smoking in those eight years who might not have done so without Marlboro being so closely associated with fast cars, lots of money and lots of he-man auto excitement? The big problem with tobacco advertising at these sporting events is the fact that the influence of advertising extends far beyond those people who attend the event.

At the last Grand Prix in Melbourne the city was awash with tobacco advertising. Shops across the city erected displays in their windows that featured chequered flags and banks of cigarette packets. Anyone who watched the news or read the front page spreads during this period would have been exposed to massive amounts of tobacco advertising—logos on the cars and uniforms of the drivers and signage right around the venue. It is almost impossible for parents who wish to protect their children from the marketing ploys of tobacco companies to prevent their children from being exposed to tobacco advertising during and after the Grand Prix.

In 1996, advertisements were left visible well after the exemption period, as I mentioned, and provoked complaints to the federal health minister. That did elicit some action, and in 1997 all the signs were removed from the park before the gazetted deadline and the Australian Grand Prix Corporation was required to report back to the minister to confirm compliance with the exemption. There were still breaches, however. Marlboro signs on merchandising stalls did not carry warnings.

Let us look at why advertising at major sporting events is so important to tobacco companies. The Tobacco Reporter, the tobacco industry journal, described the Formula One car racing in 1995 as ‘the most powerful advertising space in the world’. The heads of FIA, the international body governing motor sport, were quoted in the Sunday Times in 1997 as saying, ‘Tobacco companies pay a premium due to the restrictions they face elsewhere.’ The Hong Kong Standard in the same period reported:

Few other multinationals are capable of investing as much as cigarette manufacturers. Annually, tobacco companies are estimated to spend over $US200 million on Formula One teams, with even more millions spent on drivers, advertising and promotions.

Marlboro is rumoured to spend $US80 million on Formula One, according to the European in 1997.

Marlboro certainly gets its money’s worth. On Sunday night the ABC ran a documentary about the Irish racing car driver Eddie Irvine and for much of the program he was filmed in his red racing suit with ‘Marlboro’ emblazoned on the front and back of his jacket. Of course, his ‘Marlboro Red’ sports logo appeared in numerous places too. The ABC online promotion describes Eddie Irvine as:

...an international sporting super star, the most glamorous and controversial figure in Formula One motor racing and 1990s Ferrari sensation. Exclusive interviews with Eddie and the Ferrari team combine with revealing behind the scenes footage of the pits and the parties, the beautiful women, luxury yachts and private jets that populate his glamorous world.

The ABC webpage has a photo of Eddie and yes, ‘Marlboro’ is spread right across his jacket in the familiar red and white as he is pictured triumphant, with the champagne bottle in hand. Get your name on the signs, on the drivers, the crews and the cars, and you have free advertising all year long. This
is why it is so important to stop tobacco advertising at these events.

The top six racing teams all have tobacco companies as their biggest sponsors. The Philip Morris web site last year included several internal company documents dating from 1995 which classified Mr Kennett’s attitude to tobacco companies and their advertising activities as ‘sympathetic and perhaps supportive’. This situation is completely unacceptable. We know how addictive and how dangerous tobacco is. It is one of the most addictive drugs known, more addictive than many illegal drugs. I cannot imagine how people would react if children were exposed to the advertising of cannabis in shops, in newspapers and on television. We would not regard any level of advertising cannabis as acceptable, yet tobacco is more addictive and kills more people than cannabis.

Former Premier John Cain said about the Grand Prix in 1997, ‘The race has become a huge billboard and TV commercial for tobacco.’ The Keating and Howard governments wilted under the pressure to allow huge tobacco ads on billboards, cars, drivers’ apparel and anything else that will show tobacco names or logo. The Democrats would prefer that the government had the courage to ban tobacco advertising outright in all its forms. We are disappointed that the government has bowed to the pressure from international sporting organisations and tobacco companies that have no interest in protecting the health of the Australian community. We have previously argued for a more stringent ban on tobacco advertising and so we are generally supportive of the aim of the bill, which is to phase out the exemptions from the general ban on tobacco advertising at sporting or cultural events of international significance. We would like an immediate ban but we recognise that we do not have the support of the government or the opposition to do so. However, we will be moving a number of amendments.

Progress reported.

(HIGHER EDUCATION FUNDING AMENDMENT BILL (No. 1) 2000
Second Reading

Debate resumed from 29 August, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator CARR (Victoria) (10.45 a.m.)—I move the opposition second reading amendment to this Higher Education Funding Amendment Bill (No. 1) 2000, which I trust has been distributed in the chamber:

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

(a) notes with concern that the Government has failed:

(i) to address the problems in universities which its own Cabinet submission identified, such as higher student/staff ratios, less frequent lecture and tutorial contact, the persistence of outdated technology and gaps in key areas of professional preparation, as well as eight institutions operating at a deficit, with some regional campuses at risk; and

(ii) to respond to calls from academics, scientists and the business community to increase significantly higher education research funding; and

(b) calls on the Government immediately to address these major issues”.

This bill to amend the Higher Education Funding Act 1998 seeks to do a number of things. It seeks to, for the first time, establish a maximum amount of financial assistance to universities payable for 2002. It seeks to adjust the maximum level of financial assistance to universities for 2001 to reflect adjustments for price movements in respect of operating grants, superannuation expenditure, open learning organisation, teaching hospitals and special capital projects and other grants. It also implements the higher education budget measures. It provides extra funding of $1.446 million for 2001 and $2.891 million for 2002, for 100 new places a year for medical students on bonded scholarships. It provides additional funding of $3.9 million in both 2001 and 2002 for the Research Infrastructure Equipment and Facilities Scheme. It provides additional fund-
This was an issue that the government canvassed in its most recent budget. Dr Kemp said in his media release on budget night that students and researchers were to ‘benefit from funding and support for higher education’. He also said that students and researchers at higher education institutions will ‘continue to be a priority’ for the Howard government. That is obviously a claim we need to assess in the context of this bill. Students, universities, academics, teachers and parents all know that education, training and research have never been a priority of this government. We know that they have been hit with the massive funding cuts from day one of this blinkered and short-sighted administration. The Howard government has slashed a billion dollars from university operating grants. It has cut half a billion dollars from student income support. It has axed the Commonwealth industry places scheme. It has reduced funding for the higher education innovations program, and even abolished its own small equity measure, the so-called merit based equity scholarship scheme. So much for Dr Kemp’s claim that students and researchers at higher education institutions will continue to be a priority for the Howard government.

Commonwealth outlays on universities have fallen to an all-time low. In 1998-99, they fell to 0.80 per cent of GDP. Under Labor, Commonwealth funding to universities reached 1.4 per cent of GDP in 1994, and it had risen steadily since 1989. The average proportion of GDP represented by university funding since the Commonwealth assumed responsibility 25 years ago has been about 1.15 per cent of GDP. If the current government had allocated the same proportion from 1998 through to this year, an extra $2.8 billion would have been invested by the Commonwealth in our universities.

The government has also cut research and development tax concessions from 150 per cent, as it was under Labor, to 125 per cent. Recent ABS figures confirm that, following this change to the tax concession, business expenditure on research and development has fallen, for the last three years, to just 0.67 per cent of GDP. In terms of the overall expenditure on research and development, the ABS statistics released last month show that, in comparison with other OECD countries, Australia’s effort is exceeded by Japan, South Korea, the United States, Germany, France, the United Kingdom, Canada and several other countries. Our gross expenditure on research and development represents 1.49 per cent of GDP, down from the 1.65 per cent in 1996-97.

In the face of the record, Dr Kemp has told us that students and researchers are supposed to be a priority of this government. If we examine the detail of the budget we notice that there is a whole range of measures that indicate that Dr Kemp is simply not able to represent the facts accurately. He is dissembling and he is misrepresenting the actual situation that is faced by our higher education sectors. We note that the budget measure is costing more than $3 billion, of which $62 million were devoted to higher education; that is two per cent of the budget measures were devoted to the areas Dr Kemp claims to be a priority. With this government’s record of massive funding cuts, I suppose we should be grateful that the budget did not contain further cuts. I guess this is what this government really means by the use of the term ‘priority’; that is, that it did not cut further from what it had in previous budgets.

The budget measures contained in this bill—the extra funding for the Research Infrastructure, Equipment and Facilities Scheme and the Strategic Partnerships with Industry-Research and Training Scheme—are now seen in the context of the government’s plans to reduce funding for higher education training places. I am amazed that with Australia’s research and development effort in serious decline, Dr Kemp has now come up with yet another of his infamous plans, this time to cut the number of funding of higher education research places by about 3,500.

Under this plan, 11 universities will lose 30 per cent or more of their funded research training places. This is an extraordinary
number. Victoria University will lose 37 per cent; Swinburne, in my home state and city, will lose 35 per cent; Ballarat University will lose 41 per cent; and the RMIT will lose a massive 46 per cent of its places. I was hoping to see more Victorian senators here today to indicate to us what they believe these measures will mean for Victorian universities. I hope that at some point we will hear from the Victorian senators Senator Alston, Senator Kemp, Senator Patterson, Senator Troeth and Senator Tchen. I would like to hear what they have to say on the record about these savage cuts to the funding research places at Victorian universities.

Of course, in other states the situation is similar. The University of Western Sydney will lose funding for half of its research training places—341 places. The Queensland University of Technology will lose around 35 per cent; and a joint winner of the University of the Year Award will lose 46 per cent of its research places. It was Dr Kemp, I recall, who was quoted in the Age at the time of those awards as saying:

Anyone who says Australian universities are not entrepreneurial enough should understand that ... they are the best in the world at seizing the opportunities.

Of course they have to be, given that this government is so determined to reduce opportunities. At the time of this University of the Year Award, which Dr Kemp praised as being extremely entrepreneurial, half of the university’s research training places had been defunded. I trust that Senator Ellison will provide us with an opportunity today to hear from him as to how the logic of this plan can be explained.

We have seen the reduction of 3,500 research places, which leaves Dr Kemp with a few questions to answer, particularly in the context of the cabinet submission that was released last year. There were problems which related to the higher student-staff ratios. There were issues in terms of the consequences of less frequent lecture and tutorial contact, the persistence of outdated technology and the gaps in areas of professional preparation. Those were the very terms that the minister used in his submission to the cabinet. The cabinet submission also said:

... already, eight institutions appear to be operating at a deficit and some regional campuses are at risk.

I am troubled that in this bill we see no attempt being made to address those problems. We have seen this government devoting two per cent of its next budget to higher education and devising a plan to further damage Australia’s research and development effort. That is its response to the problems the government itself identifies within its internal documents before the cabinet. We are entitled to ask that this government do a lot more and that it explain itself. It should be held accountable for the actions that it has taken, which have in fact reduced the quality of educational services that are available through our universities.

This government does not stop with the proposals outlined in the cabinet submission, despite what it says in terms of putting them off the burner at the moment. We have seen increasing talk of deregulating university fees and charging real interest on student loans. We see that all of those proposals are still very much alive within this government. As far as I am concerned, if this government is re-elected at the next election, we will see the $100,000 degrees becoming a reality. We will see that access to higher education will be put out of reach for an overwhelming mass of Australian people. We have seen with the government’s policies on schools that its intention is to make the elites in this country even more privileged and to entrench that privilege in such a way as to give greater opportunities to those who are able to provide through private means—that is, the wealthy will actually become even more wealthy. It is through the education system that so often that wealth is transmitted between generations. This government policy is entrenching those inequalities in Australian society.

When we look at the fine print of Dr Kemp’s plan for the future of Australian Research Council funding for universities through the Australian Research Council (Consequential and Transitional Provisions) Bill 2000, there are huge shifts of funds
away from university operating grants—that is, their bread-and-butter funding—to the slush fund of $900 million per annum, which can be spent essentially at the minister’s discretion on research in both public and private institutions. So we see here the dead hand of Kemp reaching deep into the universities to essentially pursue an ideological agenda which entrenches power and privilege amongst those who are already wealthy and who already exercise a much greater advantage over the rest of this country.

The Labor Party has made a number of significant statements with regard to higher education research funding. A Labor government will be committed to doubling the number of postdoctoral fellowships for early career researchers, doubling the number of mid-career fellowship places, doubling the number of fellowships for outstanding researchers and creating a new category of elite fellowships valued at $200,000 a year for five years. Labor is committed to encouraging our very best young minds and to making Australia an attractive place for them to work, to generate more ideas and to make a bigger contribution to the intellectual vitality of this country—and, of course, the world—without people being forced to go overseas. What we have quite clearly is a sharp demarcation in terms of the policy positions that are being presented to the Australian people on these issues. Labor has also been committed to lifting Australia’s performance in business expenditure on research and development to the OECD average by 2010. We are anxious to see that we are not forcing our intellectual property deficit to be extended. We are not in the business of encouraging people to go overseas to pursue their academic careers because they have no choice, which is the current situation for so many.

I am concerned about ensuring that there is no shortage of people in terms of Australia’s capacity to invest in science, technology and research. We see in national comparisons that Australia is doing very poorly. For instance, look at the comments of the head of the United States Federal Reserve, Dr Alan Greenspan, whom the Prime Minister professes to admire. Dr Greenspan recently told Mr Howard that the reason why the United States economy is doing so well is its investment in technology. In January this year, the Australian Vice-Chancellors Committee said that the government’s white paper on university research was ‘going nowhere’ because of the government’s refusal to invest more money in research. Last year a panel of experts from universities such as Monash, Sydney and the ANU and from BHP prepared a report for the government on investment in higher performance computing and communications. The report found that Australia’s relative position in the world is steadily dropping and that we need to spend an extra $12 million a year just to compete with countries like Canada.

More recently, a discussion paper by the Chief Scientist, The Chance to Change, pointed out that Australia is falling further behind countries like the United States, the United Kingdom, Japan and Singapore. The Chief Scientist recommended more scholarships, greater funding for research and research scholarships, higher levels of business investment in R&D, and an expansion of the Cooperative Research Centres Program. Just last month, the Innovation Summit Implementation Group released a report. I remind the Senate that the Innovation Summit was jointly organised by this government and the Business Council of Australia. In the report, the group said that there was a need for significant increases to university research and infrastructure funding. The report said that we have to do this because ‘Australia’s current level of research funding will not be enough to keep us internationally competitive in the future’. The Innovation Summit report also said that Australia had to develop a ‘knowledge economy’ in order to compete internationally.

We are seeing a combination of reports and points of evidence which suggest that the effect of not having a knowledge economy is the dismal performance of the Australian dollar. We cannot compete internationally in our current, laughable funding environment for university research and development. This is precisely the point that the government ought now to acknowledge, because all the evidence points in that direction. Just
recently, various leaders of Australian industry and researchers called on the government to take urgent action to create a knowledge economy in Australia. They said that if the knowledge economy did not occur, Australia would see a drop in the dollar. We are quite clearly seeing that occur in stock exchanges throughout the world.

Our highly trained IT experts are leaving in droves for more hospitable and lucrative shores overseas. They are following a pattern that is occurring in so many areas of academic pursuit in this country. I think it is time for this government to change direction in its education policies. The government has demonstrated that it has no knowledge of the need for a knowledge economy; in fact, it is undoing much of the good work that was done in the previous decade by winding back on the research effort, by cutting public funds to universities, by refusing to fund growth in training and by underfunding our government schools. We see these sorts of problems emerging across the education sector as a whole, and in this legislation we have seen very little that would suggest that the government is serious about changing those predicaments that we face today.

The government intends to delay the implementation of a major initiative in its research policy package arising from the 1999 white paper, the Institutional Grants Scheme, until 2002. The government is, frankly, not able to deal with the current problems that it is now beginning to understand are reaching so deeply into this economy. Since this government came to office in 1996, it has repeatedly—and, I would say, systematically—attacked, undermined and damaged Australia’s university system. It has made Australia a more expensive country—indeed, the most expensive country in the world to get a publicly subsidised higher education. It has seriously threatened educational quality by forcing more and more students into institutions without providing the funding to support them. It has paid for growth with a decline in quality—that has been the trade-off at our universities. Recently, management recruitment agent Ms Kate Jardine, on the question of selecting an applicant, stated:

How do I select an applicant? It is very important that the applicant have the following for me to notice them—

name spelt correctly

a degree from a “name” university.

Put quite simply, I don’t recruit too many people from Australia as the piece of paper is not glossy enough, if you know what I mean.

The reputation of Australia’s universities is something that ought to be protected jealously, but it is not being protected by this government. What appears to me to be happening is that this government is not fulfilling its obligation to protect the quality of Australian higher education. It is not doing its job of ensuring that there is adequate funding and adequate support for research institutes across the country. By its actions, it has further entrenched inequality in this country. Once again, we see the situation where this government’s neglect has led to a serious decline in this country. (Time expired)

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (11.05 a.m.)—I begin on a similar note to that on which Senator Carr ended. While the Democrats would fully support the notion that this government has been responsible for the diminution of funds for education, training and certainly research and development, we also put on record—as we have done on many occasions—that we believe this is a process that was begun under the former Labor government, certainly in terms of compromising access and equity in our higher education institutions. This was a practice introduced by the former Labor government and, of course, seriously entrenched by this federal government under Prime Minister Howard. The Democrats wish to draw attention again to Labor’s record. This is the party that introduced fees, initially in the form of the higher education administration charge and the Higher Education Contribution Scheme. It was responsible for numerous increases in fees under that scheme, including above-CPI increases, and for the deregulation of the postgraduate sector, and it failed to do something about general and academic staff wage claims. We put on the record once again that we are cogni-
sant of not only this government’s poor record on the funding and resourcing of higher education but the former government’s record as well.

This bill deals with the very issue that the Democrats have long pursued and which the federal government is not so much coming to terms with but only just beginning to consider coming to terms with, and that is funding for research and development and the importance of publicly funded education in the generation of economic growth. Proposals in this bill not only deal with the Bonded Medical Scholarships Scheme—which I will briefly address in my remarks but Senator Meg Lees, the Leader of the Democrats, will address in a more fulsome fashion, given that she is our health spokesperson—but also deal with the allocation of funding to two important research funding schemes: the Research Infrastructure Equipment and Facilities Scheme and the Strategic Partnerships with Industry Research and Training Scheme. The bill also establishes the base level of funding for universities for 2002 and provides supplementation for price movements and to reflect revisions to the estimates for HECS contributions and the reallocation of unspent funds from 1999 to other funding years.

I would like to focus in particular on the proposals related to research contained in the bill before us. These schemes facilitate infrastructure acquisition for research and foster collaboration on research projects between universities and industry. In light of the two landmark reports released over the past weeks and months, the Batterham and Miles reports, and certainly Senator Carr has made similar references, it is disappointing that this bill only maintains funding for the schemes rather than increases those funds. But, given this government’s traditional slash and burn approach to higher education, and R&D funding in particular, at least the schemes are still in existence. As the report of the Innovation Summit implementation group states, ‘Australia’s current level of research funding will not be enough to keep us internationally competitive in the future.’

So I was encouraged by the response of the Minister for Industry, Science and Resources to a question that I asked in this place last week when he gave the indication that he was keen to commit greater funding to research and development. However, as the minister is all too aware—and the sector is too—the shortfall which needs to be made up if Australia is to be competitive in the emerging global knowledge economy is great indeed. Those reports make valuable contributions and recommendations to this debate, which I certainly hope we will see acted upon by this federal government, including the notion of 500 HECS exempt research scholarships for science and education degree students, a doubling of funding for Australian postdoctoral fellowships and assistance to universities to enable them to maintain adequate library collections of professional journals.

It is five years since this government came to power and our levels of public and private investment in education and R&D are, shamefully, the lowest ever. Business R&D rose every year of the R&D tax concession to 1996-97 and it has fallen every year since. The OECD has now rated Australia as 20th out of 29 countries in terms of business investment in R&D. This is the clearest case of cause and effect policy making in recent history. The Minister for Industry, Science and Resources, Senator Minchin, now says that companies are chasing profits rather than innovation. Surprise, surprise, given that the tax deduction for R&D has fallen from 150 per cent to 125 per cent and the tax on profits has been cut from 36 per cent to 30 per cent. These tax changes have told Australian businesses that profits are good and innovation is bad.

The government has made no secret of its contempt for publicly funded tertiary education and its desire for the private sector to take responsibility for investment in research and development. However, as we know, all Australians are paying the price for this negligence as our dollar continues to fall amid international perceptions that we are an old economy, that we lack dynamism or innovation. Earlier this year I was fortunate to attend the Innovation Summit, where speaker after speaker urged this government to make a greater commitment to R&D. I have put on
record before in this place my commendations to Senator Minchin for hosting the Innovation Summit. I just hope that he is conscious of and implements the recommendations that arise out of the implementation reports and further reports due this year. There has been no provision in the federal budget this year to actually adopt the recommendations of the summit. However, he can be assured that the Democrats will continue to scrutinise budgets, and next year’s budget in particular, for funding allocations to encourage R&D. Australia’s industry and education sectors need more than rhetoric if they are to truly contribute to the innovative effort our economy needs to remain competitive in value added industry and international trade. At a minimum, the tax concession for private R&D must be restored. The Democrats have said that ever since the changes to that tax concession, this government also has to recognise the vital role that public education plays in innovation.

Plans for reforming Australia’s research management remain flawed as a result of the federal government’s refusal to accept the need for major additional investment, both through direct allocation and incentives to industry in Australia’s research base. The key contention of the government’s research white paper which was released last year—although we have not seen a lot of debate or discussion about that, certainly not in this place—that the level of Australia’s research funding compares well with other OECD countries is actually flawed. Not only is it flawed; it is based on out-of-date figures, and I am sure that the ministers responsible know that. Dr Kemp’s research white paper uses OECD data which relates to 1997 or earlier and it takes no account of the substantial boost in R&D in the past two years by other OECD countries such as the UK, Germany, Finland, Canada, South Korea and the US.

Moreover, since the abandonment of the 150 per cent tax rebate for industry R&D in 1996-97, higher education R&D has been falling. In 1996-97 it was 0.318 per cent of GDP but in 1999-2000 it has declined by 13 per cent to only 0.276 per cent of GDP. While universities can accept an obligation to embrace new ways of managing their research, the government needs to accept an obligation to increase funding across the spectrum of Australia’s research if it is to realise the vision it has articulated in the white paper, a vision that I have heard referred to by this government and by the Prime Minister as ‘the can-do country’. American data cited by the Australian Vice-Chancellors Committee shows that some 73 per cent of US patents cite research from public and nonprofit organisations. This data clearly rejects the notion proffered by this government that Australia will be able to maintain a modern research infrastructure and culture by seeking to increase only industry sources of funding. Australia will only keep pace with other OECD countries and realise sustainable economic dividends through support for a wide range of research. Furthermore, Australia needs to train and retain the qualified and talented graduates to undertake research in the higher education sector and, of course, in industry.

The government’s white paper and its user-pays approach to research funding gave rise to a potential conflict with the principles of open collaboration that usually underpin the best research—the Democrats have said many times that university education and research should be about the search for truth, not the search for funds, as it so often seems to be these days—and also the other principle that increased emphasis on national priority setting could also challenge the institutional autonomy necessary for research excellence. I acknowledge Senator Carr’s references to that issue in his contribution to this debate. Recent figures indicate that the mix of public and private funding for our public universities is now the same as that for Australia’s private schools, with around 44 per cent of university revenues coming from non-government sources. In response to those figures, the Australian Vice-Chancellors Committee stated:

If we discount the Princetons, the Harvards and the Yales of the US system, the Americans actually have a public university system which is more heavily subsidised by Government than our own, with a significantly lower average cost to students.

The Howard government’s HECS slug has more than doubled in three years. According
to the Australian Taxation Office, in 1996-97 Australians paid $251 million in HECS repayments. As a result of this government’s reduction of the HECS repayment threshold to significantly less than average weekly earnings, the HECS slug has been shouldered by just over one million Australians who contributed over $6 billion in HECS to government revenue last year. So we have seen a reduction in the rate at which graduates are beginning to repay their debt as well. Clearly, higher education seems to be more a revenue raising measure for government these days than a public investment. It is considered, clearly, a cost and a revenue raiser.

Ministerial proclamations—and we hear them in this place all the time from Senator Ellison and from Dr Kemp in the House—of increased student numbers disguise the fact that in 1999 the number of full fee paying domestic postgraduate students increased by 15 per cent or that on the first census date in March last year the enrolments in excess of fully funded undergraduate HECS places numbered 37,459. Because of the Howard government’s policy not to fully fund these so-called over-enrolments at universities, that has effectively saved the government $270 million in the last academic year alone. It is a cynical policy of allowing those over-enrolments and saving the government money but not compensating institutions in a way that they need to be compensated for additional enrolments. That is $270 million worth of shirked government responsibility.

The removal of postgraduate research gap places has effectively removed up to 3,500 research places from campuses around the country, particularly from regional campuses, in complete contradiction to efforts to increase industrial research and innovation from the technical universities. For example, RMIT will lose 458 gap research places, which is a whopping 46.4 per cent of its total research places. The marketisation of higher education under this government has further undermined our capacity to foster innovation through postgraduate research. The only discipline areas to record rises in enrolments between 1996 and 1999 are information technology and management and administration courses. While it is encouraging to see these increases, it should be noted that they are overwhelmingly comprised of international enrolments, with most graduates leaving Australia upon completion.

Enrolments in health sciences, engineering, the humanities, sciences, education and agriculture all declined over the same period—hardly the firm base on which to build a knowledge economy. As the Chief Scientist said in his report:

Beyond the commitments already made in areas such as biotechnology, environmental sustainability and health and medical research, we must nurture our research capabilities in the ‘enabling’ sciences of physics, chemistry and mathematics, and also in the humanities and social sciences. Research in the humanities and social sciences, for example, can enhance the organisational, management, legal and marketing knowledge that is critical to successful innovation.

In seeking to make up the funding shortfalls caused by this government, universities have introduced up-front fee paying courses, raising equity issues but also pressures on quality, with lower entry standards being applied to encourage up-front fee paying students into postgraduate education, with reduced subject loads and with pressures to increase pass rates—all things that should not be associated with a publicly funded or accessible education system and with the concept of education. Funding for undergraduate education is also vital. Diversity of education and access to resources have been severely compromised as universities struggle to cope with funding cuts.

To this end, the Democrats intend to see a lot of these issues investigated through a Senate inquiry, and we thank the other parties for their support for such a notion, as it is at this stage. It is high time that we examined, preferably in this forum, funding cuts and marketisation of higher education in public universities, especially when it comes to their ability to be globally competitive, to provide quality and diverse education, to ensure access for traditionally disadvantaged groups, to retain staff and to contribute to economic growth. All of these matters have failed to be investigated adequately by the government at this stage or, if we have seen reports, such as that of the West and other...
reviews, the investigations have certainly been designed to meet government ends. Even the good recommendations in those reports have been ignored. I hope that does not happen with the Miles and Batterham reports.

Finally, I would like to briefly address the proposal in the bill to create 100 scholarships of $20,000 per annum to encourage medical students to practise in rural and regional areas. As I said, my colleague Senator Lees will speak further on this proposal, and I acknowledge the work she has done in addressing some of the concerns I have. I have already expressed my concerns in other places about the degree to which students may bond themselves and the severity of the penalties for breaking this bond. While a number of students who take up the scholarships may be postgraduate medical students, and perhaps therefore more ready to make long-term life commitments, I am concerned that this scheme may force 18-year-old first-year medical students to make long-term decisions about their future which may be difficult to change as their life circumstances change. Students who break their bond face the penalty of being unable to access a Medicare provider number for 12 years, which could well prolong their entry into practice into middle age at least.

I am also concerned at the experience new practitioners must have in rural and remote areas if adequate support facilities—nurses, other practitioners and hospital facilities—are not readily available, and I hope the government will commit to introduce measures to address deficiencies where they exist. After all, this measure has a time lag of 12 years before it will have any demonstrable impact on the number of rural and regional medical practitioners.

I also would like to see funding for medical schools and universities with high numbers of students from rural or regional backgrounds increased or at least maintained. For example, the University of Newcastle, in the Hunter region, lost $840 million from its funding in the 1996 budget, yet it has one of the strongest regional medical schools and is uniquely placed to train students in medicine from regional and rural backgrounds. With those concerns in mind, I look forward to hearing from the government as to how it will assist not only those students and those doctors but communities in rural and remote areas when it comes to medical facilities and training. I commend the efforts of my party in ensuring that that proposal is as fair as it can be.

In conclusion, I place on the record once again the Democrats’ long-running concern about the level of funding for higher education in particular, for education generally and for research and development, in the hope that we will become a global new economy that other countries will respect. I also place on record once again that the decline in infrastructure and funding for higher education and the increase in fees and charges that students face as a consequence of entering into or participating in higher education were introduced by the former government. This government has shamefully entrenched those hardships and those financial burdens. Once again, the Democrats place on record the need for publicly funded higher education research and development in Australia and the fact that education is an investment and not a cost. We look forward to the day when both the old parties in this place recognise that fact.

Senator CROSSIN (Northern Territory) (11.24 a.m.)—I begin my speech on the Higher Education Funding Amendment Bill (No. 1) 2000 with a quote by Trevor Cole, the President of the Australian Academy of Technological Science and Engineering, from an article written for the Business-Higher Education Roundtable in 1999 entitled ‘Education for the new economy’. The quote is very short but very simple. Trevor Cole said:

Universities are to the information based economy what coalmines were to the industrial economy. The Business-Higher Education Roundtable has warned repeatedly that if we—

and I am assuming that means in particular the federal government and the community—
do not commit ourselves to producing a highly skilled innovative workplace, we will suffer economic penalties, diminishing freedom of choice and a greater quality of life.
It is because they believe, as most Australians do, that education is absolutely crucial to ensure this country’s social and economic wealth in an increasingly globalised environment. The economy of our future is one which is based on knowledge and skills rather than on commodities. It is about time we recognised that public investment in education at all levels is an investment and not a cost—that it is a down payment on the knowledge, the skills and the future of this economy. It is not something that can be traded off and used as you would on the share market in a company matter.

Under this government, the capacity of public universities to meet this challenge has been radically diminished. A wave of funding cuts to universities has been followed by an agenda of deregulation which will, if fully implemented, allow the market full rein in determining the nature and quality of higher education provision. We know that next year, in 2001, Commonwealth funding for higher education will be at around the same level it was in 1990—10 or 11 years ago. By reducing funding to valuable public infrastructure and decreasing subsidies to students, the features of Australian universities that matter to Australians—their contribution to our economy, their contribution to knowledge and the excitement of discovery, and their contribution to improved employment outcomes—will be put at risk, if they have not been already.

As Senator Carr outlined, the Higher Education Funding Amendment Bill (No. 1) 2000 amends the Higher Education Act to do a number of things. It indexes all aspects of higher education funding and includes, for the first time, funding in the forward estimates for the year 2002. It makes a number of technical changes to the Higher Education Contribution Scheme, or HECS as we know it, and in addition it reallocates some unspent funds. It also implements the budget announcement to introduce a system of bonded medical scholarships. It provides $4 million a year for the Research Infrastructure, Equipment and Facilities Scheme for research funding and makes some changes to the SPIRT scheme and also deals with university research. Of particular note to the Northern Territory electorate is that it does implement the name change for Batchelor College, which has now become Batchelor Institute of Tertiary Education. Before I move on to some of the aspects of the bill, I have on a previous occasion presented a speech to this chamber about Batchelor College—it may well have been when Batchelor College finally became an independent educational institution, on 1 July last year—and paid credit to that college and to the then director Mr John Ingram.

I think it is important to spend a few minutes looking at what is happening with indigenous education, particularly higher education. This is not a matter that has had a lot of time spent on it, and it is not a matter that is commented on very often in this chamber, but with the advent of modern reconciliation, I believe the role of education is one of the important areas where reconciliation can be given some substance. This aspect is becoming more important, and the need to fund this area of education is crucial.

There is emerging acknowledgment of the need to balance family and tribal education with the more formal educational structures of Australian society. I want to place before the chamber today the fact that Batchelor College does that extremely well. It has a terrific balance of a formalised structure for students through its courses and in the way that it delivers and presents those structures, with a live-in capacity for students to come in on block units and the capacity for students and lecturers to travel to all parts of the Territory, no matter where the students are in northern Australia these days. It does balance very well that formal education structure and it recognises the need to balance family and traditional obligations on behalf of its students. In fact, in some aspects it could be held up as a model for other indigenous education units around the country.

The huge social and economic disadvantages that attach to so many Aboriginal and Torres Strait Islander men and women mean that education in all aspects is even more important for those individuals. But that will not happen without adequate support. There can be no doubt that the expansion of indigenous Australian participation in higher
education since the early 1970s can be attributed in part to the availability of specific programs for Aboriginal and Torres Strait Islander students. We saw last year, I think, a report released called *Succeeding against the odds: the outcomes attained by indigenous students in Aboriginal community-controlled adult education colleges*. That report details the progress in indigenous education over the last 10 years, with a specific focus on Aboriginal community-controlled colleges. It was in fact in tertiary and in VET education, not higher education, but I think that, if there is any future research, a strong parallel would be drawn between the two sectors.

That report dealt with a large proportion of students from the most severely disadvantaged backgrounds who were enrolled in the colleges. Many of them had little or no prior educational experiences and had come from communities with extremely high levels of unemployment and ill health and, of course, a high contact with police and the judicial system—not unlike the situations that Batchelor College would find some of its students had come from. The study pointed out that the pass rates achieved by students at Aboriginal community-controlled colleges were higher than the pass rates for indigenous students in the mainstream VET system. The report clearly attributed a link between community-controlled colleges—and in this case Batchelor College is in fact a community-controlled college that has a mixture of VET and higher education—and a high pass rate for indigenous students.

But what has the government done to acknowledge and support that? An area of funding that has been of historical importance to indigenous Australians and their participation in higher education has, of course, been the merit based equity scholarship scheme. The scholarships were allocated to institutions on the basis of the number of non-overseas commencing undergraduate students in the bachelor or other award courses at each university. In turn, universities awarded the scholarships to students from equity groups, based on institutional priorities. In 1999, 3,000 such scholarships were allocated to universities. While a detailed breakdown by institution is not yet available that I can ascertain, anecdotal evidence suggests that a significant portion of these scholarships were allocated by universities to indigenous Australian students. Of course, this Commonwealth government decided to abolish the merit based equity scholarship, effective from January this year. This is the abolition of a program that has proved an important area of support for not only indigenous Australian students but also students from other disadvantaged groups. So where we have Batchelor College—we have only one Aboriginal controlled higher education institution in this country—and we have now seen a recognition of the outcomes of that college, with the abolition of the merit based scholarship scheme this year we have also seen other indigenous students around this country being neglected.

I noticed back in July that there was a newspaper article about the enrolment of indigenous students in higher education having increased. We recognise those figures, but it is very important to note that, while the number of indigenous Australian students in higher education has increased steadily through the 1990s—and is projected to increase further in 2001 in 2002—the level of indigenous support funding has not increased correspondingly. We may have people from the other side of this chamber stand up and rave on about those figures, but what they will not tell us is that support for indigenous students and indigenous support funding have not increased correspondingly in relation to the number of indigenous students who have in fact enrolled in tertiary education over those years.

I want to touch on a number of other aspects in the bill and, in particular, the impact of the government’s policies on regional universities. In summary, this bill implements the budget changes in the area of higher education. In the lead-up to this year’s budget, the Treasurer claimed on the *Sunday* program, I think—it may have been a week or so before the budget was released—that this budget would direct spending to ‘priority areas in health and also in education’. I think that, in relation to higher education, and particularly if I were to ask my constituents in the Darwin region in relation to the NTU, we
would say that the budget in fact did not deliver on that; the Treasurer did not deliver on those words. There is now, of course, a $3 million education deficit because of the cuts the government has made since 1996. Since it was elected in 1996, the coalition has cut over $800 million in funding to universities and has increased HECS fees from between 35 and 125 per cent. It has dropped the threshold for repayments to well below average weekly earnings and it has refused to fund any salary increases. In fact, we know about the Clayton’s pattern bargaining episode in higher education. What is pattern bargaining when you do not have pattern bargaining in this country? It is Dr Kemp’s scheme to muscle universities into agreeing to his nine out of 13-point plan in order to get a two per cent salary increase.

Under this government we have seen most postgraduate coursework moved to a full-fee basis. At the same time, there have been cuts in funding to vocational education and training, which affects places like the Northern Territory University and RMIT, to the tune of $240 million. There have been higher HECS charges, which strip $1 billion away from students. In other areas of education, the enrolment benchmark adjustment has cut about $60 million from federal funding to public schools right across the country, and that continues to grow. Finally, there have been cuts to student assistance of more than $500 million. There is a $3 billion education deficit because of the cuts this government has made across the board, and we are also facing a real crisis in the area of research.

Let’s have a look at some of the regional universities. The government has cut funding to James Cook University by $16 million, Charles Sturt University has lost $21 million, Southern Cross has lost $11 million, the University of New England has lost $18 million, the University of Newcastle has lost $27 million, and the University of Wollongong has lost $18 million. In Victoria, Deakin University has lost $25 million and the University of Ballarat has lost $4 million. In Queensland, Central Queensland University has lost $13 million and the University of Southern Queensland has lost $16 million. In Tasmania, the Australian Maritime College has lost $2 million.

This government has cut nearly $171 million from our regional universities, and I think we should focus once again on the Top End. In Dr Kemp’s cabinet document of last year, there is a special paragraph dedicated to regional universities. It is headed, ‘Options to address regional concerns’, and paragraph 26 says this: ‘In addition to delivering higher education locally, regional campuses of universities play an economic, social and cultural role in their regions which is irreplaceable.’ Perhaps I might say that for once I agree with something Dr Kemp has stated. It goes on to say, ‘In my view, it would be sensible to take stock of the education and training needs of rural communities.’ Again, that would be correct and I would give that a big tick, Dr Kemp. It says further, ‘I will consult with the Minister for Transport and Regional Services on a review of regional education and training needs and will report to cabinet on this matter before the end of 1999.’ Have we seen it done? No, we have not. Have we seen the funding crisis that is occurring in regional educational institutions addressed? No, we have not.

In paragraph 3 of the submission, there was an admission by this government that eight institutions appear to be operating at a deficit and some regional campuses are at risk. Well, they were, and they are. Earlier this year the Northern Territory government had to bail out the Northern Territory University to the tune of $7 million. That was the amount handed on to the Northern Territory University. The Northern Territory University, unlike James Cook University, has been bailed out by this federal government. The NTU did not meet their target for places, but they were not asked to pay back the money. They were given a clean slate by this government. There was a recognition that they were struggling, and this federal government did something about it—a little bit—to assist them in not having to find that money and pay it back, unlike James Cook University.

This is not the first time I have tried to convince this government about the desperate need of the Northern Territory University
and the desperate position it has found itself in in trying to keep operating. It has had to take $7 million from the Northern Territory government. Those of us who live up there are not happy about that, particularly when we found out in recent months that the $7 million came with a proviso. The proviso was that the Northern Territory University had to hand back some of the land it was given when Tiwi Primary School closed down. There were strings attached to the $7 million, so even the Northern Territory government is not convinced that it should hand the Northern Territory University an open cheque. It wanted something in return for its money. I will read an excerpt of a letter I received from Richard Ryan, who is a member of the Northern Territory University Council and has an Order of Australia Medal. This is one of hundreds of letters I got from staff, students or people involved at the university, and they all pretty well say the same thing. Mr Ryan writes:

I write for your support in securing appropriate funding levels re the Northern Territory University and securing funding levels for our institution.

He goes on to talk about the significant role the institution plays in the Northern Territory—a role that Dr Kemp admitted in the leaked cabinet submission when he talked about the role of regional universities. Mr Ryan goes on:

As with other Australian universities, NTU is feeling the impact of funding cuts and increasing costs unmatched by revenue increases. There has been an overall reduction in funding for post secondary education against other OECD countries. The need to match salary increases at other institutions has had a major impact.

He goes on to talk about exactly what the impact on the NTU is. He writes:

Current effects of funding shortages include damage to public confidence in the University, and potential damage to quality of provision.

Of course we know that the Northern Territory government recently gave them $7 million. He writes further:

A commitment from the Commonwealth for more appropriate levels of funding is needed for the future.

But we have seen nothing. We have seen no action about this. There has not been a comment from Dr Kemp. There has not been a letter, a press release, or a speech in this chamber from Senator Tambling, who purports to represent Territorians but is happy to stand by while the Northern Territory University goes down the drain. This government is silent on this issue. (Time expired)

Senator LUDWIG (Queensland) (11.44 a.m.)—I rise to speak on the Higher Education Funding Amendment Bill (No. 1) 2000. Before I get into the substantive matters, I think it is worth putting into perspective why this bill is before us, the purpose it will serve and the higher education funding system in general. The higher education grants are legislated for calendar years, within a rolling triennium framework. While there are over 20 types of grants, about 88 per cent of funding is devoted to the operating grants for higher education institutions. These grants are funded from two major programs: the first deals with the Commonwealth and Higher Education Contribution Scheme, or HECS; the second is through programs such as this.

The concerns that we have are, I think, clearly articulated in Senator Carr’s amendment, which goes to the government’s gross failure with respect to the higher education system. The amendment:

... notes with concern that the government has failed to address the problems in universities, which its own cabinet submission identified, such as higher student/staff ratios, less frequent lecture and tutorial contact, the persistence of outdated technology and gaps in key areas of professional preparation, as well as eight institutions operating at a deficit, with some regional campuses at risk.

There are other matters covered in that amendment that I will not go into in detail but, at the end of the second reading amendment, it calls on the government immediately to address these major issues—and I support that.

The issue that I will now turn to with a little more specificity, and which perhaps has some resonance in my home state of Queensland, goes to, I guess, one of the unusual parts within the bill which provide for bonded medical scholarships. Bonded medi-
cal scholarships seem like a good idea—they seem like a practical solution to a very difficult issue. The difficult issue, of course, is attracting quality medical staff and associated support staff to go to regional and rural Australia, including regional and rural areas in my home state of Queensland. What is intended is to provide a scheme or a package of measures to encourage students when they complete their studies to take up the challenge and go to regional and rural places, such as Queensland, under a bonded medical student scholarship.

What I have found when travelling around Queensland and going to hospitals to see how they deal with rural and regional Queensland issues, specifically how they address their hospital problems, is that they say that there is a shortage of doctors, a shortage of trained nurses, a shortage of funding and a shortage of a whole range of administrative things. They do not resile from those statements. They understand where the state government fits into this and they understand that the state government commits significant resources to the health system in Queensland. I am sure the same is the case in New South Wales—I cannot speak for any other state. Anecdotally I know that the Queensland health minister takes the issue very seriously and funds the system as much as possible. When you talk to the people on the ground—the people in the hospitals—you realise that they understand that the endemic problem comes from a lack of funding, and they understand that it is a federal government responsibility to ensure that there is appropriate funding that trickles down to rural and regional Queensland hospitals. They also understand that they have to get on, that they have to work within a framework and manage their budget and that they have to attract good doctors and good quality staff to those areas. But what they say is that sometimes the packages implemented by this government are not targeted, are not worth while and are not going to measure up.

One of the problems in regional and rural Queensland that is often raised is the issue of bulk billing. In another occupation I had, when I went to places like Mount Isa, I heard the complaint that many of the doctors did not bulk-bill and, as a consequence, the people felt disadvantaged when they compared their situation to that of people living in metropolitan areas. In some regional areas where the only doctors who bulk-billed were male and some female patients preferred not to discuss some issues with them, you often heard them say, 'There is one bulk-billing doctor in this area. For a number of reasons, I don't want to go to that doctor and so I am required to go elsewhere.' This government could make a difference by not only looking at the issue of bonded medical students but also looking more deeply at some of the issues that need to be addressed more specifically.

I will now turn to the substantive matters that I wish to raise. The Higher Education Funding Amendment Bill (No. 1) 2000 implements the budget changes in the area of higher education. Specifically, it includes provisions to index all aspects of higher education funding, allocate funding in the forward estimates for the year 2002, make a number of what could be called technical changes to the Higher Education Contribution Scheme, reallocate some unspent funds and implement the budget announcements to introduce the system of bonded medical scholarships. Essentially, this bill legislates the changes announced in the 2000-01 budget. This bill provides, in my view, a half-hearted attempt to redress the funding deficit in higher education that resulted from four years of cuts to higher education institutions in this country.

Before I go into a little detail in respect of this issue, I would like to remind my colleagues of this government's record on education. Senator Crossin went through some of those figures, but I think it is worth while repeating them again not only for the benefit of this chamber but for the force that is behind them. Sometimes numbers in themselves can get lost in the wash. You can hear numbers repeated, but the actual size, magnitude and consequences of those numbers can get lost. Over the past four years there has been a cut of over $3 billion from education generally, with almost $1 billion being cut from universities; $240 million cut from
vocational education and training; $500 million cut from student assistance programs; and $1 billion cut directly from students through higher education charges.

These cuts have led to a decline in national research efforts, resulting in what can only be considered a crisis in the area of research. Similarly, the Australian Education Union has recently stated that there is growing evidence of a crisis in our national vocational education and training system. The resource pressures are the most critical element of this situation, with the AEU stating that this must be addressed as a matter of national urgency. A recent Senate inquiry into the quality of vocational education and training in Australia gave details of the various impacts of these funding cuts on TAFE systems.

For the record, here are a number of examples which bubbled to the top in respect of traineeships: 19 per cent of Queensland trainees say they are receiving no training, and 20 per cent of Victorian trainees believe they are not learning new skills. In the context of a growing proportion of students who are disadvantaged and where more money is being transferred to private providers who offer relatively little support, expenditure on student services has dropped from something in the order of $164.6 million in 1997 to $137.7 million in 1999. The resource pressures have also seen employee costs fall as a proportion of total costs from something in the order of 64.8 per cent of expenditure in 1994 to 60.8 per cent in 1999, despite the continued growth in enrolments and annual hours. It impacts on the nature of employment, with a high number of precarious employments. It also impacts on staff and their capacity to provide quality education to students.

There has also been a massive increase in teacher workload. In response to the 1999 ACTU survey, some 72 per cent of the TAFE respondents indicated that they have considered resigning due to workload pressures—a situation even more alarming in the face of emerging teacher shortages across all education sectors. It is no wonder, when you look at those sorts of figures, that you would sound a bell. There are concerns that stretch across not only the union movement dealing with the education sector but also business, which is worried about the quality of students coming out of our educational institutions and whom they are going to employ and the research that might benefit them in the long run. Parents and citizens are also concerned about where we actually place ourselves in the global market for education and whether we are downgrading our responsibilities.

Similarly, the recent National Tertiary Education Union paper made the point that Australia’s public spending on tertiary education has fallen dramatically in recent years. The paper goes on to say that since the Commonwealth assumed responsibility for funding higher education some 25 years ago, Australia has generally been an international leader in its public funding of higher education. In this regard, Australia established a competitive advantage relative to its main competitors, resulting in a higher participation rate. It is an indictment of the education policy that we are faced with today that, at a time when other nations are recognising the value of increased investment in education, Australia has substantially reduced its investment.

This government can ensure that this situation is turned around. They do not have to sit there with their hands being stood on. They do not have to sit there and not move a hand. They do not have to sit there and cop it. They can do something about it. They can turn it around. They can prioritise this area of public policy and restore the funding of higher education and training to adequate levels. Unless I hear something from Queensland senators, who do not seem to want to make a contribution in this important area, it seems the government have ignored these figures and instead seem to be extolling the virtues of the meagre policy changes they are making and pretending that nothing is wrong.

As I have said earlier, I am particularly concerned about the impact of these funding cuts on rural and regional areas. In some instances these funding cuts have not impacted quite as severely—unless I am told otherwise—in metropolitan areas; although you
might say that they have. But where these funding cuts do have their greatest impact is on regional areas such as James Cook University, which lost $16 million. It is a poor reflection on the member for Herbert that the funding for this university has been cut so drastically. And what have we heard from him? The people of Herbert have a right to expect that their member of parliament would defend their right to adequately fund their local university.

A number of other regional universities in Queensland have suffered huge funding cuts, including the University of Southern Queensland, which lost $16 million, and Central Queensland University, which lost $13 million. It is not simply a matter of saying, ‘Universities that lose money will manage to cope; they will manage to get along with life; they will be able to pick themselves up by their bootstraps and continue on,’ because the effect that this has on some of those rural and regional communities is far greater. It is the underlying costs that sometimes go by the board, that are sometimes missed in the debate, where people, students, lecturers and universities all contribute to the benefit of that regional and rural community in what you could call a multiplier effect, which contributes far more than you would expect out of an ordinary funded place. These universities are often the centre of development in these regional centres and provide probably, in part, the only opportunity for school leavers and mature age students to increase their skills and education level.

This is yet another clear example of the disregard that this government has shown for people living outside major cities. Those living in regions are not only forced to endure substandard telecommunications services, along with a system which forces them to pay more tax on petrol than those in metropolitan areas, but also they now have to put up with the erosion of quality education as funding is ripped out of their regional educational institutions. Something in the order of $171 million has been taken out of regional universities by this government and it is disappointing that the National Party members who represent these regional areas continue to support a coalition which is clearly not interested in furthering the opportunities of people living in those areas. In the debate we are not hearing how the coalition’s educational policies are improving education in universities. We are not hearing from the Queensland senators about this issue: they are silent.

In counterpoint to that—and this was articulated very clearly by Mr Kim Beazley recently at the ALP national conference—Labor is the only party with a plan for the future in terms of the education and skilling of the work force, a plan for Australia to become a knowledge nation. We will continue to say that until you not only understand what it means but also take up some of the issues that surround it, start to implement it and put it into effect. It is a plan for Australia to become a knowledge nation. It is imperative for the future of our economy and our work force that Australia invest in the education and training of its population. As Mr Michael Lee said in the other place, something in the order of 86c per person per year is nowhere near enough an investment in what is one of the most important aspects of our society. I think he used the analogy that 86c might get you a cheap biro. That is the level of educational funding for our future. I will not resort to that—I will let the figure speak for itself: 86c is not much at all.

Without a government that is willing to prioritise education funding, Australia will be clearly left behind the rest of the world. Every major industrialised country is realising the benefit of investing in education and research and funding these areas, and they are funding these areas accordingly. They are not ignoring them. The tide has turned in the marketplace. We are losing our competitive advantage in respect of our educational ability, our educational future and the ability of our youth and our businesses to compete in that market. We are taking away the planks that build up their ability. The US, Canada and the UK are all increasing funding to these areas and have been doing so consistently over the past few years. They recognise that, to maintain their competitive advantage, they need to invest in education and training and they are doing that. What are we
doing? We are funding something in the order of an additional 86c.

Disappointingly, the Howard government has cut Australia’s funding to new lows. Where a Labor government would prioritise investment in Australia’s most important resource—its people—the coalition has chosen to starve the institutions which provide people with opportunities to improve both their individual prospects and those of the community as a whole. It is not a matter of looking simply at the community as a whole. As I said earlier, you also have to look at the multiplier effect of the need for education. It flows through regional communities and provides additional benefits. Universities are so underresourced that some are even allowing up-front fee paying students with lower academic grades entry to courses. That is a novel system. I refer to a headline in the *Australian* of 24 August 2000 entitled ‘Uni access less fair under Kemp’s rule’. People are paying fees up-front without meeting the grades, so to speak, to get into university. You might say that is okay from the Liberal perspective, but you add to that the fact that they then transfer over to HECS and go on the drip—(Time expired)

Senator FORSHAW (New South Wales)
(12.05 p.m.)—In speaking to the Higher Education Funding Amendment Bill (No. 1) 2000, at the outset I compliment my colleague Senator Ludwig on his contribution. I would have liked to hear him continue. Unfortunately, he was cut off in mid-sentence. I am sure he had a lot more worthwhile comments to make. Indeed, if I can borrow a comment from the late Fred Daly: I had a great speech. I know that because Senator Ludwig has just delivered it for me. The opposition, in its contribution to the debate today, has pointed out the absolute lack of commitment by this government to the important area of education. We see that continuously across the education spectrum from the current Minister for Education, Training and Youth Affairs, Dr Kemp. It is also unfortunate that we do not even have present in the chamber the minister representing the minister for education to hear this important debate. I know that those people who are listening—and certainly people throughout the country—are aware that, when it comes to education, this government, and particularly the minister, Dr Kemp, have an ideological bent and, unfortunately, do not have policies directed towards advancing the needs of ordinary Australians, particularly our young people.

As has been pointed out, this bill makes a number of changes to funding arrangements for higher education in this country. It amends the Higher Education Funding Act to adjust financial assistance to universities to reflect changes in price movements and other factors; it makes changes to operating grants and reallocates unspent funds from previous years; and it indexes all higher education funding and makes some changes to HECS.

In part, the government has come good on some of its promises in respect of education that were outlined in this year’s budget. I note the appearance of the minister in the chamber. Obviously, he has been listening. He has discovered that he should be in the chamber for this debate. I thank the minister for turning up. Whenever this government keeps its promises, you have to start wondering because the promises it keeps are usually the ones that are going to hit the people in the neck. We see that from this government in the area of education, with respect to its new system for school funding. That is another matter we will debate in due course. Some of the government’s commitments include the new bonded scholarships for medical students, some additional funding for the research, infrastructure and facilities scheme and some additional funding for strategic partnerships with industry, research and training.

So at the outset I can indicate, as has been indicated by previous speakers, that the opposition is not opposing the legislation per se, but it leaves a lot to be desired. The legislation falls way short, firstly, of redressing the damage that has been done by this government since it was elected in 1996 to the education sector, particularly to higher education, which we are focusing on in this bill. Secondly, it does absolutely nothing towards developing the knowledge nation that this country so desperately needs to be successful in an increasingly competitive world.
This government’s record—and we have to reflect upon this government’s record, as previous speakers from the opposition have done—is shameful. It should be pointed out time and again how shameful it is. I would like to cover some of the shameful decisions this government has made since it came to office. Over the past 4½ years this government has had a very poor record in education. In the vicinity of $1 billion has been cut from Australia’s universities. The previous minister for education, Senator Vanstone, was a member of cabinet. She had a very senior ministerial position. Her approach was to sit around the table with the vice-chancellors and say, ‘Pick a number, fellas—it has to be at least 10 per cent—as to what sort of a cut you are going to get in university funding in the first year.’

Over the last four years, $1 billion has been cut from Australia’s universities. TAFE funding has been slashed. Higher repayments for students on their HECS loans have been introduced. There have been massive cuts to student assistance schemes, totalling more than $500 million. The latest round of changes—a matter which continues to be raised in this parliament and in the community—involves a $60 million cut in funding to public schools as a result of the enrolment benchmark adjustment. That may be the subject of separate legislation to come before the parliament. That issue focuses on funding to government schools, but the inequities of that government decision will impact upon students right across this country. In turn, those inequities, which will be embedded in the system by this government, will affect the chances of students getting access to higher education.

As everyone knows, the opportunities for students to go on to higher education, whether it be at TAFE or at universities, very much depend upon the adequacy of the education they receive in their high school years, particularly the final high school years. I am very concerned that in a range of areas, particularly rural and regional areas, this government’s approach to school funding through this new enrolment benchmark adjustment scheme will make it even more difficult for students from the poorer schools, from the schools in regional and rural Australia, to have access to TAFE and university higher education. We will no doubt come back to debate that legislation in due course.

This government has cut $1 billion from Australia’s universities. All over the world progressive governments are investing heavily in higher education and research to strengthen the skills base of their nation. It is recognised throughout the world that that is where you have to head and that governments have to take the lead and play an increasing role in promoting that research and development. It cannot just be left to the private sector. But in Australia we are going backwards. Even the government’s own Chief Scientist has joined the chorus of condemnation—from right across the spectrum, irrespective of political affiliation—of this government’s lack of investment in research and development. It is a disgrace that Australia is the only advanced Western nation where research and development, both government and private sector, are going backwards. If the government does not take the lead, then the private sector will not follow. It has been demonstrated year after year that investment in research and development has to come from both the private and government sectors, and that government has to take the lead.

About a month ago, I recall visiting the CSIRO facilities in Melbourne during a hearing of the Senate Community Affairs Committee looking at the issue of gene technology. We were visiting the biomolecular facilities there. Plastered all around the walls of that facility were posters saying, ‘Stop the outsourcing of IT in CSIRO’. This was not some campus that Dr Kemp might think is populated by radicals; this was a research institute in our most pre-eminent research body in this country, the CSIRO. I had the opportunity to speak to some people there, including some who have led the world in research in biomolecular technology. They were astounded that this government would even consider outsourcing research work that had been done for years within the CSIRO, an essentially government funded organisation. And, frankly, I am astounded. Where are we heading when that is this govern-
ment’s approach to research and development?

But we know that this minister is ideologically driven when it comes to his portfolio. That was made clear only last year when the leaked cabinet plan came out. Remember Dr Kemp’s vision for education? It would have had a profound negative impact on universities in Australia. His proposal was to deregulate university fees, to introduce voucher funding, and to replace HECS with a system of real interest rate loans. Fortunately it became public knowledge that this was Dr Kemp’s real plan—just as Senator Alston had a similar slash and burn policy for the ABC a couple of years ago. Fortunately on this occasion the government was stopped in its tracks because of the public outcry, the outcry from the academic community and from the university administrations themselves and the campaign by the Australian Labor Party to stop it. But unfortunately Dr Kemp is still the minister for education in this government and unfortunately he is still driven by his ideological bent when it comes to education. But that will not be for too much longer, I predict.

If the picture that Minister Kemp’s submission painted at that time was depressing, then I ask honourable senators and people to consider what his view was and what this government’s approach is to rural and regional education. Since this government has been in office, $170 million has been cut from rural and regional universities; $240 million has been slashed from TAFE funding; and the merit based equity scholarship system, which assisted disadvantaged rural students, has been abolished. Dr Kemp stated on the record in February this year that in his view at least 15 universities should never have been created. What an insult to the people living in rural and regional Australia, to say, ‘You are not entitled; you should never have been given a university!’ How does Dr Kemp think that the students attending Southern Cross University in Lismore or Coffs Harbour, or Charles Sturt University, or any one of the other regional universities created in recent years would feel to be told, ‘You were never worth having a university for your region’?

I have had the opportunity, as duty senator, to visit Southern Cross University at Lismore and Coffs Harbour, and a number of other regional universities. I can tell you that those centres are providing excellent educational facilities and opportunities for the students in those regions. In particular, the Coffs Harbour campus of Southern Cross University, which was built and opened during the Keating Labor government, is unique in that on the one campus location it has a university, a TAFE and years 11 and 12 of high school. They are all on the one location, for the first time in Australia. This is unique, in that it enables the synergies to be developed for students from high school through to TAFE or university education. Yet what was Dr Kemp’s approach? He said that these regional areas were not entitled to have those facilities or should not have had those facilities provided to them.

Regional universities provide direct employment opportunities in regional communities. They boost tertiary participation rates by allowing local students to study without having to face the prospect of leaving their families or their homes to move to the cities, as happened in years gone by. But those regional universities, at least 15 of which, Dr Kemp said, should never have been created, are also a boost for small business in those regions. They provide a focus whereby other businesses in the region can develop and grow and thereby contribute to the local economy. That is the case particularly in areas like the North Coast of New South Wales but equally in many other areas where we are seeing some of the more traditional industries either disappear or go through severe downturns due to the changing nature of the economy. What do the stakeholders say? The Australian National University in their report, tabled in this parliament a few months ago, severely criticise this government for its funding cuts. They said that it had placed enormous pressure on students and staff, and they labelled the sector as being in ‘crisis’. In the view of the Australian National University, higher education in this country is in crisis.

It is appropriate that we reflect upon the shameful record of this government and this
minister in terms of their lack of real support for education and research in this country. Student numbers have declined since this government came into office, research funding is down and right across the board we have seen funding cuts. It is only the Labor Party—and clearly this is the content of Senator Carr’s amendment—that has any real prospect of addressing these issues, and no doubt we will see that come to fruition following the next election. In the meantime, I would urge honourable senators to strongly support Senator Carr’s amendment to send a message to Dr Kemp and this government that there are real issues that need to be addressed—and addressed urgently.

Senator LEES (South Australia—Leader of the Australian Democrats) (12.24 p.m.)—I will be very brief because I want to deal with only one aspect of this bill, and that is the money here for the medical scholarship scheme. I wish to flag at this time—we will have the full debate later—the Democrats’ support for this initiative. It is one of the very positive things in this bill. To be able to say to rural Australia that you have potentially some 100 additional doctors a year out there in various practices in rural and regional Australia I believe is a real positive.

I do acknowledge the opposition from the AMA, particularly to the nature of the bond and the nature of the penalty if the bond is broken. However, I have now seen the map and it shows very clearly that the vast outback areas of Australia are not the only ones that are available for these doctors to select. If you lived in Adelaide, you would be within one hour, 1½ hours at the most, of a practice where these scholarships can be worked out. So I do not believe that the doom and gloom is a reality; I believe that, as long as they are fully informed, students who are accessing this money will have an excellent opportunity to get through medicine with a $20,000 a year stipend to assist them, with the obligation to work in an area where they are actually needed. Looking at the major issue for the medical work force in Australia as far as doctors are concerned, it is maldistribution. In fact, we would like to see this extended to nurses and other members of the medical work force because we are also facing a crisis, particularly in rural and regional Australia, in terms of the availability of registered and fully qualified nurses in particular. I commend this particular move that the government is making. We will, no doubt, debate this issue more fully when we see the health bill that goes with it.

Senator COONEY (Victoria) (12.26 p.m.)—The Higher Education Funding Amendment Bill (No. 1) 2000 is, in effect, a money bill. What we should look at in commenting upon it is the second reading speech because it sets out matters which are of some concern. It starts off by saying:

A strong university system is essential to providing Australians with the skills and knowledge required to build a prosperous, democratic society.

There is some concern in that because it talks simply in terms of skills and knowledge. That is really not what it is all about. Certainly, you need skills and knowledge; but what you want are concepts and ideas that can go forward to create a better society. I think the problem with the way the government and this minister think is that they consider that the problem in Australia at the moment is a lack of skills and knowledge, whereas the real lack is a lack of ideas and concepts that can meet the needs of the global village. That is why we are called the old economy—because we think in terms of reproducing what has been known before.

We are not talking about new concepts. I do not simply mean new concepts in terms of technology and science but in terms of ideas generally. I use, by way of illustration, the minister on the other side at the moment. He was chair of the Legal and Constitutional References Committee when it wrote *Trick and treaty?* which developed a new way in which this parliament could deal with treaties. That was a new concept which then went forward. That is the sort of thing that we need—not what is put down in this second reading speech, which talks simply in terms of re-establishing what is already there. Academics, for example—and this deals with academics—are of absolutely vital importance to Australia. I should declare an interest: my eldest son is an academic and,
even taking into account parental pride, Sean Cooney is a brilliant academic.

Senator Conroy—Hear, hear!

Senator Ian Macdonald—Hear, hear!

Senator COONEY—It is agreed upon by Senator Conroy and Senator Ian Macdonald, and I thank them for that. What he is doing is developing new ideas. Of course, Mr Acting Deputy President McKiernan, you know my eldest son, Sean Cooney.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—The father of your grand-daughter.

Senator COONEY—Yes, you are right—the father of Eleanor.

Senator Conroy—So you are the black sheep of the family, are you?

Senator COONEY—I am not going to respond to that! What is wrong with the Higher Education Funding Amendment Bill (No. 1) 2000 and with the rhetoric and thoughts in the second reading speech is that they demonstrate a very limited concept of what education, research and academic life are all about. Higher education is not simply about giving skills, about inheriting skills from someone else and passing them on in a chain that extends over generations. It is not about someone transferring the same lot of skills to the next person in line, with that person passing those same skills to the next person in line and so on—down the chain it goes. We are not going to get anywhere as a nation in the modern world if we adopt that concept. The concept we should be adopting is that of ideas. It must be a concept that meets the requirements of the modern age not only in Australia but elsewhere as well. We are not doing that, and that is why the dollar is low. It is simply a symptom of people overseas, universities overseas and other countries saying, 'Look, Australia, you are a follower. We do not deny for one minute that you have good teachers, that you can teach well what you get from others and that you can pass on knowledge in a very skilful and very proper way. But you do not think up new ideas. You do not think up new ways forward so that this country becomes a leader in the world.'

Australia can become a leader in the world. Look, for example, at Taiwan: they think up ideas. Singapore thinks up ideas. The United States, of course, thinks up ideas. I remember my son telling me when he was in New York that the ideas just flood through New York and through America all the time—it is like an avalanche of ideas. People pick up the good ideas and let the other ones go through to the keeper. If they try to develop an idea and it fails, then so be it—they go straight on to the next idea. That sort of exciting concept is certainly not apparent in the government’s approach to the issue of higher education.

The next paragraph of the second reading speech reads:

As part of a more flexible and responsive system, this Government has sought to create an environment in which universities can develop steady and diverse sources of income.

It is hardly an elevated approach to universities to say, ‘We are going to try to get the universities to be more flexible and responsive’—whatever that may mean—’so they can earn more money.’ That implies the concept of setting up a university in the form of a school: you have primary school and secondary school, and the next school is tertiary school. If you have ‘good teachers’—people who can repeat what they have learned from others—then people are going to pay money to get that knowledge and you are going to earn income. That is not the sort of concept of a university that is going to get this country back to the leading edge. Our dollar will remain where it is until we move beyond that concept.

Of course you have to pass on knowledge. Of course you have to have skills. Of course—and let me make this clear—you have to have many elements in your economy. That includes commodities—Australia is a great supplier of commodities, and it should continue to be. It is also a great supplier of manufactured goods—and so it should be—and that should continue. It is a great supplier of athletes, which is very exciting. But the way in which it is lacking, and why the dollar is down where it is, is that it does not think big in terms of new ideas, not only in the areas of technology and science
but also in the area of social development. That is what is needed.

The second reading speech promotes the concept that education should be made more accessible to all Australians, and that is right. Insofar as it goes, the matters set out in the second reading speech are very legitimate matters for it to raise, but it is leaving out that spark of inspiration that is so needed. For example, the speech says:

At the same time the Government has recognised the need to ensure Australia’s global reputation as a provider of quality higher education is maintained.

And so it should. But it is still only referring to passing on information. It continues:

The Government is currently implementing a historic quality assurance framework for the higher education sector that will maintain Australia’s international reputation for quality university teaching and research.

It has a great reputation for university teaching and research, but does it have a reputation as a place where new ideas are developed, not only in the sandstone universities but generally throughout? Does it have a reputation for developing the new ideas which are going to attract great kudos for Australia, a better dollar and more funds from overseas, or is Australia going to wallow in the current situation in which it finds itself?

Another point I want to comment on in the second reading speech is that it says:

The Workplace Reform Program is providing $259 million in additional funding to universities as an incentive for them to address the industrial relations and management rigidities that are a significant impediment to their further development. The first three universities to qualify for this funding will each receive over $4 million in additional operating grant.

I am not sure exactly how that comes to be in this particular second reading speech. What are they saying? Are they saying, ‘Look, if we adjust the industrial relations system, this is going to lead to all these new ideas that I am talking about, all these new concepts I am talking about,’ or does it mean that academics are going to get less than they presently do? I can tell you, Mr Acting Deputy President, that many academics are living the life almost of a Gandhi compared to what they could get if they were to go into the professions, for example. To be talking, as this seems to be talking, of reducing the entitlements and the remuneration of academics is counter-productive. What we really need is reasonably paid academics, paid in the way that they are paid overseas and paid in a way so that they can have the security which is needed for them to develop ideas, to teach and to do research. There may be nothing sinister in what I have just read in regard to what the government are going to do to academics and their conditions, but on the past record I think there probably is.

Another matter I want to talk to is the issue of medical students. Senator Lees said that the AMA are concerned about this but she is sure that all will be well. Whether you agree with the AMA or not, I think you always have to take into account what they say. Senator Lees says that not only is this a good thing for doctors but also it might be a good thing for nurses to be constrained in this way. I might say that nurses have had to fight bitterly for the sorts of conditions they have got. Nurses are oftentimes very badly dealt with and the struggle of the Australian Nursing Federation has been heroic over the years. If you are going to require doctors and nurses to go into the bush, why not banks? Why not all those other facilities that are lacking in the bush? There are a lot of facilities lacking in the bush, but we seem to be picking on these groups, nurses and doctors, to get out there whereas we are not compelling other groups. What I say is that, if conditions are made proper and decent for doctors, they will go there without this sense of compulsion.

We are not opposing this bill. Senator Carr’s amendment is a very proper addition to the bill. It sets out the issues. But in the end let us remember this: we are not going to get far if we fail to understand universities in the way that this bill seems to fail to understand them. Universities and academic life should teach, should research, should have knowledge and should have skills that they can pass on. In addition, they should have that spark of inspiration, that ability to produce new ideas and new concepts, that not
only make the country better but also make it wealthier. The longer you are in this place and the more often you rise on matters like this, the more you realise that Barry Jones was a truly great man and a great seer.

Senator Vanstone—You should have kept him as your president.

Senator COONEY—What we should do and what you should do, and I am sure you will, Minister, is to listen to his ideas. Perhaps we could get him to come and see you, or you could go and see him and sit at his feet, as I know you would, and learn from his great wisdom.

Senator ELLISON (Western Australia—Special Minister of State) (12.43 p.m.)—The Higher Education Funding Amendment Bill (No. 1) 2000 contains measures that are very important and that form part of the government’s $562 million country health package. This package is the largest effort yet by an Australian government to redress the historical imbalance between rural and city health services. I want to thank Senator Lees for her support in relation to this initiative, which is a very good one indeed for regional Australia. The bill also provides funding for an additional 100 places a year for medical students who are holders of new bonded scholarships for students committed to practise in rural Australia for at least six years. After five years, an additional 500 medical students who will eventually practise in rural areas will be studying in Australian universities. This government is therefore the first to recognise the particular health care needs of regional communities and has taken action to provide more doctors for regional areas. It is a very good initiative for Australia generally. One of the key issues in regional Australia is the question of rural health and having doctors in country Australia. There is no better way of increasing that than to have students who are willing to train and practise in those areas.

This bill also updates the funding amounts in the Higher Education Funding Act to provide supplementation for price movements and to reflect revisions to the estimates for HECS contributions and expenditure on the workplace relations program, and to allow reallocation of unspent funds from 1999 to other funding years. In addition, the bill establishes the base level of funding for universities for 2002.

Debate interrupted.

MATTERS OF PUBLIC INTEREST

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

Zimbabwe: Election

Senator SANDY MACDONALD (New South Wales) (12.45 p.m.)—Last week, Senator Murray presented a report of the Australian parliamentary observer delegation to the June 2000 parliamentary election in Zimbabwe entitled The Parliamentary Elections in Zimbabwe, 24-25 June 2000. I have already spoken on this election in my capacity as an Australian member of the Commonwealth observer mission, which comprised 44 members from 24 Commonwealth countries, including my House of Representatives colleague Ms Julie Bishop from Western Australia and former senator David McGibbon. I do not wish to add much to what I said at that time about the election, except to reaffirm that there was no free and fair election. Also, there was orchestrated violence, especially among the rural poor. This has been the historical record of the ZANU PF party and of Robert Mugabe and was his method well before his success at the Lancaster House inspired 1980 election. He is no democrat, never was and never will be.

In addition, there was a flawed electoral process, especially with the electoral roll and the registration process, and to pretend otherwise is unsupportable. All observer groups—the EU, the Commonwealth, and the US think tanks, including the International Republican Institute and the National Democratic Institute—agreed that the processes before the election were unsatisfactory and the result, though remarkable for the opposition MDC, was hardly laudable. I did make the point—and I will do it again now in this matter of public interest—that Zimbabwe is lucky to have many decent and brave citizens with a very strong commitment to civil society.
Immediately after the June election, many Zimbabweans expected that their country would begin to return to normal. Four months later, their hopes have largely been dashed. Yesterday, I received a letter from one of the bravest people I was fortunate enough to meet in Harare. It came from the Reverend Tim Neill of St Luke’s Church in Highlands. His heartfelt letter says:

... the dire and dreadful situation we are finding ourselves in under the monstrous evil of the present regime. Mugabe’s perfidy, his lack of any common decency, his murderous thugs, are taking our country into a black hole of destruction, of long term poverty and of deep hopelessness and criminal injustices on a wide scale that has not been seen in the history of any Central African country.

Further on, he continues:

When you take the sum and the trend of all these crimes ... you see that the diabolically oppressive Mugabe has not in any way awoken to the utter bankruptcy of his rule, nor has he weakened in his determination to keep power. Rather the very blood and trauma of the victims seem to bring surges of new life to his evil genius and his fellow fiends.

This is not some loopy cleric the likes of which we are all too familiar with in this country. Through force of character, he has a congregation of over 800—about 200 whites and 600 blacks. His family has been in Zimbabwe for a number of generations and his brother is one of the few remaining orthopaedic surgeons in the country.

Clearly, the prevailing mood remains one of uncertainty, frustration and anger. After the June election, Zimbabweans believed that they were leaving six months of violence, farm invasions, racist political rhetoric and the erosion of the rule of law behind. This has clearly not happened. Unfortunately, the economy continues to spiral downwards and, while the Mugabe government includes several new faces, there has been no discernible return to the rule of law or a commitment to good governance. Rather, the opposite is true. There is no positive leadership and there appears to be a lack of realism by anybody close to the president. The conclusion is either that he takes no advice or that no-one is brave enough to offer it. It is probable that the president’s advisers do realise that Zimbabwe’s crisis cannot continue and that time alone will fill the void. There is a sense that some event will bring to a head the choices facing the country. The belief that Mugabe must go is almost universal, and the sooner the better. The opposition leader has announced that he will not seek retribution when President Mugabe chooses to go.

Nobody believes that the country can wait until the 2002 presidential elections as by then the economy will be in a complete shambles. I know we are talking in relative terms, but it must be remembered that Zimbabwe is an incredibly abundant country—it always was—and has the potential to be so again. Since its re-election, the government has announced its desire to compulsorily acquire around 3,000 commercial farms and has publicly identified around 2,000. This is not genuine land reform; the whole land debate never was. It is crass political land manipulation which has already devastated Zimbabwe’s agriculturally based economy without substantial benefits to the new landowners. Around 350,000 farm workers are involved in the farms which are being redistributed. It is one thing to get a wage and have a way of life; it is another thing to be able to earn enough from your piece of land to have a reasonable life. As a landowner myself, I am very aware that just to own the land does not provide the wherewithal to feed families. That is the problem for the 350,000 people who are now becoming landowners.

Mugabe has become more isolated than ever and is apparently determined to continue personal control and not be subject to pressure, even from his international friends like the President of South Africa, President Mbeki. The wider international community has little chance of influencing him, but I do applaud the pressure that has been brought to bear by the leadership in the United States in seeking to apply sanctions. Foreign exchange for petrol and electricity is exceptionally limited. The IMF has provided facilities that will terminate towards the end of November. Then I guess it will be up to the IMF to determine whether it will further extend Zimbabwe’s credit.
The president seems to have learned nothing from the June election, and I suppose it would be reasonable to expect that, after 30 years of applying terror, it is not in his nature to change his method now. President Mugabe’s treatment of the opposition, and particularly of the Leader of the Opposition, Morgan Tsvangirai, in the last couple of days shows that he takes no account of the emergence of a popular and credible opposition. He continues to be in a time warp, and the people who advise him appear totally ineffective in guiding him nationally or rationally. Whether it be those close to him, or whether it be those in the international community, they should all be encouraged to increase their efforts to pressure the government to make it behave in a more rational way.

I am talking about the Zimbabwean crisis, for what it is worth, because we must as an international community continue to signal—and certainly we must from Australia—that the international community cares about Zimbabwe, formerly the jewel of Africa with the best educated population in sub-Saharan Africa and incredibly rich in both human and physical resources. We do that because we care about the people, both black and white. We care about its history, and we certainly care about its position in the world and in Africa.

From every point of view it must be made clear that, when the Zimbabwean government returns to its proud traditions of the rule of law and pursues rational policies that restore fairness and growth to the economy, the international community will be there to assist. In the meantime, there is little we can do of a practical nature other than to highlight the problems and let the people of Zimbabwe know that there are people around the world who are worried about their position. The vast majority of those people deserve a much better and more compassionate government than they have.

Again, as I said in my Senate report about my observations with the Commonwealth observer group, Australia has an exception-ally good record in Zimbabwe. Our aid projects are well managed despite the difficulty of finding suitable projects for which aid can be allocated. Whilst there may be a magnitude of problems—certainly in the treatment of AIDS, AIDS orphans, as well as in education and libraries—there is a whole range of things that Australia can do, is doing and has done. Our budget is quite substantial in comparative terms. It is around $3½ million to $4 million a year, which is very substantial when you compare it with the United States’ aid budget to Zimbabwe, which is around $US11 million to $US12 million a year.

Our diplomatic representation, in my view, is first rate and effective. I wish our high commissioner and her staff well in their strong encouragement to make Zimbabwe get back on course. I congratulate my colleagues Senator Ferguson, Senator Murray and Mr Wilkie MP for their report, which was the Australian parliamentary delegation report as distinct from the Commonwealth report. They have flagged a number of constructive suggestions in that report and, when the report is debated in the Senate, I am sure both Senator Ferguson and Senator Murray will highlight those.

### Trust Bank: Sale

**Senator MURPHY (Tasmania) (12.56 p.m.)**—Today I rise to speak about a matter I have raised in the Senate before. It relates to an issue in my state—the former Trust Bank. The Senate would be aware, as a result of my raising some of the matters before, that an inquiry was conducted by the Tasmanian parliament’s Standing Committee of Public Accounts, which delivered a report to the Tasmanian parliament on the sale of the Trust Bank.

There are just a couple of matters in respect to that report that I wish to raise today. One relates to a part of the report that actually refers to me. The report says that I did not seek to appear before the committee. On 3 May I wrote to the public accounts committee, asking them to advise me of their timetable so that I could seek to make a submission. I had already spoken to the chairman, Mr Tony Fletcher. He asked me whether or not I would appear before the committee. I said I would. I wrote to the committee and the committee replied, saying that they would advise me of a time for me
to appear. As time went by, I did not hear anything from them. I got my office to chase them up, but I still could not get a time to appear before the committee. I had, of course, written to every Tasmanian parliamentarian raising all the issues that I felt ought to be investigated by the public accounts committee. One issue in particular was that in the last year of operation this bank, Australia’s smallest bank, had unexplained expenditure of some $70 million—that is, outside of its wages and salary costs, outside of its rental costs and outside of all of its other costs it spent $70 million. The chairman wrote me a letter and said that somehow—that was for pencils and paper and telephone calls. They could not really explain why because it might have a detrimental effect on the profitability of the bank. I do not know how.

Coming back to this issue with regard to my appearing before the committee, the public accounts committee wrote to me at the end of June and said they would like me to particularise my concerns for them to consider and then they would advise me whether or not I could appear before the committee. I do not know how to particularise $70 million of unexplained expenditure. I do not know how to particularise a whole range of other issues that really needed investigation. I wrote back to them on 28 June. I set all of this out in a letter to the chairman of the public accounts committee. At the end of the letter, I said:

I therefore request your committee to reconsider its decision and allow me to make a presentation to it.

Mr Fletcher seemed to want to ignore that, and in the report he says:

Senator Murphy did not make any further contact with the PAC.

That is just a blatant lie—and this from a parliamentary committee that should report things accurately. I asked them to reconsider and allow me to appear before the committee. They did not. They did not correspond with me further. Those are the facts of the matter and the correspondence will support that.

Coming to the issues in respect of Trust Bank in the very short period of time I have, I asked the police to investigate a range of matters as well. In part, they have done so. No, they have completed an investigation and concluded a number of matters. But I think some of those issues are still unresolved and I have raised this with the police. The police have undertaken to relook at some of the issues. The reason I asked them to do that is this: in terms of its operation, in particular of its officers and directors et cetera, the Trust Bank is governed by the Trustee Banks Act 1985. Section 16C(5) of the Trustee Banks Act 1985 says this:

An officer or employee of a trustee bank must not, in relevant circumstances, make improper use of his or her position as such an officer or employee to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the Trustee Bank.

Here is a little story that I think, quite frankly, shows a prime example of how this has happened. Trust Bank gave a person known as Mr Owen Lindsay Parkinson $100,000 in the form of a sponsorship for a racing car. Mr Owen Lindsay Parkinson did not even own a racing car. Mr Owen Lindsay Parkinson then applied to the bank for a loan to buy a racing car, and the bank—marvellous bank that it was!—took it upon itself, as I understand it, at the direction of Mr Kemp, the managing director, to loan Mr Owen Lindsay Parkinson $90,000 to buy a racing car. That is okay. But what the bank then did—again, as I understand it, at the direction of the managing director, Mr Kemp—was say to Mr Parkinson, ‘And by the way, you can pay the loan out of the $100,000 sponsorship money we have given you.’ If that is not in breach of section 16C(4), I simply do not know what is.

Another matter I raised is in respect of a former officer of this bank who bought a repossessed car, that is, a car that was repossessed by the bank. There is nothing wrong with that. It does happen from time to time. I am not sure it happens with banks but I know it happens with insurance companies et cetera. In this particular case a very interesting set of circumstances occurred. I think it was a Mr Peter Spinks who took possession of this car, and he placed it in a shed that he rented—not far from where I live actually. The car was repossessed. It should have been
sold. Both the customer of the bank and the bank should have sought to recover the money from the value of the car. Of course, as I said, there is nothing wrong with the bank selling an employee a car that has been repossessed. There are processes there to enable them to do that. The car could have been valued. Mr Spinks, if he had an interest in the car, could have said, not unlike any other bank employee, ‘I am interested in buying the car; I will put in a bid in for the car,’ and the bank board could have either accepted or rejected that. But no, not in this case. Mr Spinks took the car and he hid it for over eight weeks. I wonder why.

In the circumstances where a person has an interest in purchasing a vehicle that has been repossessed by the bank, there is a process there you could quite easily go through. The bank could have said, ‘Yes, Mr Spinks, we’ll take an offer from you for the car.’ They could have said, ‘We’ll put a holding order on the car.’ They could have advised the car yard, which is where it was supposed to be, that the car had an offer on it and it was not to be sold. There is nothing wrong with that. But no, it was not the case here. Mr Spinks, who was a senior officer of this bank, took the car and hid it. Again, why did Mr Spinks do that when there was a genuine process available to him and to any other member of the bank staff to buy a car? Why did he do that?

I suggest that he did that for the very reason that is set out here in section 15C(5). He sought to gain an advantage for himself. There is no other explanation for somebody taking a car and hiding it in a shed that they rented. I can deal with, and I will deal with ultimately, the value of the car and the price that Mr Spinks paid for it. As I said, this bank had very clear guidelines under which its officers and directors were obliged to operate. They had a position of trust in the Tasmanian community. They had a very significant responsibility. It is not for them to take advantage of their position, and they should be held accountable for that. Likewise, nor should they provide the type of opportunity that was provided to Mr Owen Lindsay Parkinson in respect of giving him $100,000 for a sponsorship deal for a racing car he never had and then lending him the money, $90,000, to buy the car, which he paid them back with the money they gave him for the sponsorship. That is a fact. If that is not in breach of the Tasmanian Trustee Banks Act, I do not know what is.

Of course, I have raised another issue in relation to the managing director of the bank selling his personal car into the bank’s car pool. It could be said that maybe this was an arrangement the managing director had with his former employee, being the old Savings Bank of Tasmania, but of course no record would show that. The bank records, that is, the assets register, show that only one car was ever sold back into the car pool. This was a car that, according to the recognised valuers of secondhand cars, had a value of somewhere between $28,000 and $32,000. That was the top end of the scale. It was a Rover Stirling. According to my information, it was a 1989 model. This bloke sold it into the bank’s car pool for $44,000.

Of course, the explanation received for that is that the bank used for the vehicle, which was bought for $50,000 two years before, a depreciation figure of 15 per cent. Why? Depreciation is about taxation. The bank would depreciate its own assets for the purposes of taxation but you would not use a depreciation of 15 per cent—let alone the fact that it should have been much higher than that for a secondhand vehicle anyway—to determine a price you would pay somebody for a vehicle. That is simply not the case. Again, just on that brief explanation, because there is still much more detail to come out about this, I would ask anybody how that is not in breach of section 16C(5) of the Trustee Banks Act 1985, which says:

An officer or employee of a trustee bank must not, in relevant circumstances, make improper use of his or her position as such an officer or employee to gain, directly or indirectly, an advantage for himself or herself or for any other person or to cause detriment to the trustee bank.

In the very short period of time I have left, I want to say with respect to people in the banking industry—and they come under enough flak as it is—that for this sort of thing to occur in a small state-based bank—and it was the smallest bank in Aus-
tralia—is outrageous. The fact that it has been allowed to go almost unchallenged, except by me, is a travesty of justice. It is a disgrace that the state government will not take this issue up. Instead, what have they done? They have rewarded people. The chairman of the board has been given another chairman’s responsibility in a paid position. This is a bloke who was with a board of directors who paid themselves half a million dollars in retirement benefit allowances.

(Time expired)

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Senator Murphy, earlier in your speech, you made a comment about a member of the Tasmanian parliament which could have been taken to be reflecting on a member of another parliament. That is not allowed in the standing orders. I ask you to withdraw that comment that you made.

Senator Murphy—I would withdraw any comment in that respect. What I said was that what was in the report was a lie, and it is a lie. That is a fact. There is documentation that will support that. I will not withdraw that. I do not believe I should be asked to withdraw it, because it is a fact. If I am to be asked to withdraw what is a report that reflects on me as a result of a lie, then I will not withdraw it.

The ACTING DEPUTY PRESIDENT—As we heard it at the time—and I must say I missed the words at the time—I thought you were making the comment in relation to a member of parliament. If you are making the comment in relation to a report, there is no need to proceed further with a withdrawal.

Senator Murphy—if I did reflect on the member, that would be the case, but I am talking about what was in the report. What is in the report is a lie.

The ACTING DEPUTY PRESIDENT—Thank you, Senator Murphy. I appreciate your candour.

Moreton Bay Islands

Senator HARRIS (Queensland) (1.13 p.m.)—I rise today to raise a matter of public importance relating to the Moreton Bay islands scandal in Brisbane. The Redland Shire Council has had a program of resuming blocks of land on Russell, Macleay and Lamb islands for some time. This program has seen the value of the land in these areas devalued substantially, in some cases from $75,000 to $2,000 in any one year. The minimum rates on those blocks of land still stand. Some of the other blocks of land on these islands—and there are 14,000 blocks of land involved within the islands—have had their value reduced from $52,000 to $5,000 within a 12-month period, and they still carry the local government’s rateable rate of $800 per annum. So we have the ridiculous situation where a council, through using a section of their regulations pertaining to drainage issues, are devaluing blocks of land to a value below that of the minimum rateable rate for the 12 months and still charging those people the minimum rate, which is in excess of the value of that land. The actions of the Redland Shire Council impact on approximately 30 other countries as well as Australia, because their residents have also purchased land in the bay islands with a view to selling those or ultimately becoming residents of Australia.

A large proportion of the people who have invested in the bay islands have done so as their superannuation. These people, having spent a lifetime paying for these blocks of land, now face not having any retirement funds because they have invested them entirely in these lands.

The situation also affects the existing residents who are living on the islands; and a proportion of those, again, are pensioners. The way in which it affects these pensioners is insidious. Even though the council has substantially reduced the value of the land—and that may be, as I have said, from $75,000 down to $2,000—the department of social security still use the $75,000 value when assessing the assets of these retired people and therefore this is affecting their pensions. We have, through this procedure, which I might add has been going on now for a considerable number of years, had members of the Queensland parliament and this chamber raising this issue in the past, to no avail. I would like to quote from a section of a newspaper, the South-West News, of 5 May 1999:
Inala resident Andre Ripoll planned to retire on his 506sq m Lamb Island block bought in 1973 for $1395.

His valuation dropped from $3400 in 1996 to $500 in 1997 and his annual rates are $478.10.

Mr Ripoll is quoted as saying:

Someone once said to me ‘the sharks in the ocean are bad but the ones on the land are even worse’ and it’s so true.

It is tragic. We also have people who are qualified to value these properties. Mr Iain Herriot is an expert property valuer, and he is critical of the Redland Bay Council’s resumption of land on Russell Island. We have a person who is in the industry, who has the expertise to comment on the values that are actually being placed on these properties, and he is extremely critical. I would like also to quote from the *Courier-Mail* of 4 October 1998. The article is headed ‘Couple lose their dream land’. I will just use the Christian names of the couple. The article says:

Tom and Beverley have been planning the perfect retirement. The Evans are two of 3,280 landowners affected ...

This is the resumption of approximately 4,000 blocks of land. Tom and Beverley go on to say:

It is daylight bloody robbery. I didn’t invest my life savings and a whole lot of hopes and dreams into that land to have it taken off me for one-fifth of what it is worth.

I would like to quote briefly from three letters that have been written to members of parliament in Queensland. The first letter was addressed to the Hon. Terry Mackinroth. The writer says that they pay approximately $800 a year for rates on the island, of which $178 is for water charges, $185 is for electricity and $365 is for land rates. They neither use water nor do they have electricity connected to their block of land and they are questioning what is actually happening to these rates that they are paying on the islands. They go on further to say:

Also the later years when we have come out there we have had hard to find (sic) the ‘Scenic Drive’ since all the street signs have been removed. Also, the road is badly in disrepair. Why? Where does the rates go?

It has become known to us that you Mr Mackinroth—

to whom the letter is addressed—

has expressed in a confidential letter (I think it was of April 1993) that your intention was to let the roads on Russell Island deliberately fall into disrepair.

Where are our rights as citizens?

What does the elected Government do for us? Are they there only to line their own pockets?

The same question (sic) are valid for local government as well.

Another letter addressed to a Mr Brian Puller, one of the current owners of the land, refers to representing an overseas owner. It states:

I represented my friend in Nepal during the meetings with the [Redland Shire Council] while his land is being resumed as a pathway for stormwater runoff after being rezoned Drainage Problem. It is a high block on the main road and certainly had no drainage problems before the council discharged a storm water drain onto it. The council eventually agreed to pay ‘full market value’ (under half the original price paid) for that block of land because they had done earthwork on it without the owner’s permission. But the council’s representative insisted how ‘lucky’ the owner was as they would normally have paid only $200 for a [drainage problem] block.

So people overseas are also being severely ripped off. In a letter to the Hon. Merri Rose, MLA, an owner writes:

The security of property ownership is fundamental in a free democracy. What else could motivate people to battle on for decades if not the security of home ownership? The Redland Council is stealing peoples dreams, stripping the Islands of cash and lavishing the resource on the mainland while the islands have third world conditions on roads and other facilities. The Council has perverted environmental concerns as a means to deny people the right to build on their own property they bought as residential A.

Earlier in the year I travelled over to the islands to carry out an inspection so I would have a personal understanding of the problem that is facing these people. I have stood on a council road which was reasonably formed on one of the slopes looking towards South Stradbroke Island. Immediately on the right hand side of the vacant block that I was standing on was a pole home that was constructed at a cost of $250,000. Approximately three blocks further down to my left
as I was looking across to South Stradbroke a house had been moved onto a block of land and was actually being refurbished. I believe that refurbished house was the property of one of the local Redland Shire councillors. The particular block that I was standing on had been valued at $75,000 and within 12 months had been reduced to $2,000.

The question that I have is: how can we have, adjacent to a property on which the house alone is valued at $250,000, a councillor refurbishing a house a couple of blocks down on the left and yet the block I was standing on was designated ‘drainage problem’?

I believe there are situations where the council has already on-sold at the devalued price certain blocks of land. I also believe that the 4,000 blocks that have been resumed will subsequently be surrounded by resorts. So do we have a situation where these people have been defrauded of their block of land to provide an open area for a resort that is proposed to be built in the area?

The people of the bay islands have previously sent to the Queensland government a petition from owners of the islands. I would like to read into the record the content of that petition. It states:

The Petition of citizens of Queensland as landholders of the Southern Moreton Bay Islands, ratepayers of Redland Shire Council or taxpayers of the State of Queensland, draw to the attention of the House:

Our strong protest at what we believe is unjust treatment by the Redland Shire Council during the 26 year period of their control of the Islands due to their neglect, total mismanagement, diversion of funds and lack of duty of care.

I believe the only way to fix this problem is for this chamber to enlist a Senate inquiry. I believe each one of us would be derelict in our duty if we did not support that call for a Senate inquiry into the bay islands scandal.

Criminal Justice Commission

Senator BRANDIS (Queensland) (1.28 p.m.)—For the past week and a half the people of Queensland have witnessed the exposure of perhaps the most systematic electoral fraud in the modern political history of Australia. Those revelations—

Senator Ludwig—Point of order—

Senator BRANDIS—Which have been made before the Shepherdson inquiry currently sitting in Brisbane—

Senator Ludwig—I rise on a point of order, Mr Acting Deputy President. Perhaps I can also indicate to Senator Brandis that, as a matter of Senate procedure, when a point of order is taken, you resume your seat for the point of order to be taken. My point of order is this: I understand there is a Criminal Justice Commission investigation being conducted in Queensland and Senator Brandis is going to go to that, by the sounds of it. Before he does, I would like to raise the matter of sub judice rules, as a matter of courtesy. It is a matter that will run its course and I am sure the Criminal Justice Commission will find those people at fault, and I in no way resile from that. But it is a properly constituted commission that is hearing matters and should be given due deference.

Senator BRANDIS—I wish to speak to the point of order. There is no proceeding under way in Queensland. There is an inquiry under way. The sub judice rule refers to proceedings before a court, not public inquiries. In any event, all I propose to do is to refer to evidence which is part of the public record and also to direct attention to the possibility—I do not intend to state a conclusion—of the commission of offences.

Senator Harris—I rise to speak on the point of order to support Senator Brandis. The ruling relates to court proceedings. The inquiry, as Senator Brandis has said, is exactly that, and I believe that there is no point of order.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—Senator Harris, there is no point of order. The sub judice rule does not actually apply under our standing orders. In actual fact, it is not a court that is in progress in Queensland. There is no point of order.

Senator BRANDIS—Mr Acting Deputy President, before I resume, may I apologise to you and my friend Senator Ludwig. I did not hear his announcement of a point of order.
The revelations made before the Shepherdson inquiry currently sitting in Brisbane disclose the existence of a culture of corruption and illegality within some sections of the Queensland branch of the Australian Labor Party which is deep-seated, systemic and extensive.

The Shepherdson inquiry was established by the Criminal Justice Commission on the advice of its independent counsel, Mr Phillip McMurdo QC. In his advice, delivered on 5 September, Mr McMurdo said:

... a reasonable suspicion of official misconduct exists in respect of:

(a) conduct affecting the electoral roll relevant to the conduct in 1996 of a plebiscite for the selection of the Labor candidate for the State electorate of Townsville;

(b) conduct affecting the electoral roll for the by-election for the seat of Mundingburra held in 1996;

(c) conduct affecting the electoral roll for the purposes of a plebiscite in 1993 for the selection of the Labor candidate for the ward of East Brisbane;

(d) conduct affecting the electoral roll for the purposes of a plebiscite in 1993 for the selection of the Labor candidate for the ward of Morning-side.

In recommending that a public inquiry be conducted, Mr McMurdo said:

This subject matter is of fundamental importance to public confidence in the efficacy of the electoral laws, as well as in the holders of appointments in the Legislative Assembly and local governments. That public confidence is already affected by the publicity which has been given to the Ehrmann case and related allegations.

Mr Shepherdson's inquiry is still in its early days, but already the picture which has emerged is of a political party, some of whose leaders and key operatives hold not merely the electoral process but the law itself in contempt.

The litany of criminality within sections of the Queensland ALP already exposed before Mr Shepherdson will no doubt keep my friends at the criminal bar in Brisbane busy and prosperous for a long time to come. Let us look at that litany of criminality as revealed by ALP members and operatives themselves.

First, there is the letterbox scam. On 4 October, Shane Foster, a prominent Townsville ALP operative who had himself last year pleaded guilty to 22 counts of electoral fraud, testified that it was a common practice for Labor Party operatives in Townsville to intercept mail as soon as it had been delivered to one of the 'safe houses' of the rival ALP faction, in order to steal electoral enrolment forms. Anyone who engaged in that practice would have committed the offence of stealing postal messages, a crime against section 85P of the Commonwealth Crimes Act, punishable by five years imprisonment.

According to the evidence of another witness and ALP operative, Peter McVeane, those intercepting the mail were alerted by a 'mole' within the Australian Electoral Commission. Officers of the Australian Electoral Commission are, by section 29 of the Commonwealth Electoral Act, employed under the terms of the Public Service Act. They are therefore Commonwealth officers subject to the secrecy requirements of the act and the code of conduct promulgated under it. By section 70 of the Commonwealth Crimes Act, any Commonwealth officer who communicates to an unauthorised person any fact which comes to his knowledge by virtue of his office and which it is his duty not to disclose is guilty of an offence punishable by two years imprisonment. Such conduct is also an offence under section 85 of the Queensland Criminal Code. And, of course, anyone who was party to this scam, who encouraged the 'mole' within the AEC to commit this serious breach of the Crimes Act and the Criminal Code, was engaged in a conspiracy to commit the offence under section 7A of the Commonwealth Crimes Act.

But the mail interception scam, serious though it be, is far from the most serious of the criminal activities allegedly engaged in at high levels within the Queensland Labor Party. As honourable senators know, the genesis of the Shepherdson inquiry was the plea of guilty by a former Labor councillor and state parliamentary candidate, Karen Ehrmann, to the offence of forging and uttering electoral enrolment forms in breach of section 63 of the Commonwealth Crimes
Act—an offence for which she is now in prison. On 15 August last year I read to the Senate some of the sentencing remarks of Her Honour Judge Wolfe. In sworn evidence Karen Ehrmann stated that the practice was common in the ALP in Townsville.

But most seriously of all, more seriously than the evidence given in her own proceedings, was the evidence given by Karen Ehrmann to the Shepherdson inquiry of fraudulent enrolment not merely for the purpose of participating in plebiscites, but for the purposes of voting at elections. The right to vote in a state election in Queensland is only exercisable in the electoral district for which the elector is enrolled. By section 64 of the Queensland Electoral Act, the entitlement to enrolment is the same as under the Commonwealth Electoral Act, that is, the person must actually live in the electoral district and have lived there for at least one month. According to Ehrmann’s evidence before Shepherdson, the practice engaged in on the instructions of senior ALP officials was the enrolment of floating voters, in particular in the seat of Mundingburra prior to the Mundingburra by-election. Allow me to read from the Courier-Mail report on 5 October of Ehrmann’s evidence on 4 October:

Labor party members were phoned systematically and told to enrol in the knife-edge 1996 Mundingburra election in Townsville, even though they lived in Brisbane, the Shepherdson inquiry was told yesterday.

Jailed Labor identity Karen Ehrmann said she was told of the organised rort by Labor Party returning officer Joan Budd—who, I interpolate, was then and still is on the staff of the Deputy Premier, Mr Elder. The report goes on:

“As an act of friendship, Joan offered free accommodation at her house. It was during that election period that she asked me if any of the charges”—that is, the charges against Ehrmann—were to do with the period of the Mundingburra by-election.”

“She told me that she was aware that people were phoned in different parts of Brisbane and asked for names to be enrolled in Mundingburra, obviously to vote in the Mundingburra by-election.

“She also said that if I repeated it or anyone asked she would deny it.”

The report goes on to say Mrs Ehrmann gave evidence that:

... Ms Budd ... had told her that she knew forged white Electoral Commission cards were being tendered as proof that prospective ALP members were on the electoral roll.

The report continues:

She said Ms Budd, who described the practice as “quite stupid”, had named former party organiser and AWU faction member Lee Bermingham as responsible.

Any person who engaged in that particular fraud would have committed an offence under section 117 of the Queensland Criminal Code, which provides that any person who makes, in a claim to be inserted in a list of electors, any statement which is, to the person’s knowledge, false in any material particular is guilty of a crime and is liable to imprisonment for seven years. Anyone who participated may also be guilty of the offence of conspiracy which, under section 541 of the Queensland Criminal Code, is also punishable by seven years imprisonment.

Of all the evidence which the Shepherdson inquiry has so far heard, this is the most serious. It is more than just the commission of yet another crime. It amounts to nothing less than a criminal attempt to steal the Mundingburra by-election. Honourable senators will remember that it was the Labor Party’s narrow defeat in the Mundingburra by-election on 3 February 1996 which brought about the fall of the Goss Labor government. It is seldom in Australian history that a government has been changed at a by-election. But Mundingburra was such a case and, disgracefully, as the evidence before the Shepherdson inquiry reveals, Australian Labor Party operatives tried to win that by-election by criminal conduct.

The allegations as to Mundingburra are of a far higher order of magnitude than the revelations made by Ehrmann in her own criminal proceedings or the matters which I raised in the Senate on 15 August. Those allegations were concerned with fraud in the preselection process and the attendant forging of Commonwealth documents to facilitate a preselection fraud. But the allegations
before the Shepherdson inquiry are far graver, for they suggest a deliberate, systematic and criminal attempt, sanctioned from on high within the Queensland branch of the Labor Party, to secure a fraudulent result in a by-election, and by that fraud to cling illicitly to government.

Now we know who was the state secretary of the Australian Labor Party at the time—Mr Mike Kaiser, now the state member for Woodridge. Mr Kaiser, as state secretary, had direct responsibility for Labor’s campaign at the by-election. Does anybody seriously believe that Mr Kaiser knew nothing of these events? Does anybody seriously believe his Carmen Lawrence-like protestations of ignorance? Yet, incredibly, in his evidence before the commission yesterday, as reported in this morning’s Sydney Morning Herald, Mr Kaiser attempted to wash his hands of the whole affair. Let me read from the report in the Sydney Morning Herald:

“The former State secretary of the Queensland Labor Party—and now government MP—Mr Mike Kaiser, yesterday said allegations of electoral wrongdoing were common in the ALP, but it was not up to the party to deal with them. “The [Labor] Party isn’t some kind of vigilante group that goes out and upholds the law ... I’ve always believed that the onus is on the person making the allegation to refer the matter to the police or the Electoral Commission in circumstances where they believe the allegation is valid,” he said.

Last week in the Queensland parliament Mr Kaiser, by now in deep denial, said, ‘The Shepherdson inquiry is not an inquiry into the Labor Party.’ That’s a bit like saying that the Fitzgerald inquiry was not an inquiry about the Bjelke-Petersen government. In truth, the Shepherdson inquiry is precisely what Mr Kaiser cannot bring himself to admit it is: it is the Beattie government’s Fitzgerald inquiry. In the same way, he cannot bring himself to accept his responsibility, if not culpability, for the events before the Shepherdson inquiry.

Like all governments which are revealed to have gained or to have held on to power by corrupt or unlawful means—like the Bjelke-Petersen government, like the Carmen Lawrence government—no doubt the Beattie government will be judged next year by the people of Queensland not for what it claims to be but for what it has now been exposed to be.

Ministerial Hospitality Expenses

Senator ROBERT RAY (Victoria) (1.42 p.m.)—Some senators will recall I had reason to complain in this chamber some weeks ago of the failure of the Minister for Health and Aged Care, Dr Wooldridge, to answer a question about his hospitality and entertainment expenses. They will recall that it took four months even to put in an answer, and he was only prodded to do so when I raised it with Senator Herron earlier that morning. He said that he would not answer the question because it would divert parliamentary resources. This did not stop nine of his colleagues answering an identical question over the past two years, some of whom may have regretted it, others of whom would have validated the proper probity of ministerial responsibility.

Having been rebuffed in that particular way, I put another 11 questions on notice relating to this. Of course, you would not be surprised, Mr Deputy President, that none of these questions have been answered, in spite of the 30-day rule. Then I was motivated at the same time to put in a freedom of information request to the Department of Health and Aged Care for the information I was seeking. I have now had that information provided to me by the Department of Health and Aged Care. We are very used in this chamber to throwing around the criticisms. Let me at least compliment the department of health. It promptly processed my freedom of information request. It did it promptly and fully, and it is to be complimented. So I think I am entitled to draw the conclusion that it was not the department that refused to answer the questions I put on notice; it was the minister’s office and his sole responsibility.

When put to the test, the department of health has come through with flying colours.

What was my motive for putting in an FOI? Actually, I wanted to know where Dr Wooldridge was and who he was eating with prior to the radiologists decision and the MRI scandal. And what have I found? I found that, for the first 40 meals, the hospitality occasions, we were given either the
reason for the meal or the names of the individuals involved. But suddenly, in April-May 1998, they are just listed as ‘official hospitality’. The next 13 occasions after that period specify who the dinner was for or what the purpose of the dinner was. Is this coincidence or is this conspiracy? Further investigation actually argues in favour of coincidence. The fact is there is no evidence to suggest Dr Wooldridge was dining with radiologists and sticking the taxpayer with the bill. After all, when you are giving them that much, why would you stick the taxpayer with the bill?

But the most curious one, just listed as ‘official hospitality’, relates to 5 May 1998. He was not meeting with the radiologists. It appears that he was meeting with Internet consultants. It is quite a story in itself. This is the story. The department of health employs Jonathan Gaul, the well-known Liberal glitterati from Canberra, to introduce a home page for the department of health. He then sets up another company—brand-new, which do not do anything else—and they subcontract to Nobles from the US, who, of course, are political consultants and have nothing to do with health. So for $128,000 they are supposed to set up a home page or a web page for the department of health—which, incidentally, they totally botch because they have had no experience in health—but at the same time they set up Dr Wooldridge’s political home page in his office, the one that he has boasted about so often in terms of his campaign in Casey. It appears that Dr Wooldridge on 5 May 1998 was having dinner with a key consultant from that particular organisation. After having dinner with him, the dinner is then listed as official hospitality because you would not want anyone to know that you have charged the taxpayers for having dinner with a person who is setting up your political home page to assist you in campaigning.

I have had reason to say before that there are insufficient guidelines to do with hospitality for ministers. There have been some guidelines in separate departments. This is true under Labor and coalition administrations. But there has not been a universal guidance issued, and there should have been. Having reviewed these issues a couple of years ago, the government should have taken action on this matter. No action has been taken other than a conspiratorial meeting by senior advisers to determine that no individual names will ever be released in answer to questions on these matters.

These matters fall into three categories: genuine entertainment that all ministers should, in fact, involve themselves in; dubious ones where they really should think twice about the reasons for the hospitality; and, finally, rorts. With regard to Dr Wooldridge, many of them are proper official entertainments. Many of them are dubious. I do not allege any are rorts, but many are of a dubious nature. But, of course, Dr Wooldridge’s hospitality reminds me of that old Lucky Starr song I’ve Been Everywhere, Man. It is true that, for someone like me, whom you cannot accuse of being calorie challenged—that is code for saying someone who is fat—where Dr Wooldridge eats is music to my ears. He, as the minister for health, has to be my future inspiration for knowing where to dine. So where has Dr Wooldridge dined over the last few years at taxpayers’ expense? He was at the Rockpool restaurant in Sydney—not particularly downmarket, we would all agree; Alfredo at Bulletin restaurant, Sydney; Botticelli restaurant, Double Bay; Machiavelli restaurant, Sydney; Forty One Restaurant, Sydney; Bennelong Restaurant, Sydney; Edna’s Table restaurant, Sydney; the Travota Cafe restaurant, Sydney. I just say to any restaurants in Sydney that are going bad: give the doc a ring, your business will pick up.

In my own home state, where has he been? He’s been to Madam Fangs, Melbourne; Glencoe, Mont Albert; Simply French, Melbourne; the Flower Drum, Melbourne, rated the best restaurant in Victoria; Bamboo House, Melbourne; Marchetti’s Tuscan Grill, Melbourne; Kenzan Japanese Restaurant, Melbourne; Langtons Restaurant, Melbourne. I tell you what: Hungry Jack’s or Nando’s need not even apply, he is not interested.

In Canberra he has been to the Oak Room at the Hyatt; The Tryst, Manuka; the Tang Dynasty, Kingston, one of my favourites; La
Dolce Vita, Kingston; Chez Moustache, Narrabundah; and the Ottoman, Manuka. On his one trip to Perth he managed to call into the King Street Cafe. In addition to this, there are a lot of meals at the Melbourne Club, the Commonwealth Club, and the Athenaeum Club—clubs that I am not expert on. I dare say that if I ever entered the Melbourne Club I would be tarred and feathered.

What is the total cost of Dr Wooldridge’s largesse? Between 1 July 1996 and 29 March 2000, at the 72 functions where the tab was picked up by the taxpayer, it amounted to $34,775 in all. Just think of the calories. Now I have to say—and I reiterate—a number of these functions are legitimate and I do not criticise them. For instance, I think he took the Singaporean health minister out to a restaurant. That is a totally legitimate expense. That is expected of him, and so he should.

Senator Boswell—He should have taken him to Harry’s Cafe de Wheels.

Senator ROBERT RAY—You have raised the question, Senator, of where he has taken them. What are the dubious ones? I would be interested in Senator Boswell’s judgment on this; it would be quite interesting. This is the first Liberal to have erred. It is usually the National Party that have shoved their snouts right into the trough. We have had to say before that the old National Party have bigger snouts than aardvarks. Well, we have a comparison here. Let us look at the top 10 of Dr Wooldridge’s dubious claims. The first one that I came across was that he had dinner with Mr Chris Pyne MP in the parliamentary dining room in March 1997. Imagine us as ministers going into the dining room with a colleague and sticking the bill to the taxpayer. It is absolute nonsense. An eminent senator like Senator Kemp would never do something like that. He would never stick the taxpayer with a bill just for a meal in the parliamentary dining room.

Let us move to example number two, lunch with Mr Chris Miles MP, Machiavelli Restaurant Sydney, September 1997. Again, you take a colleague out to lunch, have a bit of a chinwag about the Lyons Forum or something and stick the taxpayer with the bill. Then the third one, lunch with Miss Helen Shardey, who is the member for Caulfield in the state parliament at Simply French restaurant in Melbourne. Guess what day? Two days before Christmas. How can we not pay for it? Stick it to the taxpayer by putting it into the department of health.

Then the fourth one, breakfast with the AMA in Sydney. Well, that is fairly legitimate except that he is on travel allowance and he has own breakfast paid for along with the AMA. Now, maybe there should be tighter guidelines on that. There are not, so I do not really find that a major crime. Then he has a meal with some state MLAs in Victoria, Kenzan Japanese Restaurant. Again, we, the federal taxpayer, get hit with the bill when he is out there talking to state parliamentarians. What of this one of 10 December 1998? I remind members that this was the night the Senate passed the health rebate bill. Remember that? There were big celebrations. At 1.25 in the morning, Dr Wooldridge rings room service and orders three bottles of Yellowglen to celebrate with AMA officials—$125 plus $4 room service—and then sticks it to the taxpayer. Having already stuck them with a bill of $2 billion what does another $78 plus room service matter?

Why does he not put his hand in his own pocket and pay for that sort of thing? The next one I want to note is dinner for two at Tang Dynasty. I have admitted it is one of my favourite restaurants. I dined there last Thursday night, with GST, with someone else, for $85, but the doc—

Senator Chris Evans—who paid?

Senator ROBERT RAY—I paid. But the doc runs up a bill just for two—pre-GST, pre-price rises—of $255. For $300 for dinner for two at the Tang. But who picked it up? Not the doc, oh no—straight into the taxpayers’ pockets to lift that one out. Then there are five other dinners which are listed only as official hospitality. Well, for heaven’s sake, how can the department of health reimburse those when no reason is given and there is no justification at all given by Dr Wooldridge for what the function was? Five official hospitalities and no indication of who
the guests were or whether it was for official purposes or otherwise.

On one of the bills that Dr Wooldridge sent in something very curious appears, albeit probably by accident. It was on 20 March this year. On Dr Wooldridge’s note-paper, he sent a letter to the department for reimbursement. He asked to be reimbursed for dinner with the HIC chairman, lunch with Rob Knowles and dinner with Professor Stanley, coming to $330 in all. Just underneath, he says, ‘Submitted ages ago—AMA subscription, $233.’ I do not understand what that means. Surely he is not sticking his department with his own union dues, or is it for a magazine?

I make no allegation but I do ask Dr Wooldridge to explain what that demand on the department means. I am quite sure if he paid for it himself, he would have claimed it off his tax. I am equally certain that that probably is not his AMA one because no-one, not even Mr Reith, would have been dopey enough to have the department pay their union dues and then pull it back off his tax.

There is one last one that does interest me out of voyeurism; that is, a bill at the Melbourne Club on 3 May 1999. Again, we are not told who was there. It is one of these official hospitalities. The bill is staggeringly small—$23.50 worth of drinks. Imagine billing your department for that. Wouldn’t you put your hand in your pocket? I notice immediately at the same function there was an order for cigarettes and tobacco worth $10.80. As one of those sinful smokers, I am at least pleased that Dr Wooldridge will pay for someone else’s cigarettes and tobacco at such a function, even though he then sticks the taxpayer with the bill.

What these documents reveal is genuine functions and dubious ones. There is a need for guidelines. It is long overdue. It should have been done in the last two years. It should have been done in the last 10 years. We do need guidelines. Some departments have them. For instance, any time I had to entertain—and it was only people from overseas—I had to submit that request to the secretary to the department for approval before the function occurred. I am sure that was the case in others.

I also know that there have been faults on all sides over history in this. But I now know why Dr Wooldridge did not want this information out. They share so many dubious claims over so many years, no wonder he used excuses to try to censor this material. I require him to at least respond to some of these dinners and entertainment in order to satisfy the taxpayers that their money has not been wasted.

**QUESTIONS WITHOUT NOTICE**

**Health: National Child Nutrition Program**

**Senator DENMAN** (2.00 p.m.)—My question is to Senator Herron, representing the Minister for Health and Aged Care. Can the minister explain why 15 months have elapsed since the Howard government agreed to provide $15 million in new funding for a national child nutrition program as a part of the government’s GST deal with the Democrats?

**Senator HERRON**—Madam President, I have to confess that, as far as I can see, I do not have a brief on that specific question. One has to realise that this is a new and innovative program and one also has to take into account and ask: what did the Labor Party do in the 13 years they were in power in relation to an innovative program for child nutrition? The reality is that we are a government of innovation, we are a government of progress and we are a government producing new programs with a vision for the future. Obviously, this is part of that program. To get back to the question itself, as I said, I do not have an answer to that question within my brief and I will respond to Senator Denman as soon as it is reasonably possible to do so.

**Senator DENMAN**—Madam President, I ask a supplementary question. Can the minister confirm, when he does get his brief, that it is now nearly six months since the government received 400 submissions from community groups seeking funding for the child nutrition project? I ask again: why is the Howard government procrastinating on this important project?
Senator HERRON—I am sure it is not a matter of procrastination. Unlike the Labor Party, we want to see that the money is spent correctly. Having 400 applicants for the program obviously would take a certain amount of time to process, and I would think it is in the interests of the taxpayer, as Senator Ray is often so concerned about, that due process is followed and that a mechanism is gone through so that the money goes to the most benefit for the taxpayer out of this process.

Water: Salinity Action Plan
Senator SANDY MACDONALD (2.02 p.m.)—My question is to the Minister for the Environment and Heritage, Senator Hill. Minister, how will the Prime Minister’s action plan on salinity and water quality further build on the environmental achievements of the Howard government? Can the minister inform the Senate of community reaction to the plan?

Senator HILL—I think it is fair to say that the Prime Minister’s announcement yesterday of an action plan to address salinity and water quality has been very well received. In fact, the reaction has been overwhelmingly positive. Under the action plan, the Commonwealth will commit some $700 million in funding.

Senator Schacht—Over seven years.

Senator HILL—That will be matched dollar for dollar by the states. That is $1.4 billion, Senator Schacht, to fund initiatives over some 20 key catchments across the nation. Of course, the farming community will play a key role in delivering on this plan, so it was pleasing to see the National Farmers Federation endorsing the Prime Minister’s statement. The federation’s acting president, Wayne Cornish, said that the ‘NFF applauds the Prime Minister’s leadership on the issue’. He went on to call on the states and territories to collaborate with the Commonwealth in solving the degradation caused by dryland salinity. That call has been echoed by many environmental groups that have also swung behind the Prime Minister’s plan. The World Wide Fund for Nature put out a media statement entitled ‘Government’s salinity and water quality action plan the only way forward’. It reads:

WWF Australia has welcomed the Federal Government’s new action plan on salinity and water quality as a significant step forward in developing a rational, strategic and coordinated approach to two of Australia’s most pressing environmental concerns.

Salinity and water quality are big issues, of course, in my home state of South Australia, so it was pleasing to see the Conservation Council of South Australia say:

The PM has adopted a number of strategic elements that conservation groups have been calling for. If the PM is successful in getting the states to sign up this will be the first time ecosystem needs have really underpinned natural resource management decision-making.

They were supported by the Conservation Council of Western Australia, which said:

The package will provide an important focus for improving and coordinating the country’s efforts into dealing with one of our largest environmental problems—dryland salinity and associated water quality issues.

So the response has been good, reflecting strong community support for the actions that we are proposing. Surprise, surprise: of course, the only party out of step is the Australian Conservation Foundation. It can never bring itself to say a good word on any government plan. In fact, it slammed the initiative at 10 a.m. yesterday, two hours before it was released publicly.

Senator Bolkus—You know they had the details.

Senator Schacht—It needs even more money.

Senator HILL—So don’t worry about the details, just assume it is no good. Where does the Labor Party stand? All Mr Beazley could say is what Senator Schacht was saying a minute ago: it needs even more money.

Senator Bolkus—You cut it back. That’s a 50 per cent cutback.

Senator HILL—So, presumably therefore, Labor endorses the plan. But Labor says it will find more funds. So where would Labor find more funding? Will it do what it did when last in government: put up direct or indirect taxes? Will it borrow more? Or, Senator Bolkus, is the real story that it will chop up Telstra and sell it in little bits?
The PRESIDENT—Order! Senator Bolkus, you have been interjecting persistently since the minister started answering. There is no place for you to keep chattering as you are doing.

National Institute of Clinical Studies: Establishment

Senator BUCKLAND (2.06 p.m.)—My question without notice is directed to Senator Herron, the Minister representing the Minister for Health and Aged Care. Why has the minister for health again failed to meet his own deadline for establishing a national institute of clinical studies before September 2000? Given that the Australian public has been waiting for some decisive action on the alarmingly high rate of adverse incidents in Australia’s hospitals since the first comprehensive report on this subject was released in 1995, why has it taken so many years to act?

Senator HERRON—The original report was a Labor Party instituted report, and there was considerable dispute about the validity of the conclusions that were drawn in that report. The evidence that it was based on was subject to statistical analysis, and a lot of the matters that were brought forward were inevitable consequences of people coming into hospital with severe illnesses that required a lot of investigation and analysis. We gave a commitment when we came into government that we would analyse that report and institute programs that would have beneficial outcomes. In other words, we were concerned about the outcomes of the procedures that were put in place. As anybody working in a hospital will tell you—a nurse, a doctor or any of the ancillary people—one of the great burdens that has existed since the Labor Party was in power for 13 years is the bookwork that they have to complete.

One of the problems is that the bookwork distracts from the clinical care of patients. If you are not going to produce a beneficial outcome as a result of instituting changes, then why institute them just for the purposes of documentation or in response to a report? The answer to the question is that time is being taken so that we will know that there will be a beneficial outcome as a result of instituting the recommendations. I will get back to the senator with a reply from the minister in greater detail, which will perhaps be of benefit to him.

Senator BUCKLAND—Madam President, I ask a supplementary question. Is the minister aware of the recent serious incidents involving children at the Joondalup Hospital in Western Australia, one involving the death of a child and the other involving a child who was sent to the morgue before being found to be still alive? Why isn’t the government showing more urgency on this crucial issue by ensuring that prompt action is taken nationally to reduce the frequency of adverse events in hospitals?

Senator HERRON—The senator should know that hospitals are a state government responsibility. They are responsible. There are regulatory bodies at state level. Each state has its own regulations and its own responsibilities, particularly for public hospitals. Yes, I did see that press report. There are reports of that nature from time to time, and they warrant investigation first of all by the hospital. Every public hospital has its own committee that looks into adverse incidents within that hospital. I believe that the mechanisms that are in place are an adequate safeguard for the public because of the very high standing of our public hospitals in Australia, which are some of the best in the world. But ultimately the regulatory function is a responsibility of the state government concerned.

International Year of Volunteers: Government Support

Senator COONAN (2.10 p.m.)—My question without notice is directed to the Minister for Family and Community Services, Senator Newman. Minister, 2001 is the International Year of the Volunteer. Will the Howard government’s support for the International Year of Volunteers?

Senator NEWMAN—I thank Senator Coonan for her question. This is a wonderful time to be talking about volunteers in our society, because I think the whole country feels just as great about the successful work that was achieved by the Olympic volunteers as they do about the success achieved by our athletes. They are all heroes, and the fact that
they have been included in the thankyou parades around Australia is a good indication that the nation is at last paying more attention to the terrific work that volunteers have done in the Olympics and that they will be doing again soon in the Paralympics. But volunteers are working every day of the week throughout the year in Australia, often unhonoured and unsung. I know that some local government bodies over the years have taken measures to see to it that their volunteers are acknowledged and do get recognition, but we all know there are many more who never get an award or any recognition, but they labour on. I am sure that every member of the Senate will join me in congratulating and welcoming the contribution which volunteers do make, all the time, to Australia.

Volunteers are a focal point of the government’s $240 million Stronger Families and Communities Strategy. It is very important to recognise that the benefits of volunteering are very substantial for individuals. Volunteering can open career opportunities for people, and assisting their fellow citizens can provide personal rewards. It can build up self-esteem for people who no longer feel valued, needed or depended upon, and they get an opportunity to feel that they are contributing and to recognise that people do depend upon them. For many isolated people it is an opportunity to become part of their local communities, and I think that is especially true for older Australians. So the community is a great winner from volunteering and, as I said, the volunteers benefit too. I think that the reputation of Australia around the world has been enhanced by the great efforts of the 46,000 volunteers that we saw in the Olympics. They highlighted not just to all of us but also to the rest of the world what can be achieved by committed and dedicated volunteers. I think it is wonderful that we are going to see that continue in the Paralympics.

We need to recognise that volunteers and voluntary organisations build leaders, sustain communities, develop people’s skills, and encourage partnerships. There is research around the world that indicates that where there is a strong and committed volunteer force there is a strong community. Last year’s regional summit of people from all over regional Australia emphasised that volunteers are an essential part of building community capacity. Just last Thursday I had the great pleasure of announcing Commonwealth funding of $2½ million for local community initiatives in the International Year of Volunteers, starting on 5 December, as part of the government’s $240 million Stronger Families and Communities Strategy.

Of the $15.8 million allocated for volunteers under that strategy, $7 million will be spent during the international year alone. This funding will support some 500 community projects. The small grants program will support the international year activities of local community groups. Grants of up to $5,000 will be available for practical initiatives that stimulate local activity across Australia. There will be $1½ million available to fund over 300 projects in the first round of grants, which closes on 10 January.

(Time expired)

Senator COONAN—Madam President, I ask a supplementary question. The minister has informed the Senate about some of the initiatives in the Stronger Families and Communities Strategy. I was wondering whether the minister could inform the Senate of any further policies and initiatives to do with the International Year of Volunteers.

Senator NEWMAN—I thank Senator Coonan for her question. I am delighted to be able to give more information about this. There will be a further $1 million available for more than 200 projects in the second round—and that closes on 10 April. I know the opposition is not listening, but they may be interested in these community grants in their electorates. To be eligible for funding, the activities have to be consistent with the IYV objectives that were developed through a very comprehensive consultation process. I thank and appreciate all the volunteers who contributed to the development of the objectives. It will give us an exciting opportunity next year for celebrating and supporting the vital work of volunteers next year as well as providing a lasting legacy into the future. So Australia will have a great year next year—the Centenary of Federation and the Interna-
I will also be launching a campaign on International Volunteers Day. (Time expired)

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator FAULKNER (2.16 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. Can the minister advise why he repaid over $10,000 with regard to the use of parliamentary entitlements, despite claiming that he had done no wrong, when Mr Reith, who readily admits he has done wrong, repays only two per cent of the debt? Can the minister confirm that former Senators Woods, Colston and Crichton-Browne and the former member for Parkes, Mr Cobb, repaid abuse of their parliamentary entitlements whereas Mr Reith makes only a nominal restitution? What methodology did the Ministerial and Parliamentary Services Division of the Department of Finance and Administration use to determine a repayment figure of $950 for the calls made by Mr Reith’s son?

Senator ELLISON—I understand that that figure was arrived at after correspondence and communication between Mr Reith and the MAPS division in the Department of Finance and Administration. Mr Reith has said that the $950 related to that part of the cost of calls which related to his son, and that was the figure which was arrived at. The remainder of that amount is the subject of a police investigation, and Mr Reith has made it quite clear that does not relate to the use of the card by him or his son and he knows not who has made use of the card in relation to that. So it is quite properly with the police for investigation. As to the payment in my case, I made that quite clear to the Senate when that was dealt with and it is a matter of public record. As to the other matters, I was not minister at that stage and I am not aware of the detail as to those payments.

Senator FAULKNER—Madam President, I ask a supplementary question. Minister, as minister responsible for parliamentary entitlements, why are you not able to explain why you and others, such as former Senators Woods, Colston and Crichton-Browne, repaid misused entitlements in full—even though in your own case you said that no guilt was accepted—while Mr Reith, who has admitted guilt, is allowed to get away with repaying only two per cent of his debt? Why was there a special repayment deal for Mr Reith?

Senator ELLISON—There was no admission of guilt at all. In fact, Mr Reith made it quite clear how he had given the card to his son. He was forthright in explaining that. He contacted the department and they went through the records and he said that the $950 related to the usage of the card by his son. That is how the figure was arrived at. It was arrived at between the department and Mr Reith, and there was no special deal at all. In relation to the other matters. As I said, they were prior to my time as minister.

West Papua: Indonesian Forces

Senator BOURNE (2.20 p.m.)—My question is addressed to the Minister representing the Minister for Foreign Affairs, Senator Hill. Has the minister seen reports of the deteriorating situation in West Papua, including that the Indonesian government not only has sent in British Hawk ground attack aircraft but also has significantly built up the number of TNI in West Papua? Has the minister seen a report from Amnesty International that Indonesian security forces opened fire during attempts to forcibly remove Papuan flags flying in several locations and that at that time two people were shot dead and around 28 injured, including members of the security forces? Does the minister acknowledge that there are distressing similarities between these TNI actions and those of the TNI in East Timor prior to separation from Indonesia?

Senator HILL—I have seen some of these reports. There has always been a separatist movement in Irian Jaya or Papua, and that continues. From time to time, unfortunately, there are violent actions. There have been violent incidents in recent times, and I gather a number of people have been killed and injured. There has been a reaction to the separatist activities by police and Indonesian forces, as suggested by the honourable senator. The Australian government of
course deplores violence of any type and urges the parties to exercise restraint—and, obviously, in this instance, I refer to the people of Irian Jaya as well as the security forces. It is no secret that it is a difficult time politically for Indonesia and that it is having some difficulty in dealing with some of these matters. President Wahid has been to Irian Jaya and has in fact made promises to the MPR that new measures on special autonomy will be put in place by the end of the year. It seems that he has been looking for ways to ease the tension which is at the root of the violence that has occurred. There is little Australia can do, however, in these circumstances, other than urge restraint by all sides and urge that they seek to resolve political matters through non-violent means.

Senator BOURNE—Madam President, I ask a supplementary question. I thank the minister for the answer. Can I ask if he would go back to the Minister for Foreign Affairs and ask, as an example of something Australia can do, if the minister would have a look at Amnesty International’s pleas for international action, asking for information on the 15 people who were detained in connection with the violence that broke out in West Papua on Friday as a result of those killings, which were also a result of raising the flag. Amnesty believes these people are at risk of torture. Could he please ask the minister if Australia would request the Indonesian government for information on the condition and the whereabouts of, and as many other details we can get about, those 15 people who have been detained?

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Senator HILL—As I understand it, and as Senator Ellison has said today in the Senate, the repayment concerns money resulting from telephone calls made by one of Mr Reith’s children, and he decided in such circumstances that he should pay that bill. As I understand it, the other calls that have resulted in the very large sum of money being expended did not relate to Mr Reith’s children, and the circumstances of those calls are being investigated by the police. I think it would be hypothetical to go beyond that at this stage to assume the findings of the police investigation or any action that Mr Reith or the government might wish to take as a result of those findings.

Senator ROBERT RAY—Madam President, I ask a supplementary question. I understand that Senator Hill does not want to chance his arm on the second part of the question. I accept that. But haven’t you seen the various statements in the AM interview, the 7.30 Report and the front page of the Canberra Times in which Mr Reith has asserted that the reason he has paid back $950 was his family responsibility and that—and this, I think, is the crucial point—he is not responsible for the other $49,000 because the PIN number and telecard number were not passed on to any other individual? What I am asking is that, if in fact that does not prove to be the case, is he responsible?

Senator HILL—The circumstances outlined by Senator Ray are as I understand them; but he is asking me to go on and draw conclusions in a set of hypothetical circumstances. I do not think it is appropriate for me to do that.

Diesel Fuel: Price

Senator HARRIS (2.26 p.m.)—My question is directed to Senator Kemp. Is the minister aware that the cost of premium diesel delivered to a Papua New Guinea gold operation is 19c per litre? Is the minister aware that the price becomes much lower in relation to Australian ports of delivery if the delivery is made in large bulk tankers? Is the
minister aware that fuel can be purchased and delivered to one of the smallest ports in Australia for 20c per litre?

Senator Ian Macdonald interjecting—

Senator KEMP—If my colleague would like to answer the question, I am more than happy for him to stand up! I thank Senator Harris for the question. Senator Harris was kind enough to give me about five minutes notice of this question—I must confess. As you would expect, Senator Harris, I have been on the phone to my researchers to see if we can provide you with some additional information. I think five minutes notice is probably a bit too short, actually, Senator Harris, to provide that information to you. The question that came back to me, Senator Harris, was: are you talking about a refined product or unrefined diesel? The refinery price, according to the Shell web site today, is in the order of 40c per litre, and my understanding is that this refinery price is based on import parity. In addition, if the product you are talking about is unrefined diesel, there would be further refining costs associated with that. There may be further storage costs; there may be transport costs as well. I think I would have to look more closely at the actual product to which those figures relate.

Let me make a couple of general observations. This government is concerned about the very high prices of fuel. The Prime Minister, the Treasurer and others in the government have stated on many occasions our concern about the high prices of fuel. It is quite clear that we have seen what can probably more accurately be described as a dramatic increase in the price of diesel and this has been reflected in the world price for diesel has risen. There is no doubt that we have seen what can probably more accurately be described as a dramatic increase in the price of diesel and this has been reflected in higher domestic prices. The higher prices for diesel on international markets reflect a number of factors, including the strong growth in the world economy. I understand that one of the factors which is often mentioned is the booming demand in China and other developing countries.

Senator Harris, in your question I think you were seeking to draw our attention to the high cost of fuel. The government shares your concern. It is quite clear that in the tax reform package we have been able to make some important tax changes which have been able to ease the burden—for example, for heavy truck users of diesel. I think those initiatives have been widely welcomed. It is quite clear that, if those measures had not passed through the Senate and if, for example, the Labor Party policy had been put in place, the cost of diesel to many truck drivers would be 24c to 25c a litre higher.

I conclude by saying, Senator, that we share your concern about the very high prices of diesel and other fuel products. These high prices largely reflect trends on world markets. The government, along with many other countries, has made its views known to the major supplying countries on the need, among other things, to lift the supplies of product onto the world market to take some of the pressure off demand. (Time expired)

Senator HARRIS—Madam President, I ask a supplementary question. Minister, is it correct that the combined excise, customs duty, GST and other charges on fuel are 2½ times the purchase price of that fuel? At present, after all GST and excise rebates have been claimed, businesses—that is, farmers and miners in Australia—still have to pay around 65c per litre for off-road diesel now compared with 32c 12 months ago. Minister, is it correct that this large disparity between the actual real costs of 35c a litre and the 65c a litre that Australians are forced to pay is not so much the result of the greed of the oil companies but is actually due to hidden federal government tariffs, excises or charges and taxes?

Senator KEMP—I would have to say that the questioner is sorely misinformed. In fact, in a number of very important areas the government has eased the taxes on diesel. I have mentioned those particular areas to him. Senator Harris, the government shares your concern—as I have said—about the high prices. But you have to look at where the responsibility lies. The second part of your question, Senator, was an attempt to play cheap politics. The fact of the matter is that the high price of diesel that people are experiencing is due to the high prices on world
markets. The answer to that, in part, is that we need to put pressure on the supplying countries to increase supplies. That is the answer. You should be joining with the government in trying to get that message across loud and clear. To claim that it is the responsibility of the government is complete nonsense and I am surprised that you would lend yourself to that type of argument. *(Time expired)*

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator CARR (2.34 p.m.)—My question is to Senator Alston, representing the Minister for Employment, Workplace Relations and Small Business. Is the minister aware of Mr Reith’s claim on the *7.30 Report* last night that hotel receptionists may be to blame for the $50,000 telecard fraud on the Commonwealth? Can the Minister for Employment, Workplace Relations and Small Business name even one instance where he was asked for both the telecard number and the PIN in order to make a call? Why wasn’t the minister aware that a hotel receptionist can dial the telecard access number and put the call through to the cardholder, thus allowing him to safeguard the security of his telecard by dialling the telecard and the PIN numbers himself?

Senator ALSTON—I did not see Mr Reith on the *7.30 Report* last night. I confess that I had other commitments in relation to a particular dinner which I think some senators on both sides of the chamber might have attended. I would assume that what Mr Reith was referring to was the fact that some hotels—maybe not the five star ones that you lot stay in—will not put you through to directory assistance and will not enable you to make a direct call. In other words, they ask you for the number that you want to dial. I assume that is what Mr Reith was referring to was the fact that some hotels—maybe not the five star ones that you lot stay in—will not give you—

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Senator ALSTON—Okay, so what does he say at the end of it? He says, and this is Beazley at his best—

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The PRESIDENT—Mr Beazley, Senator.

Senator ALSTON—Well, Mr Beazley. He said:

If this is a direct result—

if—

of having passed his phone number out, he is responsible for the whole $50,000.

In other words, he is saying, ‘I am not saying there that he is guilty. I am saying that if that turns out to be the case, he should pay it back.’ So why on earth would he start off by saying, ‘This man ought to pay it back straightaway’?

Mr Beazley is a very confused individual. He obviously does not know the concept of presumption of innocence. What he does know is that he is generally regarded as not much of a hard man. When an opportunity arises he usually drops the ball. On this occasion, because the hard men are in the Senate and because they basically do not want to tackle it in the Reps, he is happy to leave it to Senators Faulkner and Ray to kick the hell out of it wherever possible. But when he is doorstopped he really cannot avoid it. So what does he do? He starts off by saying, ‘Guilty as charged. Pay it back.’ When he is pressed on it—
Senator Newman—He rolls back.

Senator ALSTON—Yes, he rolls back; that’s right. That is exactly what he does. That is about as much as we have got so far from Mr Beazley. In other words, he cannot even run a line. He cannot even stick to the script. Senators Faulkner and Ray tell him: ‘Get out there and say this guy is guilty, pay it back—irrespective.’ So he goes out there and says it. The minute someone asks him, ‘On what basis?’ he says, ‘If it is proved that he is responsible for the $50,000 he ought to repay it then.’ That is a particularly hopeless situation. It demonstrates the fundamental problem you have with a leader as weak as that. You simply cannot flip-flop in politics and expect anyone to take you seriously. You cannot get out there and allow every man and his dog to be out canvassing options on the break-up of Telstra, then basically go to sleep at the wheel and pretend it has nothing to do with you. It is a very sad state of affairs. I know you have a leadership problem. The difficulty, which is quite excruciating, is that there is no-one else around. Unless someone like Senator Ray—who has a bit of talent but who squanders it because he is never prepared to tackle policy issues—is prepared to go down to the lower house and get serious about policy, you lot are absolutely going nowhere.

Senator CARR—Madam President, I ask a supplementary question. I draw the minister’s attention to the question, which concerned Minister Reith’s claim that it was hotel receptionists who might have been involved in the releasing of these details. I ask the minister again: wasn’t the claim that the hotel receptionists might be involved in this mess just another pathetic attempt by Minister Reith to conceal his culperability? How long can this minister go on?

Senator ALSTON—The short answer is no. What was that word he used?

Government senators—‘Culperability’.

Senator ALSTON—‘Culperability’? I see. I understand your problem. Primary school was about as far as you got. The short answer once again is no. What Mr Reith was saying was: ‘My son was directly responsible for the $950. I paid it back. I do not know who incurred the balance of the debt. I am, therefore, not responsible.’ That seems like a fairly straightforward proposition to me. Therefore, he is entitled to say that there are a number of circumstances in which it is possible to envisage someone else accessing that number, whether it is given to a hotel receptionist or whether someone is looking over his shoulder. There are endless possibilities. The onus is on those who claim that the money ought to be repaid to show that Mr Reith is directly responsible. You manifestly have not been able to do that. But once again you want to cut through with the quick slur—(Time expired)

Australian Customs Service: Funding

Senator BRANDIS (2.41 p.m.)—My question is directed to the Minister for Justice and Customs, Senator Vanstone. Will the minister please inform the Senate how the Howard government’s investment in the Australian Customs Service is bringing results at the border, especially in terms of drug seizures and people smuggling?

Senator VANSTONE—I thank the good senator for his very astute question. The Australian Customs Service was included in the Justice portfolio in 1998. That reflected that the government wanted to see better co-ordination between law enforcement agencies and to ensure that law enforcement agencies were well resourced. I am pleased to say that that emphasis has been translated into some fantastic results that are contained in the Customs annual report which was tabled in the Senate today. In drug seizures, for example, the total weight of cocaine seized in 1999-2000 has more than doubled when compared to the previous year. The number of heroin seizures is up by nearly 60 per cent and, while the volume has decreased in relation to heroin seizures, that is simply due to a massive 400 kilo seizure the year before at Port Macquarie. The number of seizures of heroin is up.

Seizures of other drugs have increased from heading towards 2,000 to now heading towards 3,000 in that financial year. That includes steroids, depressants, sedatives, other narcotics and stimulants. In particular, performance enhancing drug seizures have increased from 968 to 1,125. There have
been some major drug seizures over that year. On 1 February, Australia’s largest seizure of cocaine was intercepted on a yacht from New Zealand. A total of 502 kilos was located in 15 bales and six people associated with that importation were arrested. On 20 January the first detection in Australia of black cocaine was made. What first looked like lumps of dirt, through the good work of Customs officers turned out to be 115.5 kilos of cocaine.

In October the year before a shipping container of timber from Indonesia was inspected by Customs. The false bottom in the container was found to contain 219 kilos of high grade heroin. Back to January this year: a container from the Netherlands was seized on some information provided by the Australian Federal Police. When the hydraulic parts that were in the container were deconstructed, over 70 kilos of Ecstasy and 10 kilos of cocaine were found.

Senator Schacht—Just table what you are reading out, Amanda, and get on with it.

Senator VANSTONE—I understand that Senator Schacht and others might not want to listen to this because it is a good news story. We have actually done something about drugs. We are getting the runs on the board. The people who have achieved this deserve to have their work recognised. These seizures show that, despite the sophisticated attempts by drug dealers to evade detection, Customs has clearly been up to the task. It demonstrates that the calibre of our law enforcement personnel is excellent and that the technology they use that backs them up is formidable.

With the financial commitment the government has made, Customs now have the tools to do the job. For instance, they have 19 new ion scanners, installed last year at a cost of nearly $2 million; waterfront closed circuit television at 54 different locations at a cost of $10 million—not all installed yet but the commitment is there; a whole new fleet of Bay class Customs vessels totalling $52 million; and nearly $10 million towards sophisticated X-ray machines. In respect of people smuggling, a $124 million funding boost has been provided, and despite the fact that the suspect illegal entry vessels rose between 1998-99 and 1999-2000, the Customs Coastwatch effectiveness, measured by detection rate, went from 76 to 95 per cent.

At the Olympics, the planning and preparation was just excellent. The government injected an extra $6.5 million to help Customs prepare. From 15 August to 2 October 2000, 1.3 million passed through Sydney international airport and I have not had one complaint. Customs deserve to be congratulated on the excellent work that they have done. I am sure Senator Schacht will not have bothered reading the report. (Time expired)

Radioactive Waste: Argentina

Senator BOLTUS (2.45 p.m.)—My question is to Senator Minchin, the Minister for Industry, Science and Resources. When he told the Senate on 29 August 2000 in response to a question on notice that ‘the contract with INVAR contains provision for the possible return of spent fuel to Argentina for processing’, was the minister aware that article 41 of the Constitution of Argentina prohibits ‘the entry into the national territory of actual or potentially hazardous and radioactive waste’? Has the minister sought from Argentina assurances that the INVAR contract will override this constitutional provision? If so, what assurances has he received? Has he sought independent legal advice on these assurances? If so, from whom, and would he make it public?

Senator MINCHIN—It is remarkable that this story was drawn to our attention on Monday night and appeared in the *Australian* on Tuesday, but Senator Bolkus was so influential in his own ranks that he could not possibly get this question up until today. It is obviously a matter of great stridency and urgency to Senator Bolkus! This is unfortunately the result of a complete campaign of misinformation being directed against this fundamentally important scientific institution in Australia.

Senator Bolkus—Have you read their Constitution? Have you read our Constitution?

Senator MINCHIN—I am very familiar with our Constitution and I have indeed sought advice on Argentina’s Constitution. It
is a rather extraordinary story, in fact. Certainly, we have been advised by the Argentine government that there is absolutely nothing in this story and that there is no inconsistency between the Argentine Constitution and the contract between ANSTO and INVAP to construct this replacement research reactor. ANSTO have advised they have been fully aware of the Argentine law, including the Argentine Constitution, during the tender process for the replacement reactor.

Prior to the selection of the preferred tenderer, INVAP provided to ANSTO advice from the Argentine nuclear regulatory authority that the import of spent fuel for the purpose of reprocessing, the resulting waste to be returned to Australia, would be absolutely and utterly consistent with Argentine law. The facts on Argentina’s law are clear. The temporary entry of radioactive materials intended for a specific use, such as reprocessing of spent fuel rods, is the direct legislative responsibility of the Argentine nuclear regulatory authority. The NRA has advised INVAP that the spent fuel is not considered to be nuclear waste, and its temporary importation would comply fully with Argentine laws.

For those of you who have no idea of what this is all about, which includes much of the opposition—fortunately, not people like Martyn Evans—spent fuel rods go into our reprocessing facility as spent fuel rods; they are not waste. The waste is a product of reprocessing. You extract from the spent fuel rods the useable and salvageable material; a by-product of that process is waste; and, as you well know, under our arrangements the reprocessed waste is then brought back to Australia.

We do all have the responsibility to ensure that we can properly look after our own waste. But there is absolutely no doubt that, in the unlikely event that the dispatch of spent fuel rods to Argentina is required or made use of by ANSTO, under Argentine law there is nothing to prevent those spent fuel rods coming into Argentina, being reprocessed and the resultant waste being sent back to Australia. Argentina at the moment has as a matter of daily practice the importation of uranium and other radioactive materials. That complies fully with Argentine law and the Constitution of Argentina. And, as I say, ANSTO, which is one of our best and, I think, most significant scientific institutions, was well aware of all these issues when it entered into its contractual negotiations with Argentina. This is regrettably another beat-up by those who are determined to prevent Australia replacing its research reactor, an absolutely vital part of Australia’s scientific research infrastructure, which this naive and politically motivated opposition seeks to stop.

Senator BOLKUS—Madam President, I ask a supplementary question. I note the minister was not aware at an earlier time as to the possible constitutional problem. I also note that he has not taken independent legal advice to protect the national interest. Minister, how is it that the due diligence process undertaken by you failed to identify the possible unconstitutional nature of the contractual provision? Isn’t the situation that INVAP and the Australian taxpayer are now totally at the whim of the French tenderer, COGEMA, which cannot under normal contract law principles be forced to take the waste for reprocessing?

Senator MINCHIN—Yet again, we have a supplementary question drafted on the basis of ignorance of the answer given to the previous question. Clearly Senator Bolkus did not listen to a thing I said before he asked this ignorant question. I have already made it clear that there is no doubt as a matter of Argentine law that, if the situation should arise that our spent fuel rods are sent to Argentina, that can occur without any question of contravention of the Argentine Constitution. This was known to ANSTO at the time it was negotiating the matter with INVAP. So there is absolutely no doubt about the opportunity to take advantage of the Argentine offer if that should arise.

Centrelink: Family Payment Debts

Senator BARTLETT (2.51 p.m.)—My question is to the Minister for Family and Community Services, Senator Newman. It relates to family payment estimate debts which are raised by Centrelink and which number thousands annually. Is the minister
aware of the recent AAT decision in the name of Butt, which her department has chosen not to appeal, which found that Centrelink had wrongly raised a family payment debt against a person by incorrectly treating the completion of a form seeking an estimate of annual income as a request to be paid family payment using that estimate? As a consequence, the debt was found to be considerably less than that raised by Centrelink and was waived on the basis that it arose solely due to administrative error. Given that there are thousands of family payment recipients currently repaying significant debts to Centrelink for identical reasons, what action are the Department of Family and Community Services and Centrelink taking to reduce or waive those debts in keeping with the recent AAT decision?

Senator NEWMAN—I am not aware of the case that Senator Bartlett mentions and therefore I am not sure what action is being taken by Centrelink or the department in response. I would say that it is important to recognise that, with the changes to the family tax benefit and the new tax system at the beginning of July, the potential for families to get into debt has been significantly diminished by the opportunity to have their family benefits paid in different ways: by fortnight, for example, or by having a lump sum top up at the end of the year if they have deliberately stated their income to be higher than they think it will probably be, because they will then be entitled to a bit more and they are less likely to fall into a debt situation with Centrelink. I thought that that was a reform that was badly needed. There was never the opportunity for this for people before and that is an improvement on what it has been in the past. I will see if I can get some further information for you, Senator.

Senator BARTLETT—I thank the minister for her answer and I ask a supplementary question. I recognise that the changes that have been made to family payments since I July will lead to a different situation, but would she be able to provide the Senate with information on how many people are currently repaying estimate debts on the basis of family payments as they were previously paid, and how many of those are paying those debts as a result of actions identical to those that were found to be in error by the AAT? Could she also indicate how much money that totals in terms of debts being repaid, whether the department is reconsidering those debts and also whether those debts are included in the compliance activity reports and government figures as alleged Centrelink fraud?

Senator NEWMAN—As I said to the senator before, I will see what information I can get for him. Unfortunately it is a bit hard to hear you at this end, Senator. Quite often it is hard to hear, usually because there is a bit of noise in here, but today I just could not hear all the detail. I will look in Hansard at what you have asked and see what can be provided.

Banking: Interchange Fees

Senator CONROY (2.54 p.m.)—My question is to Senator Kemp, the Minister representing the Minister for Financial Services and Regulation. Has the minister now been briefed on the ACCC and Reserve Bank’s report Debit and credit card schemes in Australia: a study of interchange fees and access, which so damningly exposed the banks’ blatant profiteering on fees and charges? Will the government acknowledge that its failure to direct the ACCC to monitor fees and charges when it was clearly apparent that the banks were ripping off consumers has cost consumers millions of dollars in bank fee increases over the last three years? Will the government now take its head out of the sand and take action to direct the ACCC to formally monitor bank fees and charges?

Senator KEMP—It is no wonder that Greg Sword has given up on you, Senator Conroy. It is absolutely no wonder at all. Senator Conroy, as usual, is completely off the beam. The government welcomes the release of the ACCC and Reserve Bank study into credit and debit card interchange arrangements, which was established in response to a specific recommendation from the government’s financial system inquiry. In other words, this report arose from a recommendation of the Wallis committee. It was a government initiative. Correct me if I am wrong, Senator Conroy, but in the 13 years that you had the levers, what did you do?
The answer is: absolutely nothing. This is what the government does. The government, through the Wallis inquiry, strongly supports the transparency that that brought. As I said, it commissioned the study which has been brought down and which has raised some issues which cause the government concern. The study has found that the current interchange fee arrangements are contributing to the creation of a higher cost retail payments system than is necessary. The other key findings of the study are—

**Senator Conroy**—‘Competition failed’ is what it says.

**The President**—Order! Senator Conroy, you have asked this question and if you need to you may ask a supplementary question when the minister has concluded.

**Senator Kemp**—Senator Conroy, I know it is very difficult but can we get this through to you? This study arose from a recommendation of the Wallis inquiry, which was an initiative by this government. It is the action taken by this government to improve transparency in the financial system which has resulted in this study that is now before the government. The government recognises the importance of interchange fees for the efficiency of the retail payment system and remains committed to the promotion of greater competition and access in the payment system and in the financial system more broadly. The government, let me make it absolutely clear, has undertaken to seek an explanation from the banks on the issues raised in the study. A further response to the study’s findings will be developed following consultation with industry and consumer groups. It is important to note that this response will seek to remove any barriers to effective competition and access in the credit and debit card networks while ensuring prudential standards continue to be fully preserved and observed.

A number of initiatives, let me make it clear, are already under way to deal with many issues raised in the study. The ACCC is encouraging financial institutions to seek authorisation under the Trade Practices Act for the process of settling credit card interchange fees and has commenced legal action against the National Australia Bank on this matter. Contrary to suggestions made by Senator Conroy, the government, under the provisions of section 29 of the Trade Practices Act, cannot direct the ACCC to widen the inquiry to consider ATM and EFTPOS interchange fees. If there is any further information Senator Conroy would like, I would welcome a supplementary question from him.

**Senator Conroy**—Madam President, I ask a supplementary question. Does the government stand by the comments that the Minister for Financial Services and Regulation, Mr Joe Hockey MP, made on 24 November 1998 when he stated that the trade-off for lower interest rates was higher bank fees?

**Senator Kemp**—I would be very loath to accept any direct quote which you purport to make in relation to what someone has said, basically because you have a bit of form on this topic. Not only do you misquote people but you take those quotes out of context, Senator. We are a wake-up to you.

One of the features of the government’s approach to financial markets is to encourage greater transparency and greater competition, which puts downward pressure on fees. This is one of the many areas where the government have undertaken reforms. We welcome the report by the ACCC and the Reserve Bank because, in our view, this will add to greater transparency and will lead to action which will ensure that there is continued downward pressure on fees.

**Senator Hill**—Madam President, I ask that further questions be placed on the Notice Paper. 3.01 p.m.

**ANSWERS TO QUESTIONS WITHOUT NOTICE**

**Minister for Employment, Workplace Relations and Small Business: Telecard**

**Senator Ellison** (Western Australia—Special Minister of State) (3.01 p.m.)—Madam President, I wish to clarify an answer I gave to Senator Faulkner earlier. In relation to Michael Cobb, the payment was made when I was minister. I can advise the Senate that the advice I have received is that the payment made in 1999 was the result of a court order.
Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.01 p.m.)—I move:

That the Senate take note of the answer given by the Special Minister of State (Senator Ellison), to a question without notice asked today, relating to the use of a telecard issued to the Minister for Employment, Workplace Relations and Small Business (Mr Reith).

Let us be very clear on what we have here in relation to Mr Reith: we have $50,000 of taxpayers’ money down the gurgler because of Mr Reith’s self-confessed breach of guidelines. He reckons that he gave his telecard number and PIN to his son—the same thing with regard to his staff, hotel receptionists, Uncle Tom Cobleigh and everybody else. What does the opposition say about what Mr Reith has done? We say: under the circumstances, Mr Reith should pay every cent of the money back. We say: this is $50,000 worth of gross negligence from a senior cabinet minister.

Worse is the cover-up of the negligence because it goes to the very heart of government accountability and the way a government does its business. We are told of a police investigation nine months after the irregular debt of $10,000 was noted by a Telstra employee and brought to the minister’s attention—nine months! Sometime during that period, Minister Reith would have been apprised of the actual extent of the fraud and would have paid back the $950 he claims his son ran up over four years. We want to know when Minister Reith was told that it was a full $50,000. We say: this is $50,000 worth of gross negligence from a senior cabinet minister.

My reason for tendering my resignation was to avoid the government experiencing any embarrassment ...

Mr Reith should stand down until the police finalise this matter and also save Mr Howard extreme embarrassment. Even the Special Minister of State, Senator Ellison, in 1998 and 1999 paid back $10,000 owing for charter flights, even though the senator claimed that he had done nothing wrong. At the very least, Mr Reith should stand down for the sin of commission for allowing the card number and PIN out of his personal use, and for the sin of omission in omitting to tell the Prime Minister and the police about this fraud when it was first brought to his attention.

There is real hypocrisy here. Mr Reith said, ‘I hate rorters! I hate rorters!’ The word ‘rort’ is central to his political vocabulary. You have all heard it from Mr Reith time and time again. You have heard it in every claim he has made about unionists and the working people of this country, over and over again. It has been rendered null and void by Mr Reith’s hypocrisy. Pay the money back, Mr Reith. Stand down, Mr Reith. Be accountable. Mr Reith. Come clean on the cover-up, Mr Reith. Sign a cheque for $49,050 payable to the Commonwealth, Mr Reith. Just for once, Mr Reith, do the right thing.

Senator ALSTON (Victoria—Minister for Communications, Information Technology and the Arts) (3.07 p.m.)—That is just par for the course, really, isn’t it? This is the sort of thing that Senator Ray and Senator Faulkner really get excited about. This is what brings the crowd to its feet on the other side of the chamber. They sit there and they yawn through policy questions. Senator Ray usually ambles out at about the half-time mark. But, when you have got a bit of good sleaze running, you can’t hold them back; they are in there with their ears pinned back. The tragedy about all this, of course, is that they have no concern at all for people’s reputations. You have Senator Faulkner getting up and saying things like ‘$50,000 down the gurgler because of the breach of guidelines’. As I pointed out in question time today, that pusillanimous leader that the Labor Party still engage could not even bring himself to say that when questioned by journal-
ists. He started out making the slur and saying that Mr Reith ought to repay the money, should be paying the money back, but when pressed he simply said, ‘If it is a direct result of having passed his phone number out.’ As we know, there is a world of difference between giving it to your son for a particular purpose or to make calls back home if you are in a remote location—

**Senator Robert Ray**—You can give instructions to Telstra to say that only calls to your home are accepted.

**Senator ALSTON**—We are not talking here with the benefit of hindsight about how the procedures ought to operate. We know, and you know too, that the world champion pay telephone expert in this chamber when he was Minister for Administrative Services was responsible for saying that there should not be any detailed breakdown of these matters. In other words, it was to be dealt with by others on an administrative basis. It was not a matter of the member or shadow minister or anyone else giving detailed instructions to Telstra; it was simply a matter in this instance of Mr Reith saying that, if his son felt the need, he should call him from wherever he might be. That, of course, is a world away from saying that Mr Reith had any direct or indirect responsibility for the fact that someone else, or a whole number of people, might have incurred an almost $50,000 debt. That is the crucial issue. If there was a skerrick of evidence to suggest that Mr Reith somehow authorised that or was aware of it, one might understand why the Labor Party would pursue the slur.

**Senator Robert Ray**—Careful. Don’t get yourself in too deep on that.

**Senator ALSTON**—I am not going to be intimidated, Senator Ray, by those sorts of sotto voce comments. Mr Beazley says that if it is a direct result then Mr Reith is responsible for the whole $50,000. So there is nothing that Mr Beazley is pointing to to justify it, and in fact he is not saying that. When pressed, he comprehensively backs down and effectively says, ‘No, he shouldn’t have to pay the $50,000 unless it is a direct result of having passed out his phone number.’ I think Mr Beazley unintentionally got it right, because what he is acknowledging is that there is in fact due process here and that, to the extent that Mr Reith had control over the matter by giving the number to his son and his son made $950 worth of calls, Mr Reith has repaid that. Matters beyond that are matters that are properly under investigation and should not be further canvassed in this chamber.

Insofar as it is suggested that there was a delay, I simply say that the facts are that the department was investigating this matter, as Senator Ray presumably well knew, although that did not stop him from getting up yesterday and suggesting that somehow the matter was kept under wraps, suppressed or covered up because the matter had been raised in estimates. As we know—and presumably because of Senator Ray’s access to this department, which has now gone on for some years, Senator Ray should have well known—the matter was referred before it was raised in estimates, so it cannot possibly have been covered up as a result of being raised in the estimates committee. Senator Ray chooses to ignore this proposition because he has no response to it. But I do hope that when he gets another chance—he will make sure that he keeps coming back to it—Senator Ray will explain why he was saying yesterday that there was a cover-up because the matter had been raised in estimates and therefore the department sat on it, or indeed Mr Reith sat on it, when we now know that the matter had been brought to the Prime Minister’s attention by Mr Reith before the estimates committee process even commenced. *(Time expired)*

**Senator ROBERT RAY** (Victoria) *(3.12 p.m.)*—The cover-up at the estimates was that there were not any direct answers given to the broad questions that we asked, and they sat on it to protect Mr Reith. Some other members have interjected that we are getting too close to family affairs. I want to say that we did not raise any of the family issues yesterday, that we knew about this in May and we did not raise it from May right through to yesterday, nor did we background the press on it. You have my word on that, and I do not break my word easily.

What I found offensive yesterday was the hotel receptionist excuse. It was not run on
yesterday, but by the time he got to the 7.30 Report Mr Reith thought, 'I can run another red herring through this. It is possible I may have given my eight-digit telecard number and my four-digit PIN number to a hotel receptionist.' What he is therefore guilty of is not aiding and abetting fraud but absolute stupidity—an even greater crime. How could any minister of the Crown, or, as he then was, senior frontbench member of the coalition, disclose his PIN number and telecard number willy-nilly? I can understand some of the circumstances in terms of his son; I can understand that. He could also have limited the amount of calls to a specified amount of numbers to make sure that it was not being abused. But that did not occur to him. This is someone who is so dumb they hand out their PIN number to a variety of hotel receptionists. This is at the same time as he has a mobile phone he could have used in his hotel room. This is an excuse, a fabrication he made up yesterday as another red herring, and the poor old hotel receptionists have got to carry it.

I call on Mr Reith to make all his records available to the Australian Federal Police in terms of accommodation and assist them in their inquiry. He can tell the Federal Police which hotels he may have handed out his number to. I am willing to bet anything that none of those hotel receptionists, if Mr Reith was so stupid as to give them the PIN number, abused that privilege. But isn’t it typical of Liberals to blame low level, low paid workers for their own sins. Senator Alston says that we are outrageous in demanding that Mr Reith repay the money. We are being very specific in this. We do not know if the calculations in regard to the repayments are correct, but we do say this: if, in the course of the investigation, evidence emerges that it was via the initial leak of that number that other people got hold of it from the same source, then Mr Reith should repay the entirety of the amount, just as Senator Ellison repaid the entire amount, Senator Woods repaid the entire amount, Senator Crichton-Browne repaid the full amount and Dr Colston repaid the full amount, as did Mr McGauran and Mr Sharp—they all repaid the full amount. But Penthouse Pete, who gets a 10 per cent discount on Domain Apartments, pays only two per cent of the amount, without interest, and expects us to believe that he should not take responsibility for this error.

The question still arises: when Mr Reith found out in August, why were the Australian Federal Police not called in then? They already knew about $11,000 worth of fraud, but nothing was done. Why wasn’t the Prime Minister notified in August last year? Why did they sit on this for nine months before the Federal Police were called in, apparently—if we are to believe him—at the instigation of the Attorney-General and the Prime Minister and not, as Mr Reith claims, by him? Why the delay over all this time? It is absolutely unbelievable.

Here we have a minister who spent his life campaigning full time against workplace rorts, but now what do we have? Absolutely no culpability on his own behalf. My only regret is that Franz Kafka is not alive so that he could write a more modern version of Metamorphosis. Have you ever seen such a change—from the attack dog, the rottweiler of the government, into a whining lap-dog in just 24 hours? I am probably wrong, but it may have been $50,000 of taxpayers’ money well spent. Never again will we get Mr Reith barging onto the World Today to berate others for their faults, given the fact that he is so dopey that he handed out his own personal identification number to all and sundry.

Senator MASON (Queensland) (3.17 p.m.)—Sadly, we are not addressing the great issues before this country this afternoon.

Senator Robert Ray—You just hate scrutiny.

Senator MASON—We are not talking about the sale of Telstra, Senator Ray, or about tax reform; we are talking about mud-slinging. Mr Reith has paid back the liability incurred by his son, although I understand that under King Henry VIII there was a law that parents were responsible for their children if there was treason involved. The opposition is mud-slinging and slurring, in line with King Henry VIII. Police are investigating the issue at the moment. The ALP wants to make the member for Flinders, Mr Reith,
responsible not just for his son but for any fraud on that telecard. The Australian Labor Party says that Mr Reith is responsible for any fraud on that telecard. That is palpably untrue. The police are investigating the issue and we should wait for the outcome of that investigation. Labor also says that Mr Reith should stand down until that investigation has been completed. But of course there is no evidence at all of any wrongdoing by Mr Reith.

Senator Carr—He admitted it.

Senator MASON—Senator Carr, there is no evidence at all of any wrongdoing by Senator Reith. There was talk before about the hotel receptionist. I have no idea about that claim. All I can say is that there is an article in the Canberra Times today headed ‘Security easy to abuse, says IT expert’. It points out that Professor Roger Clarke from the ANU says that there are security problems with telecards.

Senator Carr—Especially when you tell everyone your PIN number.

Senator MASON—Senator Carr makes light of the fact—

The DEPUTY PRESIDENT—Order, Senator Carr!

Senator Forshaw—Makes light of the fact: $50,000!

The DEPUTY PRESIDENT—Order, Senator Forshaw!

Senator MASON—Senator Forshaw, be very careful because you know what trouble you get into with interjections. Talking about wastage of public money, the opposition have no right at all to interject. An interesting thing was raised by Senator Faulkner and by Senator Ray earlier. They said that Mr Reith’s character was flawed because he has spent most of his life fighting against workplace rorts. They said that his behaviour in the docks dispute was disgraceful and that his character was flawed. One of the great things about Mr Reith is that he has been a fighter for workplace reform for many years. While the opposition are embracing those issues—they hate to admit it—and while the agenda is moving Mr Reith’s way, the Australian Labor Party will come to workplace reform only on the victory lap, just as they have on so many issues in recent years, such as social welfare and economic reform.

Senator Cook—Rubbish!

Senator MASON—Senator Cook, the best thing you ever did in government was embrace Liberal conservative policy. Everything else you did was a failure.

The DEPUTY PRESIDENT—Order! Senator Mason, it would help if you addressed the chair. It would invite fewer interjections.

Senator MASON—Thank you, Madam Deputy President. What I do reject in its entirety is the claim that there has been some wrongdoing by Mr Reith.

Senator Cook—But he admitted it. He gave out his PIN number. That is against the regulations.

The DEPUTY PRESIDENT—Senator Cook, come to order!

Senator MASON—There was a delay in the time between when it was raised in the department and the estimates hearings. No doubt there has been a leak from the department to estimates. Therefore, we have seen it raised by Senator Ray in estimates. That is the explanation for the delay. One last thing: if this is a matter of precedent, if the ALP attacks these issues—not just a telecard; it could be credit cards or anything else—we will see more than one ‘pin’ fall, Senator Cook.

Senator Cook—Are you addressing me?

Senator MASON—Senator Cook, these things fall on both sides.

The DEPUTY PRESIDENT—Address the chair, please, Senator Mason.

Senator MASON—Madam Deputy President, I think we should all be very careful about slinging mud onto anyone on either side. Where fraud is alleged against a cabinet minister, people should be very careful.

Senator Cook interjecting—

Senator MASON—Madam Deputy President, I do know—

The DEPUTY PRESIDENT—Order! Senator Cook and Senator Mason! If you and Senator Cook wish to continue this conversation, please do it outside, not in this cham-
ber. It is not appropriate to scream and yell across the chamber at one another. I will have order in this place.

Senator CARR (Victoria) (3.22 p.m.)—Senator Ray quotes Kafka today, but I think Disraeli might also be worth a mention. It was Disraeli who pointed out to us that conservative government was organised hypocrisy. Quite clearly we have seen today further evidence of the merit of that claim. It was relatively recently that this government talked about its high standards of probity and integrity in public administration. It was only at the beginning of this government that the Prime Minister released his famous—now infamous—guidelines on the key elements of ministerial responsibility. It would appear that this is a further example of the fact that this government really does not take any particular notice of them. Nonetheless, I think it is worth drawing the attention of the Senate to what the Prime Minister has said in the past about the importance of ministerial conduct in these matters. I quote from page 12 of those guidelines:

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. As a general rule, official facilities should be used for official purposes.

He goes on to point out that there sometimes might be some crossover between official and personal conduct; nonetheless there is an expectation that they should never abuse the privileges which undoubtedly attach to ministerial office. I say 'ministerial office' because these events have occurred while this minister was in office. We have been told by the Prime Minister that these are not matters that should be necessarily discussed in public—that there was, of course in his opinion, no fraud. Well, at least he says, 'No fraud by Mr Reith.' He said, however, when these matters were drawn to public attention, that there may have been fraud and hence there has to be a police investigation.

The questions that arise are: exactly what is the nature of the minister’s involvement in these affairs; and, to what extent is the minister complicit in any fraud that may have occurred? It would appear on the face of what he has said—and he is the one who is making the claims—that he is the one who disclosed to his son the card and the details of the PIN associated with this card, and that, as a result of that disclosure, certain abuses were clearly evident, to the tune of $50,000. I would have thought that clearly, in the context of wasteful or extravagant expenditure, that claim would fit.

So you ask yourself: what are the standards that apply in this government? Quite apparently, they have declined quite markedly. They have been declining in recent times as a result of the government’s basic failure to come to terms with its responsibilities to ensure that there are appropriate standards of probity and that there are opportunities for the government to be held accountable. There has been a decline since the days of Senator Short, Senator Gibson, Mr McGauran and various other members of the Liberal Party and National Party.

Over time we have seen a decline. Under the Fraser government—and this is the sharp contrast that one experiences when you look at the standards of this Prime Minister and the previous conservative Prime Minister—I recall that Michael MacKellar was stood down because he declared to Customs that a TV set was black-and-white when it was colour. I recall Mr Moore being stood down in relation to that matter because he was tardy in the public handling of that issue. I recall the situation with Mr Mick Young, who stood down over the Paddington Bear affair until such time as he was judicially cleared of any wrongdoing. I think the same standard now ought to apply to Mr Reith.

But the substantive issue comes back to this question about the double standard Mr Reith uses. He has built a career on allegations about the nature of workers and their organisations in this country. He has constantly argued that workers and their representatives have been rorting the system. He has demonstrated once again his total obsession with the criticism of workers. Is it surprising that last night on the 7.30 Report he sought to blame hotel workers. If it was not hotel workers, it was Telstra directory workers. He even gets to the point of suggesting
people in his office, all of whom might be responsible for the distribution of the PIN. The fact is that the minister knowingly distributed his card and his records to people who were not authorised to use them. He was complicit in any abuse of the system. He knowingly gave those facilities to people who were not entitled to use them. He therefore has to answer the charge that he is responsible for the use of those facilities which are outlined in the guidelines. *(Time expired)*

Question resolved in the affirmative.

**Centrelink: Family Payment Debts**

Senator BARTLETT (Queensland) (3.27 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 an Administrative Appeals Tribunal determination on the repayment of debts to Centrelink.

I think this is an important issue, and I appreciate the minister’s commitment to examine the matter and to provide further information to the Senate about the number of people who are affected by the circumstances raised by the Administrative Appeals Tribunal. We see a report from the government every three months in this place—and indeed it was tabled again just this week—outlining assessment of compliance activities—overpayments and debts raised by Centrelink. This is always portrayed as a major success by the government in reducing fraudulent social security claims. Nobody denies that there are some fraudulent claims, but as the Democrats have repeatedly argued in this place, in the majority of times it is clearly a case of either administrative error or accidental and non-deliberate action by the recipient. Nowhere is this more common than in the area of family payment.

The Administrative Appeals Tribunal made a ruling in the case of Butt that a debt was raised in error by Centrelink because of the way the income of the person involved had been calculated. That in itself is a concern because the ruling would not have been made unless the person had gone all the way through the appeals system—firstly through department; secondly, through the Social Security Appeals Tribunal; and, finally, through the Administrative Appeals Tribunal. I expect that that person had the assistance of a welfare rights centre, although I am not sure. The welfare rights centres have been invaluable in many cases in ensuring that people do get access to right of appeal for wrong departmental decisions. If that person had not done that, I understand they would be repaying some thousands of dollars.

Much more concerning is that the same process has been used by Centrelink many times in the past to calculate income for family payments. Many of the overpayments raised by that method of calculation of income were done via the same method. So it raises the question of whether or not there are many thousands if people out there who are now repaying money to Centrelink for overpayments, when those overpayments were raised in a way that the Administrative Appeals Tribunal has found to be in error.

I know that Administrative Appeals Tribunal rulings are not precedent in a legal sense in the way that a court ruling is, but it is a precedent in the sense that, if any further appeals are made around the same issue, the same outcome would occur. So it is a ruling that has some influence and standing, and the fact that the government chose not to appeal it, the department chose not to appeal it, indicates their recognition that it is a correct ruling. I also know that family payments as they were calculated then no longer exist in that form—they had a change on 1 July—but that does not mean there are not still many thousands of people currently repaying debts that were raised by Centrelink in this way. This is a very important issue to examine. I think it is doubly important—and it is particularly important to the people involved, obviously, who are paying money back as a debt when it should not have been a debt—and worth while noting in the context of the compliance reports that the government frequently tables, a large chunk of which are family payments. Almost all of those would be because of the extreme complexity of the payment.

That payment system has now changed, but I would very much dispute the minister’s
suggestion that the method of income calculation will mean fewer errors and overpayments. I fear that, come the middle of next year—on 1 July—there will be a much greater number of overpayments raised inadvertently, where people have been overpaid inadvertently. That is a continuing problem that frequently raises itself in the experience of groups such as the Welfare Rights Centre and the people they have to deal with. It clearly presents a big problem to people when they have to repay such large amounts unexpectedly through no fault of their own. It is an issue that the Democrats will continue to pursue.

Question resolved in the affirmative.

NOTICES
Presentation

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

That the time for the presentation of the report of the Environment, Communications, Information Technology and the Arts References Committee on global warming and the Convention on Climate Change (Implementation) Bill 1999 be extended to 8 November 2000.

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

That the following matter be referred to the Employment, Workplace Relations, Small Business and Education References Committee for inquiry and report by the first sitting day in August 2001:

The capacity of public universities to meet Australia’s higher education needs, with particular reference to:

(a) the adequacy of current funding arrangements with respect to:
   (i) the capacity of universities to manage and serve increasing demand,
   (ii) institutional autonomy and flexibility, and
   (iii) the quality and diversity of teaching and research;
(b) the effect of increasing reliance on private funding and market behaviour on the sector’s ability to meet Australia’s education, training and research needs, including its effect on:
   (i) the quality and diversity of education,
   (ii) the production of sufficient numbers of appropriately-qualified graduates to meet industry demand,
   (iii) the adequacy of campus infrastructure and resources,
   (iv) the maintenance and extension of Australia’s long-term capacity in both basic and applied research across the diversity of fields of knowledge, and
   (v) the operations and effect of universities’ commercialised research and development structures;
(c) the equality of opportunity to participate in higher education, including:
   (i) the levels of access among social groups under-represented in higher education,
   (ii) the effects of the introduction of differential Higher Education Contribution Schemes and other fees and charges in funding provision on the affordability and accessibility of higher education,
   (iii) the adequacy of current student income support measures, and
   (iv) the growth rates in participation by level of course and field of study relative to comparable nations;
(d) the factors affecting the ability of Australian public universities to attract and retain staff in the context of competitive local and global markets and the intellectual culture of universities;
(e) the capacity of public universities to contribute to economic growth:
   (i) in communities and regions,
   (ii) as an export industry, and
   (iii) through research and development, both via the immediate economic contribution of universities and through sustaining national research capacity in the longer term;
(f) the regulation of the higher education sector in the global environment, including:
   (i) accreditation regimes and quality assurance,
   (ii) external mechanisms to undertake ongoing review of the capacity of the sector to meet Australia’s education, training, research, social and economic needs, and
(iii) university governance reporting requirements, structures and practices; and

(g) the nature and sufficiency of independent advice to government on higher education matters, particularly having regard to the abolition of the National Board of Employment, Education and Training.

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

That the Senate—

(a) notes:

(i) that 14 October 2000 will be the 47th anniversary of Operation Totem held at Emu Field in South Australia,

(ii) that on 15 October 1953 at 0700 hours the British exploded a 10 kiloton nuclear device, the first major test of Operation Totem (Totem One),

(iii) reports of a radioactive black mist emanating from the test site and contaminating Aboriginal people who were reported to experience symptoms of radiation sickness, including death and blindness,

(iv) that at the 1985 Royal Commission into British Nuclear Tests in Australia it was admitted, with hindsight, that given the climatic conditions at the time the Totem One test should not have been fired, and

(v) that this test and others, held as part of the series of British nuclear tests in Australia, resulted in unacceptable levels of radiation exposure to both indigenous and non-indigenous people at and around the nuclear test sites; and

(b) calls on the Australian Government:

(i) to note South Australia’s sad history of involvement in the nuclear cycle, from mining of uranium to the atomic testing at Emu Field and Maralinga,

(ii) to establish a comprehensive study of the social, cultural and health effects of the nuclear tests on both the traditional owners of Emu Field and Maralinga and the Australian Nuclear Veterans,

(iii) to facilitate Australian Radiation and Nuclear Safety Authority licensing of the Emu Field and Maralinga sites as nuclear facilities, and

(iv) to ensure ongoing monitoring of these nuclear sites.

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

That the Senate—

(a) notes:

(i) the total lack of compassion by members of the Senate who voted against a moratorium on online gambling, when the Productivity Commission found in its 1999 report that there are more than 200,000 problem gamblers in Australia, and

(ii) that Australia already has access to 20 per cent of the world’s total number of poker machines and the introduction of online gambling, matched with smart set top boxes on televisions, threatens to turn every home into a casino in the near future;

(b) condemns some states which have failed to adopt measures of regulation for online gambling, when the only winners in this new service will be big business and state governments and the biggest losers will be poorer families;

(c) urges the states and territories to get serious about the extent of problem gambling that already exists and the potential flood of problem gamblers that online gambling will create by:

(i) agreeing to a one-year moratorium on issuing new licences for Internet gambling providers, and

(ii) agreeing to a national framework of regulation on Internet gambling; and

(d) calls for a complete ban on online gambling if the state and territory governments do not show some responsibility towards this issue.

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

That the following matter be referred to the Employment, Workplace Relations, Small Business and Education References Committee for inquiry and report by the last sitting day in June 2001:

The education of gifted and talented children, with particular reference to:
(a) a review of developments in the education of gifted and talented children since the 1988 report of the Select Committee on the Education of Gifted and Talented Children;

(b) consideration of whether current policies and programs for gifted and talented children are suitable and sufficient to meet their special educational needs, including, but not limited to:

(i) the means of identifying gifted and talented children,

(ii) whether access to gifted and talented programs is provided equitably, and

(iii) investigation of the links between attainment and socio-economic distribution; and

(c) consideration of what the proper role of the Commonwealth should be in supporting the education of gifted and talented children.

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

That the Senate—

(a) recognises that:

(i) 23 October 2000 is Australia’s Breast Cancer Day,

(ii) breast cancer affects not just the women diagnosed with the disease, but their families and the wider community,

(iii) women with breast cancer and their families are entitled to the best treatment and care available,

(iv) the decline in deaths from breast cancer in Australia since 1994 has come about through improved treatment and early detection of the disease, and

(v) both improved treatment regimes and early detection programs have arisen from research conducted in Australia and elsewhere; and

(b) calls on the Federal Government to maintain its support for breast cancer research to assist in further understanding this disease and to enhance breast cancer prevention.

Withdrawal

Senator CALVERT (Tasmania) (3.33 p.m.)—On behalf of Senator Coonan, pursuant to notice given at the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw Business of the Senate Notice of Motion No. 1 standing in Senator Coonan’s name for the next day of sitting.

COMMITTEES

Selection of Bills Committee Report

Senator CALVERT (Tasmania) (3.34 p.m.)—I present the 16th report of 2000 of the Selection of Bills committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 16 OF 2000
(1) The committee met on 10 October 2000.
(2) The committee resolved to recommend—

(a) That the following bills be referred to committees as follows:

<table>
<thead>
<tr>
<th>Bill Title</th>
<th>Stage at which referred</th>
<th>Legislation Committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crimes Amendment (Forensic Procedures) Bill 2000</td>
<td>Immediately</td>
<td>Legal and Constitutional</td>
<td>5 December 2000</td>
</tr>
<tr>
<td>Freedom of Information Amendment (Open Government) Bill 2000 (see Appendix I for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Legal and Constitutional</td>
<td>31 March 2001</td>
</tr>
</tbody>
</table>
(b) That the provisions of the following bills be referred to committees as follows:

<table>
<thead>
<tr>
<th>Bill title</th>
<th>Stage at which referred</th>
<th>Legislation committee</th>
<th>Reporting date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aged Care Amendment Bill 2000 (see Appendix 2 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Community Affairs</td>
<td>7 November 2000</td>
</tr>
<tr>
<td>Australian Research Council Bill 2000 (see Appendix 3 for a statement of reasons for referral)</td>
<td>Immediately</td>
<td>Employment, Workforce Relations, Small Business and Education</td>
<td>28 November 2000</td>
</tr>
<tr>
<td>Australian Research Council (Consequential and Transitional Provisions) Bill 2000 (see Appendix 3 for a statement of reasons for referral)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) The committee resolved to recommend that the following bills not be referred to committees:

- Coal Industry Repeal Bill 2000
- Corporate Code of Conduct Bill 2000
- Tobacco Advertising Prohibition Amendment Bill 2000

The committee deferred consideration of the following bills to the next meeting:

- Indigenous Education (Targeted Assistance) Bill 2000
- Trade Practices Amendment Bill (No. 1) 2000
- Treasury Legislation Amendment (Application of Criminal Code) Bill 2000
- Sex Discrimination Amendment Bill (No. 1) 2000
- Maritime Legislation Amendment Bill 2000
- Farm Household Support Amendment Bill 2000
- Human Rights (Mandatory Sentencing for Property Offences) Bill 2000
- Taxation Laws Amendment (Superannuation Contributions) Bill 2000

(Paul Calvert)
Chair
11 October 2000
Appendix 1

Proposal to refer a bill to a committee

Name of bill(s):
Freedom of Information Amendment (Open Government) Bill 2000

Reasons for referral/principal issues for consideration

To examine the extent to which the bill further the objects of the Freedom of Information Act 1982. In particular, provisions creating the office of “Freedom of Information Commissioner” require assessment in terms of their importance to the effective operation of the Freedom of Information Act.

Possible submissions or evidence from:
Commonwealth Ombudsman
Press representatives
Australian Law Reform Commission
Administrative Review Council
Attorney-General’s Department
Public Service Commissioner

Committee to which bill is referred:
Legal and Constitutional Legislation Committee
Possible hearing date:  
Possible reporting date(s): On or before 31 March 2001  
(signed) Vicki Bourne  
Appendix 2  

Proposal to refer a bill to a committee  
Name of bill(s):  
Aged Care Amendment Bill 2000  

Reasons for referral/principal issues for consideration  
To examine the provisions of the bill which give additional powers to deal with the non-compliance of provider standards, including the provision for the revocation of places and evacuation of residents, and the impact of the provisions on providers, key personnel, residents and relatives of residents of aged care facilities.  

Possible submissions or evidence from:  
Aged Care Australia (Ms Maureen Lyster) 03 9689 3460  
Aged Services Association NSW 02 9745 2999  
Aged Care Queensland Inc (Mr Michael Isaacs) 07 3870 8622  
Aged Care Tasmania Inc 02 6229 1344  
Aged Care Organisations’ Association SA/NT 08 8364 1180  
Anglicare 02 9895 8000  
Uniting Church Aged Care 02 8267 4372  

Committee to which bill is referred:  
Community Affairs Legislation Committee  

Possible hearing date:  
Possible reporting date(s): As soon as practicable  
(signed) Vicki Bourne  

BUSINESS  
Routine of Business  
Motion (by Senator Ian Campbell)—by leave—agreed to:  
That consideration of committee reports under standing order 62(3) be called on prior to the calling on of any proposal under standing order 75.  

COMMITTEES  
Rural and Regional Affairs and Transport Legislation Committee  
Meeting  
Motion (by Senator Calvert, at the request of Senator Crane)—by leave—agreed to:  
That the Rural and Regional Affairs and Transport Legislation Committee be authorised to hold public meetings during the sitting of the Senate today:  

(a) from 4 pm to 6 pm, to take evidence for the committee’s inquiry into the administration of the Civil Aviation Safety Authority; and  
(b) from 6 pm to 7.30 pm, to take evidence for the committee’s inquiry into the Wool Services Privatisation Bill 2000.  

NOTICES  
Postponement  
Items of business were postponed as follows:  

General business notice of motion no. 721 standing in the name of Senator Lundy for today, relating to the Information Technology Outsourcing Program, postponed till 12 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 12 October 2000.
Presentation
Senator Brown to move, on the next day of sitting:
That the Senate supports the right of West Papuans to raise their Morning Star flag.

COMMITTEES
Economics References Committee
Extension of Time
Motion (by Senator O’Brien, at the request of Senator Murphy) agreed to:
That the time for the presentation of the report of the Economics References Committee on the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies be extended to 9 November 2000.

AUSTRALIAN MARITIME MUSEUM: FUNDING
Motion (by Senator Ridgeway) agreed to:
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.

COMMITTEES
Rural and Regional Affairs and Transport Legislation Committee
Report
Senator CRANE (Western Australia) (3.38 p.m.)—I present the report of the Rural and Regional Affairs and Transport Legislation Committee entitled Administration of the Civil Aviation Safety Authority, matters related to ARCAS Airways, together with the Hansard record of the committee’s proceedings and documents presented to the committee.

Ordered that the report be printed.

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

I rise to speak briefly to the four recommendations in the committee’s report. From the beginning, the committee did take a lot of care and time in dealing with Arcas and Air Facilities. It is a serious matter which was treated entirely on its merits, and at no stage did politics play any part in our treatment of it. The recommendations are serious, and we have found that further investigation and assessment are required in a number of areas. The first recommendation is:
The Committee recommends that the actions of Mr Sears and employees and staff of Arcas in apparently acting in deliberate breach of airworthiness safety rules (notably CAR 50) be referred to the Director of Public Prosecutions for examination of all the circumstances of the case and for appropriate action.

That is a very serious recommendation. We used the words ‘deliberate breach of airworthiness’ and we established from the evidence before us that there is a prima facie case that, for at least three years and possibly six years, there were two sets of books running with regard to maintenance with this particular company, and that is something that compromises the principles of air safety in this country.
I do not need to say any more than that. I think the motion is self-explanatory and it will raise discussion and debate. We certainly did not take lightly the decision to make such a serious recommendation; however, the committee unanimously believed that it was justified. The second recommendation is:

The Committee recommends that CASA, having regard to this Committee’s findings in relation to Mr Foley’s administration of the Arcas matter, consider whether any appropriate action should be taken against any CASA officers, including Mr Foley, as the senior responsible CASA officer involved in the case.

This is a very well-considered recommendation. It certainly places a question mark against the way Mr Foley and a number of CASA officials handled the matter. If they had been a little more straightforward, we could have saved at least two or three days of time that we had to spend dragging information out.

Senator O’Brien interjecting—

Senator CRANE—Yes, under oath, as was said. We questioned, at estimates hearings and then at the inquiry, whether or not the responses in the first instance raised more questions than they answered. Eventually, I believe we got to the truth in terms of what did occur, and we got a very good assessment. As a committee, it is not our job to say, ‘This officer must go’, ‘This officer should stay’ or to say that officers performed badly or well. We do believe that what we now have on the public record requires that the Director of CASA, Mr Toller, have a very serious look at the performance of these officers and whether or not they were straightforward in dealing with the issues. Once again I emphasise the point that air safety is very serious and has to be addressed.

The third recommendation is:

Inherent in that recommendation is a statement of the current guidelines and how CASA is going to operate and deal with these matters in the future. I think there has been enough speculation in recent months about air safety and maintenance and how things are generally being handled to put a dent in the confidence of some people who use commercial aircraft, whether it be charter or the smaller regional airlines or even the major airlines. We believe the public are entitled to know precisely what the procedures and the guidelines are, and we believe a public statement should be made about the changes that we were informed of during the committee processes. The final recommendation is:

The Committee recommends the creation of a new position of Deputy Director of Aviation Safety within CASA with special responsibility for the administration of investigative and enforcement processes as they relate to regional airlines, low-capacity RPT operators and charter service providers in rural and regional Australia.

In summary, we did take this very seriously. We did spend a lot of time on the fine detail. We continued the hearings until we got to the bottom of all the issues before us. As a result of doing that, we have as a committee unanimously come out with very strong recommendations. We believe, in the circumstances, they are absolutely appropriate and need to be dealt with very quickly and very thoroughly—in the same way as my committee carried out their processes. That
would bring back some of the confidence that has been lost as far as air safety is concerned.

Senator O'BRIEN (Tasmania) (3.46 p.m.)—The Senate Rural and Regional Affairs and Transport Legislation Committee report, Administration of the Civil Aviation Safety Authority: matters related to Arcas, is one of the toughest reports that I have put my name to since entering the Senate in October 1996. That is probably an understatement in terms of comparing it to other reports. It is, as Senator Crane says, a unanimous report, and there are four recommendations. The committee has recommended the actions of the principal of Arcas, Mr Les Sears, and employees and staff of the company be referred to the Director of Public Prosecution for examination and appropriate action. It may be that the committee has been forced to give the protection of privilege to certain evidence relevant to any future action by its inquiry, but the fact is that the regulator had taken steps which indicated to the committee that no action was intended to be taken when the committee felt that there was a distinct possibility that the regulator, in addition to this operator, had not acted properly—hence, the second recommendation, which is that the board of CASA consider whether appropriate action should be taken against the Assistant Director, Aviation Safety Compliance, Mr Foley, as the responsible senior officer, and other CASA officers involved in this case. The committee recommended that CASA recommit itself to strong action against operators who deliberately breach safety regulations. The final recommendation, which Senator Crane touched upon, is that the CASA board consider the appointment of a deputy director, for the reasons outlined by Senator Crane.

It is clear from the evidence that aviation safety has not been well served by Arcas. During the conduct of the inquiry into Arcas, the committee was presented with evidence for a period of up to six years of this company maintaining a set of defect records that were deliberately concealed from CASA. The defect books were discovered by CASA officers only following information from a former employee and the execution of a search warrant at the company’s premises in Albury on 15 February last year. On that issue the report of the committee says:

The concealment of these defect books raises serious concerns that Arcas knowingly operated and flew aircraft that were not legally airworthy.

The company argued that the concealed defect records provided a detailed and thorough maintenance system, but this does not overcome the fact that CASA officers, when undertaking safety audits of this operator, were not aware of the true status of Arcas aircraft. The fact that defects might have been ultimately remedied by the company is less in dispute than the time they were remedied. Even after CASA applied considerable resources in an attempt to determine whether Arcas aircraft had been properly maintained, the matter remains unresolved. Mr Foley told the committee that the manager of compliance and enforcement, Mr Boys, and a team that included one full-time technical officer and one part-time officer plus further specialist advice investigated the company’s maintenance records. Mr Boys also reviewed all the documentation for about three weeks full time. Mr Boys told the committee that the investigating officers were very well qualified and had extensive experience. But, despite the application of these resources, CASA were able to identify the appropriate documentation of only 70 per cent of the defects found in the company’s concealed records.

It is also clear from the evidence that aviation safety in this country has not been well served by the Civil Aviation Safety Authority generally and the Assistant Director, Aviation Safety Compliance, Mr Foley, in particular. I am not aware of any other occasion where a Senate committee has unanimously recommended that an authority or department initiate an investigation into the performance of a senior officer, as has occurred in this report. It is clear from the evidence that, in relation to Arcas, Mr McKenzie, who attempted to have this company suspended, was attempting to properly enforce the regulatory regime. It is clear also that another officer, Mr Hoy, was also attempting to properly discharge his responsibilities in relation to this matter. On 22 Feb-
ruary 1999, Mr Foley accepted a recommendation from Mr McKenzie that the Arcas air operating certificate be suspended. The suspension was to come into effect at 23:59 on 24 February. However, prior to that time, Mr Foley revoked the suspension. In a prepared statement read to the committee on 1 September this year, Mr Foley said that on 24 February he received further information that required him to review his decision. That information consisted of Air Facilities’ queries as to why CASA had not availed itself of additional documentation offered by the company, the role of Mr Haines in enhancing the company’s future compliance and reports from CASA’s Wagga office. However, Mr Foley relied on advice from the Wagga office without determining whether they were fully informed about the operation of the company. He relied on a commitment from the company principal, Mr Sears, about the management of the company, which he knew would not be honoured. He also ignored other serious concerns about the operation of the company, in particular the allegation of falsification of pilot flight and duty records. Nor did Mr Foley take any further action following the receipt of additional information that appeared to strengthen the basis for suspension.

Further, he ignored a later recommendation by Mr McKenzie, following a personal visit by that officer to the company’s offices in Albury on 5 March 1999. I note that the evidence provided by Mr McKenzie was both clear, precise and well considered. It is of grave concern to the committee that the same could not be said about Mr Foley, Mr Elder and some other senior CASA officers. In fact, the report has a special section that goes to the performance of CASA staff in relation to this inquiry. The report states:

The Committee wishes to comment on the apparent unwillingness of CASA staff, in seeking to justify actions of CASA, to provide this Committee with accurate and timely information.

It continues:

The committee is particularly concerned that on some occasions, CASA staff demonstrated more of a concern to perpetuate earlier misleading or incomplete information than to facilitate the Committee’s inquiry.

It was also disturbing that Mr Elder and Mr Foley in particular attempted to blame other CASA officers—both former officers—for the authority’s failure to properly enforce safety standards. It is clear that that responsibility for the management of this investigation was directly a matter for Mr Foley. Mr Foley held the position of Assistant Director, Aviation Safety Compliance, and was directly responsible for any action that might be taken in relation to the operators’ air operating certificate. The evidence provided by Mr Foley on 24 May confirmed that the actual investigation process was directly the responsibility of Ms Tredrea, not Mr Hoy, as Mr Foley claimed during the hearing on 1 September. He—that is, Mr Foley—told the committee:

...Ms Tredrea was involved in the whole process. Her position at that time was to manage the investigation process. She was involved—and I would have to take on notice the exact days—from my recollection... before this date.

That was 24 February 1999. So she was fully aware of all times of what was happening. However, during the hearing on 1 September, Mr Foley said the responsibility for following through the investigation, once approved by him, was a matter for Mr Hoy. Mr Foley said:

The responsibility for undertaking investigation was the acting south-east regional manager’s.

That is what he said on 1 September. So he changed his evidence.

While this inquiry focused on the way in which the regional airline Arcas managed or failed to manage its maintenance regime over a period of some years, it has highlighted a fundamental flaw in how aviation safety is managed in this country. On the one hand, there is in place a regulatory regime that, if properly enforced, would, in my view, provide for a safe air transport system. The rhetoric from the CASA board and senior management reinforces that tough regulatory regime. However, the terms of that regulatory regime are not being properly or effectively enforced by the authority.

There is one other matter I wish to refer to that is of concern to me, that is, the relation-
ship between Mr Haines, a consultant engaged by Arcas when he was given notice that its AOC was to be suspended, Mr Sears and Mr Foley. Mr Haines first worked for Arcas as a consultant in 1994, when he was employed by a company called Aviation Transport Quality Services. That company was then owned by Mr Foley. Mr Haines told the committee that he had known Mr Foley over many years and confirmed that he had been an employee of Mr Foley’s company. Mr Haines told the committee that he had personally contacted Mr Foley and told him that Arcas aircraft were, in his view, airworthy. Foley said that he had not spoken to Mr Haines, but he told the committee that he had spoken to Mr Sears. Sears ultimately denied that. The evidence on that matter warrants some investigation. It is important this report be acted on speedily, and I seek leave to continue my remarks.

Leave granted; debate adjourned.

Scrutiny of Bills Committee Report

Senator COONEY (Victoria) (3.56 p.m.)—I present the 14th report of 2000 of the Standing Committee for the Scrutiny of Bills. I also table the Scrutiny of Bills Alert Digest No. 14 of 11 October 2000.

Ordered that the report be printed.

MATTERS OF URGENCY

Banks: Interchange Fees

The DEPUTY PRESIDENT—I inform the Senate that the President has received the following letter, dated 11 October, from Senator Conroy:

Dear Madam President,

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

“That, in the opinion of the Senate, the following is a matter of urgency:
The failure of the Government to address the blatant profiteering of banks which has cost consumers millions of dollars through their overcharging in relation to fees and charges.”

Yours sincerely,

Stephen Conroy

(Senator for the State of Victoria)

Is the proposal supported?

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

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

Senator CONROY (Victoria) (3.58 p.m.)—I move:

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

“The failure of the Government to address the blatant profiteering of banks which has cost consumers millions of dollars through their overcharging in relation to fees and charges.”

Today I wish to speak about an issue that I have had to raise too many times in this place, that is, the banks. There is one reason, and one reason only, why we need to constantly come back and discuss the issue of banks. That reason is the failure of the government to act. This government—despite its rhetoric, despite the Prime Minister’s well-chosen words that banks do have social obligations—is bereft of any vision to actually address Australians’ concerns about our banks.

Senator McGauran—Let’s hear yours.

Senator CONROY—I will happily take up that challenge. Yesterday, the ACCC and the Reserve Bank released a report entitled Debit and credit card schemes in Australia: a study of interchange fees and access. This report finally proved what we have always suspected: Australia’s banks are blatantly profiteering and ripping ordinary Australians off. The report made a number of conclusions, including that interchange fees for ATM services are around double the average cost of providing these services and that this margin cannot readily be explained by the need of ATM owners to earn a competitive return on capital; and that credit card issuing in Australia generates revenue well above the average cost of providing these services; and that only part of these margins appears to be attributable to the need to earn a competitive return on capital.
There is a bit of economic jargon in there, but that is as damning as a Reserve Bank report can get. The report also provides evidence that for an average credit card transaction of $100, total revenues from the transaction were $2.69—a mark-up of 39 per cent over the cost of the transaction. It provides evidence of other mark-ups in the region of 67 per cent and exposes practices of banks where they are charging a 100 per cent mark-up. Over the last few years, Labor has consistently called on the federal government to direct the ACCC to formally monitor banks’ fees and charges. We have called on the banks to enter into a social charter with their customers—with the pensioner groups, with the Farmers Federation, with the unions, with the ordinary branch customer who has been so badly treated. Let us be clear: this report provides absolute evidence that bank fees are excessive and that the banks have been profiteering. If the government does not now direct the ACCC to formally monitor bank fees and charges, it will be condemned by the community, and it deserves to be.

We know that the Prime Minister understands that there is great community resentment at the way banks have reduced services while at the same time increasing fees and charges. The Prime Minister has made a number of public comments that banks have social obligations. Let me quote just a couple of them. On 5 November 1999 the Prime Minister stated to Neil Mitchell on 3AW in regard to banks:

They have social responsibilities for the whole community as well as economic responsibilities to their shareholders. They are very profitable. They are very stable and secure and they have privileges within the Australian community.

Again, on 4 February this year the Prime Minister stated:

Banks in this country are in a very stable, profitable position and they have to understand that they have social responsibilities.

On 18 February, in an interview on ABC radio, the Prime Minister said:

Well the message I’ve sent in the past and that is that banks in Australia have social obligations as well as being organisations that operate for the benefit of their share holders ...

What is interesting is that most of the Prime Minister’s comments about banks have been made during radio interviews. If the Prime Minister was so concerned to tell the public that banks have social obligations, you would think that, when he had the opportunity to face the banks directly, he would tell them straight to their face. Yet, when the Prime Minister delivered a speech last year at the banking industry’s Annual Banking and Finance Awards, not once did he mention social obligations. Not once did he mention that when he stood in front of them at their dinner and had the opportunity to do so. It is clear what the situation is. While the Prime Minister is happy to state publicly that he thinks that banks have social obligations, when it comes to the crunch he will not raise the issue with the banks and he will not take any action against them.

Let me come back to the Reserve Bank and ACCC’s report. The report covers many issues, but I would like to concentrate on the current access arrangements for credit cards which were examined in detail. The ACCC and Reserve Bank were scathing about access arrangements for Bankcard. They stated that access arrangements for Bankcard were at the sole discretion of the four major banks: Westpac, National, Commonwealth and ANZ. Indeed, they referred to the fact that these banks had used their power to reject an application by Citibank for membership, despite the fact that Citibank was at that time the largest issuer of credit cards in the world.

The Reserve Bank and ACCC were extremely critical of the membership fees that are charged to access Bankcard. Their report stated that, while Mastercard and Visa fees are relatively low and do not appear to act as a deterrent to membership, Bankcard fees are much higher and are of concern. My understanding is that Visa and Mastercard charge membership fees of around $50 to $100,000. On the other hand, Bankcard charges membership fees of between $750,000 and $1 million. Why do banks charge so much for membership of Bankcard, a card that they actually encourage people not to use? The answer is that, by charging such an expensive membership fee, smaller institutions are
deterred from joining. Because most merchants still want their banks to offer them all three major cards, smaller banks that do not offer Bankcard are unable to compete with the major banks to offer merchant credit card services. The banks’ behaviour, in restricting membership of Bankcard, is therefore directly about restricting competition. The ACCC must formally investigate the banks’ behaviour and, if necessary, take legal action.

Let me say that this report should not come as a surprise to the government. In May this year the Reserve Bank issued a report entitled Notes on bank fees which revealed that: banks earned $1.8 billion from households in fee income in 1999, an increase of 14 per cent from the previous year; fee income had increased by 21 per cent from the previous year; fee income on transactions had increased by 30 per cent from the previous year; and banks’ fees from merchant services on credit cards grew by 28 per cent in 1999.

The government was also aware that a Cannex survey in March this year revealed that ATM fees on withdrawals from other bank machines had risen by 28 per cent in the period from June 1998 to March 2000. Their report also revealed that there was an increase of 21 per cent for fees from own bank ATMs and an increase of 20 per cent for EFTPOS transactions in the same period. Yet, despite the fact that the government was aware that banks have been ripping off consumers blind, the government did nothing. The government’s answer, as Senator Kemp and the Treasurer have told us all on national telly and on national radio, is that if you don’t like what your bank is doing, just shop around. Yet the Reserve Bank and ACCC’s report demonstrates what we have always known—there is no point in consumers shopping around because they are all the same. They have been operating as a cartel. This mob would do OPEC proud. If they got their hands on oil, God knows what would happen.

The government are saying that the price of lower interest rates is higher fees and charges. They argue that lower interest rates are a good thing but that the price we have to pay is that, as the banks have to recoup their costs from somewhere else, they are entitled to put up their fees and charges. On 24 November, in reference to this issue, Mr Hockey said:

In some ways, we all pay a price for a world-class banking system, and that price is lower interest rates.

I said to Mr Hockey: ‘Where have you been? The world-class banking system that you are so proud of is a cartel which is ripping off consumers blind, and the banks’ behaviour is not changing.’ In the last month the Commonwealth Bank announced a profit of $2.7 billion for the full year. The Commonwealth Bank’s profit announcement also revealed that the bank had increased its income from fees by 17 per cent in the last year, having increased income from fees by 12 per cent the year before. But the banks were not satisfied with these profits. On the day that Australians turned their attention to the opening ceremony of the Olympic Games, the Commonwealth Bank announced plans to again increase fees and charges. This announcement was made, not through the usual press release, but in the back pages of daily newspapers:

The Commonwealth Bank have announced that they will increase the fee on withdrawing cash from a bank branch from $2 to $3, an increase of 50 per cent. The bank have also announced they will increase the fee for giroPost transactions from $2 to $3.

We are very concerned that the announcement by the bank to increase fees on giroPost transactions breaches the intent of the banks’ enforceable undertakings to the ACCC when the ACCC and the government agreed to allow Colonial to merge with the Commonwealth. At that time, the Commonwealth Bank promised that it would set rates, fees and charges on all products to customers in Tasmania and regional New South Wales so that they are equivalent to or more favourable than the rates, fees and charges imposed on Commonwealth Bank customers residing in metropolitan New South Wales.

GiroPost is incredibly important to rural and regional customers who have been affected by the withdrawal of banking services. Indeed, over half of all giroPost agencies and almost 65 per cent of all transactions come
from the bush. Given these facts, I ask whether the bank has breached the intent of its undertakings to provide services to rural communities on an equivalent or more favourable basis if it has increased a fee which disproportionately hits rural customers. If you take the branches away and you put the giroPost in place—when the branches charge 60c for an ATM transaction but giroPost used to be $2—and then you increase the giroPost by 50 per cent, who are going to be hit the worst? The answer is rural customers, bush consumers. That is the truth. That is where the concern is.

I have today, with my colleague Senator Mackay, written to the ACCC and asked it to investigate this issue. The ACCC has announced that it is taking legal action against the National Australia Bank for alleged price fixing of credit card interchange fees. The banks make a total of $600 million from credit card interchange fees, in what can only be described as the great credit card con trick. Let me go through how this con trick works. The first step of the con trick is for banks to encourage all to use credit cards by offering us frequent flyer points. For those of us who are keen to minimise the fees that banks charge us on our bank accounts, the banks also encourage us to use our credit cards for all our transactions. This is fine if you have a credit card, which many low income earners do not. But as a result of the banks’ encouragement, credit card debt has ballooned from $6.6 billion in March 1996 to $15.5 billion today.

Senator Kemp decided to unleash his fury on us in question time. He said: ‘What did you do in your 13 years?’ He is up next, so you will get to hear him. You point to the fact that credit card debt has gone from $6.6 billion to $15.5 billion. This issue has blown up since this government came to power. This government has continued to ignore the concerns in the wider community. To illustrate how the banks make money from credit card transactions, let us assume that as a consumer I choose to buy an item such as a fridge. The banks will charge the merchant a fee for the transaction. This fee is a percentage—

Senator McGauran—I take a point of order, Mr Acting Deputy President. Senator Conroy took an interjection of mine some five or 10 minutes ago in regard to him putting down his party’s policy. I am very concerned, now that we are into the last minute, that he will not take up that very relevant point which he committed to do, and that is: what is the Labor Party policy, what are they going to do, in regard to fees?

The ACTING DEPUTY PRESIDENT (Senator Watson)—There is no point of order.

Senator CONROY—In my last minute I will take that attempt at a point of order. The ALP, if Senator McGauran had been listening, is talking about a social charter. We are talking about trying to get the banks to sit down with their customers, to sit down with the National Farmers Federation, to sit down with the consumer associations, to sit down with the pensioners and establish a minimum level of banking service for all consumers in regional and rural areas. Customers in Benalla—which I know is close to your heart, Senator McGauran, as it is where you have opened your new office—deserve the same service as customers on Collins Street, where your other office is. What we want to see is equal service for people in Benalla and for people in Collins Street. That is all we are asking. That is what we are asking the banks to do. We are saying: ‘Come and talk to us, banks, and we will sit down with you and work something out.’ (Time expired)

The ACTING DEPUTY PRESIDENT—Before I call Senator Kemp, I ask people, when I am in the chair, not to invoke the deity.

Senator KEMP (Victoria—Assistant Treasurer) (4.13 p.m.)—Given the cluster of Senator Conroy, one would have assumed that this was an important issue to the Labor Party. For those who are listening to this broadcast, only one of his colleagues is in the chamber. It is supposedly a matter of extreme urgency with the Labor Party. Senator Denman has to be here because she is the acting whip. Senator Conroy, I knew that you were losing support in the Labor Party. You know that. What I did not know is that you
had lost so much support. Can I also make the point to Senator Conroy—

Senator Conroy interjecting—

Senator KEMP—He is a bit concerned about Mr Hockey writing to the ACCC about this matter.

Senator Conroy interjecting—

Senator KEMP—I listened very carefully to hear what Senator Conroy was going to do. We had 14 minutes of build-up of great drama—and what is Senator Conroy going to do? This very day, Senator Mackay and Senator Conroy have written to the ACCC. Well, Senator Conroy, before you get to the—

Senator Conroy interjecting—

Senator KEMP—Senator Conroy, you have written a letter. That is what you have done.

Senator Conroy interjecting—

Senator KEMP—Senator Conroy’s motion is both hypocritical and opportunistic. It is hypocritical for the reasons I have stated before: Labor was in office for 13 years and Labor did nothing on this particular issue, perhaps with one slight qualification. The then Treasurer, Mr Willis, issued a press release on 26 February 1996, just four days before the 1996 federal election, saying that Labor would monitor bank fees and charges. That was after 13 years in office. It was such a big issue that that was issued after 13 years in office.

Senator Conroy interjecting—

Senator KEMP—Rather than having a chance to talk about something, Senator Conroy’s colleagues could have actually done something about it. I think there is a bit of a view in this chamber that you are all talk, Senator Conroy, and I think that is true. The truth of the matter is that when you had the opportunity, your party went missing in action.

Let me give you some history here. By contrast, the coalition brought about the financial system inquiry, the Wallis inquiry, to investigate the totality of the financial services industry. The implementation of the Wallis recommendations was probably the most far reaching reform of the financial industry since the early 1980s. It was one of the recommendations of the Wallis report that the RBA and the ACCC conduct an inquiry into interchange fees charged by banks. The inquiry represents the first time that interchange fees have been so comprehensively reviewed, certainly in Australia and probably anywhere in the world.

Senator Conroy interjecting—

Senator KEMP—it is this government that has shed light on the issue and put some facts on the table in relation to interchange fees. This motion is thus totally opportunistic, because it was due to this government’s commitment to transparency that we even had a report which could shed some light on the interchange fees.

Senator Conroy interjecting—

Senator KEMP—Mr Acting Deputy President, Senator Conroy was received with great courtesy and was heard in silence in this chamber. I know he is sensitive, and when anyone points to problems of Senator Conroy’s debate and facts we always get this hysterical performance from him. If he does not behave himself, I urge you to take strong action.

As I said, Labor was in office for 13 years, and Labor did nothing. Because this review has been so comprehensive, it will take some time for the contents to be digested and for community and industry views on issues to be sought. However, the Minister for Financial Services and Regulation, Mr Hockey, is wasting no time in writing to the banks, allowing them to put their views forward. This is in keeping with the government’s commitment to greater competition, greater efficiency and greater transparency, so that interest rate margins, fees and charges can be reduced. This is the appropriate way to go about tackling the issue of interchange fees.

Charging fees is not illegal, nor did the Labor Party ever make any attempt to make charging of fees by the banks illegal. What more does Senator Conroy think ought to be done on this issue? What is he suggesting? Does Senator Conroy propose to change the law to actually regulate the size of bank profits or fees or interest margins? That may well have been part of the logic of Senator
Conroy’s case but, when it came to the crunch, what Senator Conroy wanted to do was to write a letter, which he thinks will provide the answer. What is in fact illegal is price fixing. There is a law which prevents price fixing to lessen competition, namely, the Trade Practices Act, which is enforced by the ACCC. As it happens—and I think Senator Conroy did acknowledge this, grudgingly—the ACCC is prosecuting the National Australia Bank at this very time. Let me make it very clear: the government is committed to encouraging competition in banking. Labor, on the other hand, in a hypocritical fashion have criticised the government for taking steps to shed light on the issue of interchange fees. It was not Senator Conroy’s assiduous work—although no-one would ever accuse Senator Conroy of assiduous work—and it was not Senator Sherry that revealed this problem.

Senator Sherry interjecting—

Senator KEMP—I agree. Senator Sherry, you have spent a lot of time on the superannuation surcharge so this is not entirely your fault because you specialise in other areas of activity. This issue, let me make it clear, was highlighted by the government’s action. It was the government’s report which has been tabled. It was not Senator Conroy’s hard work—although no-one would ever accuse Senator Conroy of assiduous work—and it was not Senator Sherry that revealed this problem.

Let me conclude with what the report shows. The study has found that the current interchange fee arrangements are higher than necessary to cover the relevant costs of the financial institutions. It also found that the established financial institutions lacked clear incentives to reduce interchange fees, while new entrants had not been effective in placing competitive pressure on the level of fees. The study also concluded that there existed anomalies and distortions in the pricing of the card networks, particularly affecting the cost of some telephone and Internet transactions. The government, as I have said, is now seeking an explanation from the banks on the issues raised in the study, and a further response will be developed following consultation with industry and consumer groups. The response will seek to remove any barriers to effective competition and access in credit and debit card networks while ensuring prudential standards continue to be fully observed. This is the appropriate, responsible approach to addressing the issue of interchange fees charged by financial institutions. Let me make it clear that the RBA-ACCC report was an important starting point. It is absurd for Labor to claim that none of these issues highlighted in the report existed when they were in government. The reality is that it is this government which has brought about the study which will put the facts on the table about the interchange fees and it is this government which is now actively addressing those issues.

Senator RIDGEWAY (New South Wales) (4.23 p.m.)—On behalf of the Australian Democrats, I would also like to weigh into this debate. I sometimes wonder whether it is the kettle calling the pot black, only it is difficult to work out who is the kettle and who is the pot. There are many occasions when Senator Conroy could be accused of using hyperbole but, unfortunately, and based on the report that was released yesterday by the ACCC and the Reserve Bank, the words of the motion seem, to me at least, to accurately describe without exaggeration what has been going on for some time. This is something that has come through in terms of reports over many years. The motion refers to:

... the blatant profiteering of banks which has cost consumers millions of dollars through their overcharging ... 

Unfortunately, when we look at that particular question, it seems that it is very close to the truth. The motion by Senator Conroy has been prompted by yesterday’s report, but in recent years the banks have been coming under fairly intense criticism on a number of fronts such that the practice has even been given a name, that of course being ‘bank bashing’. There is one important thing that the report by the ACCC and the RBA, given its findings, seems to indicate: the practice of bank bashing is not one that is entirely unjustified. The report is in the public domain and I would encourage all senators to download a copy from the Internet because it makes for quite interesting reading.
It appears that there is simply no pressure on banks to reduce their fees that can be readily passed on to consumers. That is at the heart of the issue. Let me quote from the report itself. One particular part says:

Competitive pressures in card payment networks in Australia have not been sufficiently strong to bring interchange fees into line with costs. The end-users of these services—cardholders and merchants—have no direct influence over the setting of interchange fees but must rely on their financial institutions to represent their interests. Large financial institutions have the dominant influence on interchange fee setting; however, since they are both issuers and acquirers and benefit from the revenue generated, they have little incentive to press for lower interchange fees. Where financial institutions can readily pass interchange fees onto their customers, as they can for ATM and credit card transactions, there is even less pressure for interchange fees to be lowered.

I think it is important to note that the report found that the bank mark-up on costs on an average credit card transaction is 39 per cent. It was also found that interchange fees are not reviewed regularly by the card schemes on the basis of any formal methodology and that the application of a formal cost based methodology would suggest an interchange fee well below the current levels.

Unfortunately, the problems that have been identified in the report are not new. Regulatory authorities in Australia first raised questions about interchange fees in a 1992 report on credit card interest rates by the Prices Surveillance Authority. The Prices Surveillance Authority at the time recommended that a full examination of interchange fees, including their efficiency and structure, be done—and it did not happen. The PSA also raised the issue again in 1995, when it was said that it was unlikely that interchange fees were efficiently priced and concern was expressed that inequalities in bargaining power between the participants involved in debit card schemes were resulting in market distortions.

I mention these earlier reports because, whilst the Democrats are supportive of Senator Conroy’s motion, we do not believe that the Labor Party is coming to the table with clean hands on this issue. There is probably more than a hint of hypocrisy in the Labor Party moving a motion that commences with the words:

The failure of the Government to address ...

I will not be moving an amendment to this motion, but an appealing prospect would be to delete the first five words of the motion and to insert the words ‘The failure of the Government and of the Labor Party when in government’. That is because questions were raised about the charging of interchange fees as far back as 1992—eight years ago. In the subsequent four years that the Labor Party was in office, it did nothing to bring the banks back into line.

I understand that the Minister for Financial Services and Regulation, Mr Joe Hockey, has sought an explanation from the banks on the conclusions reached by the ACCC and the RBA. I want to quote from the minister’s press release of yesterday. He said:

The report should serve to better inform the public and to further debate about interchange fee arrangements.

I will repeat those words: ‘to better inform the public and to further debate about interchange fee arrangements’. To be quite frank, I think that it is a little weak to be asking only that that be the outcome of a report that highlights an inconsistency and a deficiency in passing on benefits to consumers over the past eight years—perhaps even longer. The report should do a lot more than simply inform the public and further debate. I understand that the ACCC is pursuing legal action against the National Australia Bank in relation to interchange fees and that an arrangement has been made with six other banks to review fee setting arrangements, which will allow those banks to avoid legal action, at least for the time being. There seems almost no doubt that consumers have been paying more in bank fees than they should have been for at least the last several years. So far even the banks do not seem to be publicly disputing that.

It is time for both the government and the ALP to stop the table-thumping and the grandstanding. It is incumbent on the Minister for Financial Services and Regulation to publish the responses of the banks to the
ACCC-RBA report so that the public can better assess the banks’ explanations. The Democrats position will be one of monitoring the actions of the minister that result from yesterday’s presentation of the report, and I hope that more will result from it than resulted from the two Prices Surveillance Authority reports that arose during the era of the Labor government. In conclusion, the Democrats are supportive of this motion but, at the same time, I note that we also recognise just how little the Labor Party did when it was in office to curb the banks’ appalling practices of profiteering and overcharging.

Senator WATSON (Tasmania) (4.30 p.m.)—In responding to this urgency motion, in accordance with Senate orders I wish to declare an interest, both as a user of banking services and as a modest shareholder in a partnership of a number of the larger banks. At the same time, I wish to remind the Senate that I am no apologist for the banks in any way, as my past speeches in this chamber will certainly demonstrate, and I refer honourable senators to them. I think it is incumbent on some of us to provide at least a degree of balance to this debate.

There are a number of unusual features in Senator Conroy’s motion. The ALP initiated the consequences referred to in the motion—hopefully unintentionally—through the previous Keating government’s deregulatory mechanisms. The Keating government assured the public that monitoring and assessment processes would be put in place, but this did not happen. There were also assurances from a past Treasurer that an inquiry would take place into bank fees, et cetera, but nothing happened. I wish to remind the Senate that it was the Liberal-National coalition’s initiative in picking up the Wallis recommendations that led to this report—Debit and credit card schemes in Australia: a study of interchange fees and access, produced by the Reserve Bank of Australia and the Australian Competition and Consumer Commission—bringing to light the allegations of overcharging. I wish to also remind the Senate that within 24 hours of the release of that report—and it was released at 2 o’clock yesterday afternoon, I think—Minister Hockey, who is the responsible minister, and others dispatched urgent letters seeking explanations from the banks arising from the conclusions in that report. I commend the coalition government for the expeditious way in which it has positively responded to that report.

Our coalition government encourages competition and transparency, and that is what we are seeking. But, at the same time, I think that some of the criticism should be muted by the fact that not enough customers and consumers of bank products shop around enough. If you shop around, you will find that there are niches, there are opportunities for lower transaction fees. In fact, many people have the wrong account for their particular needs. The exit of the bigger banks from certain rural areas has seen the emergence of other competition. I wish to remind the Senate that it was the Liberal-National coalition government that led to this report. Our coalition government encourages competition and transparency, and that is what we are seeking.

Major retailers such as Coles-Myer and Woolworths are providing in-store banking services. EFTPOS-type services are readily available in a range of retail outlets, and they are growing in popularity. I repeat again the lesson from all of this: customers must be vigilant in choosing an option which gives
them ways of avoiding fees and charges. They must not ignore that it may not be a bank after all that can offer the best option. Even the ANZ Bank openly admits that its attempts to pass on savings to customers from the flexibility of products is brought on by the arrival of new competitors with different cost structures who can offer cheaper prices and thereby steal customers. This broadening of competition will continue, and we encourage it. But I say to the banks that they must face up to the challenge or lose customers. There is no doubt that, as interest rates have fallen, the banks have sought to raise revenue through other areas; bank fees and charges are two of those areas and are the subject of this report.

I also remind my colleagues on the other side that, if they had read the submissions to the Senate Select Committee on Superannuation and Financial Services, they would have seen submissions urging the banks to be more transparent in the commissions that they pay staff for recommending their own in-house investment services. On the other hand, I refer honourable senators particularly to the submission from Anthony Starkens from the first Samuel submission, and also a submission from the Australian Financial Planning Association which put the contrary view. So there is plenty of opportunity for members on the other side to get some balance into this whole thing. Senator Conroy is also a member of the Joint Committee on Corporations and Securities, which is also investigating fees for electronic and telephone banking at the present time. So we look forward to your using these opportunities, Senator Conroy, to express your concern.

Banks have really been very innovative, and perhaps more innovative in Australia than elsewhere. Some suggest that they enjoy good value from their banking and financial services because they can now get access to banking services 24 hours a day, seven days a week at a time and place most convenient to Australian people. There is the Bpay system, there is picking up cash when shopping for the groceries, et cetera. Banks also provide a lot of support to people with special needs. There are fee free accounts offered to certain children, people with disabilities, pensioners and students. As I mentioned before, some people are moving outside the banking system for their specialised credit. In fact, if you do look around, there is a great deal of disclosure by the banks in relation to their services. I invite you to look at the brochures to minimise fees. *(Time expired)*

Senator SHERRY *(Tasmania)* *(4.38 p.m.)*—The report we are considering into the credit and debit card scheme in Australia and the study of interchange fees and their access is a very authoritative report compiled by the Reserve Bank of Australia and the Australian Competition and Consumer Commission. It is one of the more important reports in respect of public policy in the financial sector that we have seen in recent times. There are a number of critical issues that are exposed in this report, and I will touch on a number of points fairly briefly.

The report found that interbank fees on all card services are a substantial revenue earner for financial institutions, worth about $900 million a year, and these costs are passed on to consumers. It determined that the average cost of a consumer using another bank’s ATM to withdraw money is 49c, but the client bank will be charged around $1.03 to complete the transaction. The customer is even worse off, eventually paying a foreign ATM fee of $1.35. From 49c to $1.35 is a very substantial mark-up in anyone’s terms.

The report also concluded that for an average credit card transaction of $100 the interchange fees eventually passed on by the bank add up to $2.69, but the transaction cost was $1.93. The cost is $1.93 and the charge by the banks is $2.69—a mark-up of almost 40 per cent. In terms of the charge per transaction, these sound like fairly small amounts of money, but the report also revealed that there are 1.2 billion transactions each year. When you look at the number of transactions and the mark-up, there is a huge profit—an average mark-up of 39 per cent—to the banks with respect to these charges. What is important and was missed by the government, particularly by Senator Kemp in his contribution, is that the use of these facilities has increased exponentially in recent years. The level of usage means that the extremely ex-
cessive fees and charges to the consumer by the banks have increased dramatically over the last few years.

Senator Kemp is fond of blaming the Labor government, referring to our 13 years in government. But for most of that time these sorts of facilities were not in widespread use. That is why I point out the exponential increase in the last five years. Senator Kemp and other government speakers are less than gracious in acknowledging the tremendous work done by Senator Conroy and the significant contribution he has made on this issue on many occasions, both in this chamber and in the estimates committee. I cannot recall any other senator, frankly, who has raised this issue as often as Senator Conroy has. So it does no credit to the government to criticise Senator Conroy in that way when he has been one of the leading people who has exposed this malpractice.

What did surprise me—I was not aware of this until I read the report—is that interchange fees do not exist in most other countries around the world. It appears to be a system almost unique to Australia. Senator Kemp boasted that the inquiry was the first such inquiry into interchange fees possibly anywhere in the world. So what? They do not exist anywhere else in the world, so it is no big deal, and Senator Kemp should not boast that this government has initiated the first inquiry when it is not a problem anywhere else in the world.

The report highlighted the 1.2 billion transactions worth $900 million. These are huge sums of money. The great shame is that the Liberal-National Party government has known about this issue for some time. It is all very well to say, ‘We initiated the report,’ but, Senator McGauran, through the chair, you have been in government for five years. You have known about this issue. Have you acted decisively in policy terms to fix the problem?

Senator McGauran—It is the first I have heard of it.

Senator SHERRY—You should read the report, Senator McGauran. I am not sure you have read the report. The report does make the point that this is not a competitive market. A competitive market has a number of characteristics. Amongst those characteristics are transparency—being able to identify the fees and charges—and also having enough competitive players so that there is no collusion among suppliers in terms of the system that is created in order to maximise profit by lifting mark-up. In this area of bank fees and charges, it is clear that there is a substantial, if not total, failure of the market.

Senator Watson suggested consumers should shop around—this is often the advice that is given to consumers. One of the failures of the so-called competition theory—and it is a theory—is that many consumers do not possess the knowledge or the time, for that matter, to shop around. If you live in an area of rural and regional Australia, there might be only one facility and it is physically not possible to shop around. So it is a great theory but, in practice, certainly in this area, the considerable majority of consumers do not shop around. It assumes that consumers have perfect knowledge of the financial system. The vast majority of consumers do not have that knowledge and are highly unlikely ever to attain it. It also assumes a transparency so that you can at least gather the knowledge. It is apparent from this report that it is very hard to identify these particular fees and charges.

What is interesting also is that the report says that most ATM interchange fees were set about 10 years ago and few have been adjusted, despite significant changes in important cost components. So the banks set the fees approximately a decade ago, but the costs have come down because of the application of new technology. It is no wonder that the banks have been urging customers to convert to these new technologies, which have allowed a substantial reduction in their costs of operation. Banks have been deliberately driving their customers to use these new forms of technology.

I would like to make a comment about regional Australia. We have had a substantial number of bank closures throughout Australia, particularly in regional Australia. Often communities in regional Australia have no option but to use an ATM because the bank does not physically exist in their town—in
many cases, there is no ATM at all. Quite rightly, my colleague Senator Conroy has been making statements about this issue for quite some time. The government has known about problems in this area. I note that Senator Kemp said:

The review has been so comprehensive, it will take some time to digest.

I certainly hope that the digestion and action arising from this report are not going to take another five years. Apparently, Mr Hockey has written to the ACCC. We know what Mr Hockey did the last time he claimed to crack down with respect to the GST: he did not write the letter at all. A government minister writing a letter is not action. There is a clear failure of the market in this area. Where there is a clear failure of the market, the government has the power—the Reserve Bank of Australia also has the power, if it so wishes—to introduce maximum levels of fees and charges in this area. That is what is warranted where there is a clear failure of the market. There is little competition in this area. There has been massive profiteering by the banks and the financial institutions—mark-ups of 39 or 40 per cent—and this government has failed to act.

Senator McGauran (Victoria) (4.48 p.m.)—I join my colleagues on the government side to utterly reject this so-called urgency motion. Senator Kemp made the very good point that, if it is so urgent, why were there not more opposition members in the chamber when their leading man, Senator Conroy, led the fight on this urgency motion? The truth is, it is nothing short of a filler. Senator Sherry was quite right: Senator Conroy does harp on this matter. He is at the forefront of this issue. Banks are a very soft and easy target to bash and Senator Conroy has taken it up.

Senator Sherry—But it’s true.

Senator McGauran—The truth is that a report was handed down, and this is where this urgency motion comes from. On the back of that very strong report, commissioned by the government itself, the opposition, led by Senator Conroy, decided to turn it into an urgency motion when it was the government that commissioned this report. It was a very strong report in regard to bank charges and fees. I refer to the Financial Review which took slabs out of that report’s findings. The report primarily considered interchange fees, the charges that flow between banks to pay for the system on electronic transactions—credit cards and ATMs. The Financial Review says:

For a $100 transaction, total revenue for the credit card issuing bank is around $2.69—a mark-up of 39 per cent over the cost of the transaction. For credit card acquirers, the mark-up is 67 per cent... the levels of interchange fees are high relative to costs, and fees of this magnitude are not essential to the continued viability of the network. The RBA-ACCC report—

The Reserve Bank and the ACCC carried out this report together—

is also critical of the lack of changes to costs in electronic transactions. They have not been reviewed, and have tended to remain fairly constant. This is despite ‘significant changes in underlying costs’.

The price signals and the competitive responses that would be expected to put pressure on the margins in card payment networks have not worked effectively, the report says.

So it is a strong and vigorous report, if not damning upon the banks in regard to their fees.

As I have said, the government instigated this report and it was the Reserve Bank and the ACCC that undertook this report because we are looking for transparency in this area of bank fees. We know only too well that the public are sensitive about bank fees. It is an area in which people on lower incomes are hit most and in the past banks unquestionably have been vigorous—and that is putting it mildly—if not exploitative in regard to bank fees. The government have never stepped back from seeking competitive pressures in the banking sector and transparency with respect to fees. The government have been critical—as noted in the quotes from the Prime Minister read out by Senator Conroy—of the banking sector in regard to their lack of social responsibility and social conscience.

It was not too long ago that bank executives and directors were walking around saying, ‘We’re a bank. We’re a financial institution. We have responsibilities to share-
holders; we don’t have to have social responsibility.’ Without doubt any statements made by a bank executive today, particularly given the Prime Minister’s criticism of those comments, includes social responsibility. If nothing else, one big turnaround in the language of the banks is that they do have a social responsibility.

I make this point. The speakers on the other side should have no doubt. Not only does the ACCC have the power under the Trade Practices Act—having this report in hand and having taken action against the National Bank on the charging of fees—to act in regard to collusion on bank fees but the government urges them to take that power. That is what the ACCC is there for. The Reserve Bank and the ACCC together came up with these findings, and their power under the law has been strengthened by this government under the Trade Practices Act. If there is any suggestion of collusion, they ought to act. It was Senator Conroy who said:

... the Reserve Bank and the ACCC have finally blown the cover and exposed the banks’ credit and debit card cartel ...

If it is found to be a cartel, rest assured the ACCC, under Professor Fels, has a record of taking on the big financial institutions and the big corporations—as they did during the GST introduction—when they abuse their power with regard to fees and charges. I have every faith that the ACCC will act upon this report with the laws and powers that they have been given. When I listened to the opposition, I waited 15 minutes for Senator Conroy to put down a policy. We heard nothing from Senator Conroy other than reference to a letter he has put into the ACCC. Our own minister is in a far better position than Senator Conroy, I can assure you, and has far more respect.

Senator Sherry—That’s all that Hockey’s done!

Senator McGauran—I think Mr Hockey, the minister, would have far more credibility than Senator Conroy’s letter. I noticed that you slipped a little policy in at the end that is completely different from Senator Conroy’s. You want to cap the fees; you want to put a lid on the fees. Let us hope you take that into the shadow ministry as a policy. At least we will hear that some sort of policy has been put on the table. As usual, in regard to these urgency matters, time is against me. I did so want to bring up Labor’s record in regard to fees. Just four days before the election they announced that they were going to monitor fees—after 13 years in government. It was a political, opportunist election stunt. It was seen for that. That is about the sum total of their record in this area. I have every faith that this report will be acted upon by the ACCC and by the Reserve Bank under this government’s urging and with the powers we have given them.

Question resolved in the affirmative.

**PHIL BOTHA MEMORIAL RUN**

Senator Harris (Queensland) (4.55 p.m.)—I seek leave to make a short statement.

Leave granted.

Senator Harris—I thank my fellow members of the chamber. I will briefly raise the issue of the Phil Botha Memorial Run. The Phil Botha Memorial Run is an activity carried out by the Parliamentary Security charity group. This year will be the fourth year that the Parliamentary Security people have operated this run. The run is named after one of their fellow workmates, who ran in the first charity run and died shortly afterwards from cancer. The moneys raised from this year’s run are being donated to the Australian Paralympic Committee. One project that the Paralympic Committee have in place in the ACT is a sports carnival for students with disabilities. They have a disability education program to provide education, training, resources and support to teachers, coaches and community leaders to assist them to redress barriers that face people with a disability. The Australian Paralympic Committee also provide support for Paralympic athletes to enable their participation in Paralympic Games and other internationally sanctioned events. They also support greater access to sport for people with a disability, both young and old. Finally, they also identify and encourage talent in athletes with a disability.
The run this year will be carried out on 17 October, starting at the Big Merino Restaurant in Goulburn at 7.30 a.m. and arriving at Parliament House at approximately 3 p.m. A Paralympian, Sharon Rackham, will join the last leg of the run. Sharon was a gold medal winner at the Atlanta Paralympics. Last year Sharon also joined the run. I would like to recommend to my fellow senators and to the members in the other chamber that they donate to this extremely worthy charity. Any senator or member can do that by calling extension 5999. I thank the Senate for the privilege of being able to raise the issue and support this very worthy cause.

TELECOMMUNICATIONS
(UNIVERSAL SERVICE LEVY)
AMENDMENT BILL 2000

First Reading

Bills received from the House of Representatives.

Motion (by Senator Ellison) 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 ELLISON (Western Australia—Special Minister of State) (5.01 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) AMENDMENT BILL (No. 2) 2000

Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 establishes the universal service regime for telecommunications. The universal service regime ensures that telephone and digital data services are reasonably accessible to all people in Australia. These two components of the regime are known as the universal service obligation (or USO) and the digital data service obligation (or DDSO) respectively. Currently around 400,000 telephone services are subsidised under the USO. The universal service regime is a key element of the Government’s strategy to provide access to effective communications for Australians.

The Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 amends the Act by repealing the current Part 2 and substituting a new Part 2. The bill provides for a new universal service regime that is flexible, forward looking and better able to cope with the changing demands of industry and consumers.

The bill is fundamentally about improving the delivery and funding of the USO and DDSO. It does not seek to alter the composition of the obligations. Rather it seeks to improve service levels and provide greater choice for consumers, by improving delivery mechanisms.

The Coalition has had a long standing commitment to looking for innovative ways of delivering services, including introducing competition into the provision of telecommunications services to customers who largely rely on the USO.

There is clear evidence that competition is the best means of improving service and choice for consumers, while also putting downward pressure on suppliers’ costs. One need only look to the significant reductions that have occurred in long distance, international and, more recently, local call charges. Telecommunications users reliant on the USO should share in these benefits to the maximum extent practicable. The existing USO arrangements, by helping to reinforce a monopoly, do nothing in themselves to foster a quality of service improvement culture for those telecommunications customers who rely on the USO for provision of their basic access services.

There has also been a number of practical pressures to conduct a fundamental re-examination of the way the USO is delivered and funded. There have been widely divergent claims about the cost of the USO ranging from Telstra’s $1.8 billion claim for the 1997-98 financial year, to less than $200 million claimed by a number of Telstra’s competitors. This has highlighted a lack of certainty in USO cost setting inherent in the current arrangements. There has also been debate about who should pay for the USO and DDSO and how the costs should be shared.

It has become increasingly apparent that Telstra’s monopoly over USO subsidies constitutes a barrier to increased competition in country areas. All competitors in the industry should have the opportunity, at some level, to compete to deliver USO services, particularly when it is they who, in the first instance, fund the cost. There is a simple issue of competitive neutrality.
Many people seem to assume for historical reasons that Telstra should be the only universal service provider. This mindset, that holds Telstra up as the only possible solution for regional and rural Australia, needs to be reassessed. The Australian telecommunications market is a competitive telecommunications market. There is absolutely no reason why Telstra, as universal service provider, should not be exposed to competitive pressure. If others can do the job better they should be given the opportunity to do so.

The Government has undertaken extensive consultation over the past 18 months about the best way of introducing competitive pressures into the USO. A number of new models for USO delivery have been developed and assessed. A key event was a major forum hosted by the Department of Communications, Information Technology and the Arts last November. Over 200 people, representing the range of carrier, regional and consumer interests, attended to discuss key USO issues.

After reflecting on these processes, in March this year the Government announced a number of initiatives in relation to the provision of universal service in Australia and of untimed local calls in remote Australia. In broad terms, the key decisions were to:

- amend the universal service regime to improve its general operation, particularly in relation to contestability, costing and funding;
- extend the funding base for the USO and DDSO to include carriage service providers as well as carriers;
- undertake pilot schemes in regional Australia to trial the competitive supply of services under the USO;
- undertake a competitive selection process to award the $150 million allocated from the Telstra 2 sale for the provision of untimed local calls in remote Australia (Telstra’s so-called the Extended Zones), with the successful tenderer subsequently becoming the USP for the area; and
- enhance industry certainty by enabling the Minister to determine a universal service provider’s USO entitlements for up to three years in advance.

On 10 May 2000 the Government introduced into Parliament a first, short bill, the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000, to make critical amendments before 30 June 2000. It focussed on the last two of the measures announced in March. This second bill builds upon that first bill and provides for the wholesale revision of the USO regime announced by the Government on 23 March.

As a result of the changes proposed in this bill, Australia will have a cutting edge USO regime that is effective, flexible and better aligned with changing industry and consumer requirements. This is reflected in the new objects of the Part.

I will now outline the key changes to the universal service regime provided for in the bill.

It is useful to note at the outset that all proposed powers of the Minister under the Part will be able to delegated, on a conditional basis, to the Australian Communications Authority, the ACA, enabling it to take over the day-to-day administration of the arrangements once they are bedded down.

Under the bill the USO and DDSO will continue as they are and will continue to apply to the whole of Australia. To assist with resolution of day-to-day issues about whether something is or is not part of the USO the Minister will be given a new disallowable determination power.

The legislation will enable the USO to be divided into constituent service obligations in case different components are better provided by different universal service providers in the same or different areas. The whole USO will, however, always need to be fulfilled.

The Minister will be empowered to determine areas to be universal service areas in respect of one or more service obligations, in much the same way as the Minister currently determines digital data service areas. These areas will be the basic spatial building blocks of USP’s obligations. Areas not determined will be deemed to constitute a default service area in their own right.

The bill does not upgrade (or degrade) the USO itself. The focus of the Government’s review activities has been on the very important delivery and funding machinery for the USO. Upgrade of the USO is an issue the Government has addressed several times since coming to office. Only last year the Government introduced the DDSO to complement the USO and ensure all people in Australia had access on request to a 64 kilobits per second data service. Moreover, the proposed contestability arrangements, for example, are directed at providing for market-based solutions to improve the delivery of service over time, in a way which is flexible and more responsive to the real and varied needs of people in higher cost telecommunications areas.

The Government is also pursuing other means to enhance access to communications services for regional, rural and remote Australia. The very successful Networking the Nation initiative,
funded from the first Telstra sale, is one example. Networking the Nation and the package of Social Bonus initiatives, funded from the second Telstra sale, have resulted in $920 million being targeted primarily at information technology and telecommunications in regional areas.

Provision is made in the bill for primary universal service providers (or PUSPs) and competing universal service providers (or CUSPs). In essence, the PUSP is the ‘carrier of last resort’ for a service area and has some special obligations, including always providing the standard telephone service. In turn it can receive additional subsidies if the circumstances warrant this. The Minister must declare one PUSP in respect of each service obligation in respect of each universal service area. As a transitional measure, Telstra is deemed to be determined the PUSP for all service areas until such time as another person is determined the PUSP.

A PUSP will be required to have a policy statement and a marketing plan that sets out how it will fulfil the USO as it applies to it. These will be approved by the Australian Communications Authority (or ACA). The PUSP will be required to consult publicly on the draft policy statement and marketing plan and will be bound by its approved statement and marketing plan. Payment of USO subsidies will depend on compliance.

A central objective of this bill is to establish a statutory framework for ongoing competition in the delivery of USO services. In the first instance, this will support the Government’s proposed pilots and, later, their progressive extension into new areas.

Under the bill the Minister will be able to determine that supply of a service obligation in an area is contestable and thereby subject to default contestability arrangements. These arrangements will overlay the standard PUSP arrangements.

A carrier or carriage service provider wishing to supply services in respect of a contestable service obligation in a specified service area will apply to the ACA for approval as a competing USP (or CUSP). The ACA will consider the person’s application in terms of whether the person is (i) an appropriate person; and (ii) the person has an approved policy statement; and (iii) the person has an approved marketing plan.

A CUSP will be able to seek approval to supply standard USO services as defined in the Act and/or alternative telecommunications services (or ATS) in fulfilment of the USO. In effect ATS will be service packages which have the key features of USO services but may vary in some way, including in their terms and conditions. The ATS concept is a major innovation on the part of the Government and is intended to provide greater scope for USPs to offer consumers the services consumers want, with the provider retaining the benefit of the underlying USO subsidy. Consumers will always have the option of the standard USO services offered by the PUSP. Whether consumers want to take up ATS will be their choice. PUSPs will also be able to offer ATS, but only in addition to their standard services.

Both CUSPs and PUSPs supplying ATS will be required to have approved policy statements and marketing plans that will be binding. Both will be free, under these circumstances, to cease offering the services they have undertaken to supply but will need to give notice and provide for the transfer of customer to other services or providers. This is consistent with the decision to supply these services being a commercial initiative of the PUSP or CUSP concerned. Where a CUSP ceases to provide services in fulfilment of that service obligation in respect of which it has been approved for an area, it will no longer be a CUSP.

The Minister will be able to modify the default delivery arrangements to deal with any new events or circumstances which may arise. Such modifications will be disallowable.

While its origins are clearly visible in current section 57 of the Act, proposed Division 9, relating to the determination of USO subsidies, shows a new approach to USO costing issues. The proposed determination provisions are the main vehicle for giving effect to the Government’s decision to set USO payments in advance. Adoption of the term ‘subsidy’ is intended to reflect the re-orientation of the universal regime away from the old monopoly USO delivery model to one increasingly open to competitive USO delivery.

The Minister will determine USO subsidy entitlements for up to three years in advance. Subsidies will be able to be determined in respect of one or more parts of the USO in respect of one or more service areas. Given the uncertainties for suppliers in commencing supply based on an instrument which is subject to disallowance, the consequences of disallowance, and because the Minister’s decisions about setting subsidies (in general to be based on advice from the ACA) are largely administrative in nature, such determinations will not be disallowable.

The Minister will be able to determine additional subsidies for PUSPs in contestable service areas.

The Minister’s determination will be able to set out the circumstances in which the subsidy is payable, that is, in effect, to set eligibility criteria.
The Minister will be able to request the advice of the ACA in setting subsidies. The Minister’s request will be able to specify principles, including the methodology, the ACA is to have regard to in preparing its advice. In the first instance, the ACA is expected to use the ‘efficient provider, avoidable cost less revenue forgone’ methodology it has used for its assessment of Telstra’s USO entitlement for the last three financial years. It is expected, however, that the methodology will evolve over time to take account of increasing experience and changing market conditions.

Eligible revenue is the revenue measure used in the universal service regime to calculate contributions to the total USO cost. Contributions are proportional to a person’s share of total eligible revenue for the industry.

Consistent with the Government’s announcement in March, the bill provides for carriage service providers as well as carriers to contribute directly to USO funding. However, to assist implementation, provision is made for carriage service providers to be brought into the funding process by disallowable instrument.

Carriers and carriage service providers earning gross telecommunications revenue under a threshold determined by the Minister, and other classes of specified persons, will not need to lodge eligible revenue returns. They will therefore be exempted from contributing to USO funding. Further, carriers and carriage service providers earning less than a specified amount of eligible revenue will be deemed to have zero eligible revenue and will therefore be exempted from contributing to USO funding.

For equity and to minimise the potential burden on smaller contributors, a person’s eligible revenue assessment will be net of an amount equivalent to the eligible revenue threshold.

As an important innovation to encourage contributors to lodge timely returns, the ACA will be able to estimate an eligible revenue figure if that person fails to do so. In the absence of this device, payments to USPs can be inappropriately delayed.

USPs and DDSPs will be required to lodge claims for entitlements that will ultimately derive from USO subsidies determined by the Minister or DDSO rebates set in regulations.

Claims for will be for a ‘claim period’, the default being a financial year. A shorter claim period will, however, be able to be determined, thereby giving USPs quicker access to subsidy entitlements and reducing the cost burden on them.

The ACA will be required to scrutinise and make an assessment of claims. The ACA will need to examine whether the circumstances set out in the Minister’s subsidy determination for payment of the subsidy have been met. To enable management of any difficult claim situations that may arise, the Minister will be able to formulate principles to be followed by the ACA in assessing claims. The Minister will be required to consult before determining such principles. The principles will be disallowable.

Individual USO contributions will be calculated, as now, by multiplying total levy entitlements by each person’s contribution factor, which is based on their eligible revenue. The Minister will be able to modify this default formula by determination. This will enable the Minister, for example, to establish a margin to cover defaults and to provide for the carrying forward of that margin. The determination will be disallowable.

Provisions relating to the Universal Service Account have been revised to align them with the standard forms for Special Accounts under the Financial Management and Accountability Act 1997 and the overall changes to the universal service regime.

The Account is to be administered by the Department of Communications, Information Technology and the Arts or the ACA, if the ACA is prescribed as an agency for the purposes of the Financial Management and Accountability Act 1997.

Levy will be able to be paid out to USPs in proportion to their entitlement as contributions are paid into the Account. This will help address concerns about USPs bearing additional costs when payment is delayed. The Minister will be able to determine alternative disallowable rules for the making of payments out of the Account, for example, to give priority to specified kinds of universal service providers such as PUSPs.

The Minister will be able to determine arrangements in relation to contributors to the USO and DDSO taking out performance bonds or guarantees in relation to payment.

Finally, current information disclosure provisions are re-enacted. However, to enable any continuing concerns about the efficacy of the provisions to be addressed and to deal with new issues that may arise, the Minister will be able, by disallowable instrument, to modify those provisions, for example, to make the disclosure test less restrictive.

Taken together, this package represents a major reworking of the machinery for managing the USO into the next decade. It should enable the Government to deliver USO policy more flexibly, creatively, and in ways which facilitate innova-
tion and which support market-based solutions to meeting the communications needs of people in regional Australia.

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 2000

The Telecommunications (Universal Service Levy) Act 1997 currently imposes a levy on telecommunications carriers to fund levy entitlements accrued by universal service providers and digital data service providers in fulfilling the universal service and digital data service obligations (USO and DDSO respectively) under Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999.

The Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No.2) 2000 is amending Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999 to put in place a new universal service regime. The Telecommunications (Universal Service Levy) Amendment Bill 2000 makes amendments to the Levy Act consequential to these amendments to the Telecommunications (Consumer Protection and Service Standards) Act.

The amendments arise from the extension of USO and DDSO funding to include carriage service providers as well as carriers and new arrangements in relation to claim periods.

To this end, Schedule 1 to the Bill amends the Levy Act to:

- replace the term ‘Participating carrier’ with ‘participating person’ - this new term covers both carriers and carriage service providers who are required, under the proposed new arrangements, to contribute to USO and DDSO funding;
- replace the term ‘financial year’ with ‘claim period’ - under the proposed new arrangements claims will be made in relation to a claim period, which may be a financial year or another specified period; and
- make it clear the proposed amendments do not apply to financial years that ended before 30 June 2000 - this makes it clear the amendments only have effect from 1 July 2000.

Debate (on motion by Senator Hutchins) adjourned.

WORKPLACE RELATIONS AMENDMENT (TALLIES AND PICNIC DAYS) BILL 2000

First Reading

Bill received from the House of Representatives.

Motion (by Senator Ellison) agreed to:

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

Bill read a first time.

Second Reading

Senator ELLISON (Western Australia—Special Minister of State) (5.02 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 Coalition’s 1998 workplace relations election policy More Jobs, Better Pay contained commitments to further legislative reform in our second term of office.

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

That Bill was passed by the House of Representatives on 29 September 1999 but subsequently blocked by the combined opposition of the Labor Party and the Australian Democrats in the Senate.

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

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

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

Taking these sentiments into account, the Government has sought to accommodate the preferences of the Australian Democrats by proceeding, other than on technical issues, with an issue by

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

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

This Bill makes changes to the Workplace Relations Act 1996 which provide for further simplification of federal awards in two areas where industrial matters are more appropriately decided at the workplace level – union picnic days and tallies.

Despite obstruction, the award simplification process under the 1996 Act has been beneficial to employers and employees. Since July 1998 all federal awards have only been enforceable in a simplified form. Over a thousand obsolete awards have been set aside, and hundreds of others have been simplified to ensure that published versions of awards specify only allowable matters.

Award simplification has established a fair and streamlined safety net of minimum wages and conditions of employment. It has also facilitated agreement making and more productive workplaces.

Following the decision of the High Court on 15 June 2000 to uphold the constitutional validity of the award simplification process, it is now appropriate for the parliament to enact measures for further targeted simplification. Overly complex and restrictive awards only hinder agreement making and act as a barrier to continued employment growth and workplace decision making.

Award simplification should be a matter of bipartisan policy in this parliament. It was a policy advocated by the former Keating Labor government between 1993 and 1996.

The Labor Party in opposition has, however, regressed in its own support for award simplification. It now has an approach of mindless opposition, like that of the ACTU, to all award simplification. Rather than support simplified awards, Labor’s policy – as recently as last Friday’s version – is for awards with unlimited content and regulatory detail.

Award simplification, however, remains a formal part of Australian Democrat policy. The Democrats’ 1998 industrial relations policy indicated that, “in assessing the industrial relations policies of both major parties in the Senate, the Democrats will apply and pursue the following principles…A comprehensive up to date, simplified and useable award system.”

Tallies

The Bill removes tallies from the allowable award matters. Tally systems determine rates of pay and penalties by inputs rather than outputs.

The award-based tally systems which operate exclusively in the meat processing sector are a major disincentive to productivity and efficiency in that sector – this is supported by the 1998 Productivity Commission Report “Work Arrangements in the Australian Meat Processing Industry”. That Report said “…there are two forms of tally – head tallies and unit tallies…The simple effect of the unit tally … is to increase unit labour costs as output exceeds minimum and then maximum tally…Both head and unit tallies are based on inputs – such as the number of heads – rather than a measure of output, such as weight processed, yield per animal, or any other measure of quality. This has implications for the impact of the tally on incentives facing both employees and managers. Unit tallies in particular are complex and prescriptive…” After some 30 years of operation the award tally system is outdated and has been overtaken by technological advancements.

The Cattle Council of Australia, earlier this month, published a paper entitled “Australia’s Beef Industry: A New Era”, saying that: “…With the focus upon inputs, unit labour costs are increased to a very large degree once the tally has been met. These increased labour costs limit throughput on a given shift and overall in meat processing plants. This also leads to significant under-utilisation of capital, with the effect that labour inefficiencies also reduce capital productivity…”

If individual enterprises wish to operate tally systems they need to be designed, and be able to be adjusted, having regard to the circumstances affecting particular plants and to changes in those circumstances. Award-based prescription of tallies is therefore unduly prescriptive and a brake on productivity.

A Full Bench of the Commission, last year, decided as part of award simplification hearings that it would delete the tally system from the major federal meat industry award. It decided to replace the tally system with a provision allowing for the implementation of an incentive payment system at the enterprise level as an alternative to payment based on time worked. It found that the appendix to that award, which set out the substance of the tally provisions, was “…replete with matters of detail or process more appropriately dealt with by
agreement at the workplace or enterprise level…the provisions prescribe procedures which restrict or hinder the efficient performance of work…tally values based on time and motion analysis of the way work was performed 30 years ago are unlikely to be accurate now…the provisions are incapable of rational application to the variety of plants which make up the modern industry …”

The removal of tallies from awards is long overdue and has been widely advocated within industry and by policy makers across the political divide. As related by the Deputy Prime Minister and Minister for Transport and Regional Services to parliament on 26 June 2000 “…for a short period only, (the Australian Labor Party) got realistic about this industry, and their spokesman, the then Minister for Industrial Relations, Mr Peter Cook, in 1992 said ‘We ought to get rid of the tally system.’ Peter Cook was not able to…deliver. Do you know why not? The ACTU said no. Peter Cook said, ‘This will produce more jobs. This will save jobs and produce more jobs. It is an important reform. But the ACTU said no.’ Why did the ACTU say ‘no’? The answer lies in the quote from an article in the Journal of Industrial Relations (MA Jerrard, March 2000), which described the tally system as “…the method by which the union controls the pace of throughput of the plant in a shift”.

However, neither the Labor Party nor the Democrats have called into question the AIRC decision to remove tallies from the major federal meat industry award. Apart from this award, unit tally systems also exist in a number of other federal meat awards. Removal of tallies as an allowable award matter will expedite the modernisation of these awards.

As the National Farmers’ Federation said on Tuesday (27 June 2000), “The statutory obligation of the meat industry tally system is also critical to creating a more flexible and export responsive meat processing sector…..We welcome the Bill that will make meat industry tallies a non-allowable Award matter as this will bring a clean and final end to a system that has no logic and which hampers productivity.”

**Union picnic days**

The Bill further amends the Workplace Relations Act 1996 to specifically exclude union picnic days from the allowable award matters. The effect of the amendment is to ensure that an award cannot provide for employees to observe, or be paid for, a union picnic day.

Union picnic days as part of the award safety net is an anachronism. Union membership is less than 20% in the private sector in today’s modern labour market, and union picnic days are very isolated in their incidence and observance. Union picnic day, if it is to be observed, should be the subject of local agreement at the workplace level. There is no basis on which it could be sensibly said that the observance of union picnic day is a necessary and relevant feature of a modern award safety net.

This point has been acknowledged not just by the government, but also by the Australian Democrats. In his report in November 1999 to the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee Senator Murray said, and I quote, “much has been made of the fact that awards still contain anomalies in them. For example, I agree there is little to justify keeping union picnic days in awards.”

Two-thirds of federal awards presently contain no union picnic day provisions, including 60 of the top 100 awards.

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

The limited measures in this Bill will continue the award simplification process in an appropriate manner. They will ensure that awards meet the requirement of a genuine safety net of fair and enforceable minimum conditions, with primary responsibility for these industrial matters being determined at the workplace level.

Of course this matter has already been before a Senate committee. However, the government would welcome further Senate scrutiny provided that such a committee will review the Bill in order to achieve a fair and streamlined safety net of wages and minimum conditions of employment.

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

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

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

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

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

Debate (on motion by Senator Hutchins) adjourned.

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

Senator ELLISON (Western Australia—Special Minister of State) (5.02 p.m.)—by leave—I understand that Senator Bartlett will be seeking the withdrawal of his disallowance motion. On that basis I make the following statement on behalf of the government. The government has spent considerable time in discussion with the Democrats and the company making representations to them to understand and address the perceived problem at the root of the disallowance motion.

Earlier this week, the government was advised that the issue in question had been resolved but that, nevertheless, the Democrats indicated they still wanted to proceed with the disallowance motion. Had they proceeded with the disallowance, considerable confusion and uncertainty would have been caused throughout the financial sector and an unnecessary burden would have been placed on consumers. What was to be disallowed went way beyond timesharing schemes—the particular issue to which the Democrats are reacting. To avoid such widespread confusion and uncertainty that would result from the Democrats’ disallowance motion, the government undertakes to introduce new regulations as soon as practicable to specifically address the Democrats’ concerns about removing timeshare schemes from those financial services that are input taxed.

Senator SHERRY (Tasmania) (5.04 p.m.)—by leave—What has just occurred is that Senator Bartlett has given notice of his disallowance motion concerning one part of GST regulations, No. 77 of 2000. That is the part dealing with securities granting timeshare rights. Financial securities are not subject to the GST but are input taxed. Some timeshare providers are registered under the Managed Investments Act and their products are securities. The timeshare industry issues the securities to its clients, which have attached to them the right to use timeshare properties. The original regulations made last year treated timeshare securities in the same manner as other securities. The definition treated all securities under the MIA as securities that are input taxed. The industry was happy with this treatment and it accorded with the treatment the government had promised prior to the election.

However, without consultation, new regulations were made this year that exclude timeshare securities from the definition of financial supplies. It is these regulations that were to be the subject of Senator Bartlett’s disallowance motion. Timeshare companies operating under this security structure say that this new treatment, a rollout of the GST, threatens their investment plans and may force them offshore. The Treasurer’s office and other taxation bureaucrats recently met with the affected industry but, apparently, they rejected the industry’s arguments. When making this regulation, the Australian tax office apparently thought that no-one would be impacted by the new regulations. Clearly this is incorrect. The industry claims that imposing the GST will make their product non-viable. This is because customers pay on an annual instalment basis and imposing the GST means that one-eleventh of the total value of the security is payable immediately. This would wipe out the majority of the income of a timeshare company in the first year. Quite obviously this rollout of the GST by the government via regulation would have substantially impacted on the timeshare industry, which is primarily located in Queensland.

The issue raises the key question of the fair treatment of taxpayers. Taxpayers had a
particular understanding of their treatment under the GST and then, suddenly, out of the blue, the rules were completely changed in a discriminatory manner. Timeshare securities were singled out for a change of treatment. Firms affected may not have continued their investment plans. But, on balance, if the disallowance motion had been moved, the Labor Party would have supported it. I do remind the chamber, however, that the Democrats supported the GST; although I remind the chamber that Senator Bartlett did not.

Senator McGauran interjecting—

Senator SHERRY—He certainly did a lot more than you did with respect to opposing the GST. The National Party has put a miserable effort into representing rural and regional Australia. I should not be distracted by those unruly interjections, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—I keep hoping you will not be distracted, Senator Sherry.

Senator SHERRY—I am sorry, Mr Acting Deputy President. I should ignore the National Party interjections, because everyone else in this country ignores the National Party.

The ACTING DEPUTY PRESIDENT—You might care to ignore the National Party and get on with your contribution.

Senator SHERRY—Thank you. Now at last, apparently, the government have seen some light. They tried to roll out the GST in this area, and they accepted the argument of Senator Bartlett, who does have some credibility on this issue, I might say. He is one of the Democrats who do have some credibility on this issue. They have accepted the argument of the Labor Party that this was a roll-out of the GST, a blatantly unfair rollout of the GST. We have had assurances, time and time again, from Senator Kemp and from the Treasurer, Mr Costello, that there would not be a change to the GST—no further changes. We have seen it happen time and time again.

The government have now given some assurances. They did not want to suffer the embarrassment of defeat on this very important issue to the timeshare industry in Queensland. I will have to look at the detail and the implications of the assurances given by the minister, but I am pleased that the government have been caught trying to roll out the GST. At least the Democrats—through Senator Bartlett on this occasion—have had some backbone and stood up to the government on the GST, and the government have apparently accepted many of the points put forward by Senator Bartlett and the Australian Labor Party.

Senator HARRIS (Queensland) (5.09 p.m.)—by leave—I also rise to place on record One Nation’s concern in relation to the change in this regulation. One of the Queensland companies that have been involved in the timeshare industry distributed their prospectus in relation to timesharing and, a week later, the government sent out the regulation reversing the fact relating to input taxing. This was done with no consultation whatsoever with the industry, and it was viewed with concern in that it would be the first step in the regulations that set out the exemption to tax all of the other exempt sections of the industry that are identified in the regulation.

This would have had the effect of lowering sales, and it would have increased costs to the industry, thus slowing down the industry. This industry, in Queensland alone, is set to invest over $200 million in the construction of new facilities for the timeshare industry. This regulation would mean, for the timeshare industry, that any members holding a security licence would be the only security licence holders who would have all of the costs of a managed investment scheme, as set out in chapter 5(c) of the Corporations Law, and on top of that they would have to deal with all the costs of GST as if they were actually selling real estate.

The problem for the industry is that the government cannot make up their mind whether they are selling real estate or whether they are a securities investor. If members of the industry are to continue as a managed investment scheme—and the industry is not saying that they should not—then they have the cost of the prospectus and the cost of setting up a compliance plan, a compliance committee and a compliance auditor. The industry is quite prepared to continue to do that, provided the government
do that, provided the government will make up their mind that they are not real estate agents and, accordingly, legislate to remove the tax input that they had intended to bring in with this regulation. As Senator Bartlett has indicated, this shows that the government do at times listen to the community. This is one time when they have, and I commend the government for agreeing to remove this section of this regulation and to put the regulations back in, in a modified form.

Senator ELLISON (Western Australia—Special Minister of State) (5.14 p.m.)—by leave—For the record, in response to Labor’s statement that was made by Senator Sherry, the government notes that the companies’ product would be input taxed despite the regulation, because its products would fall under the definitions of real property and residential premises. I think that needs to be noted for the record.

Senator BARTLETT (Queensland) (5.15 p.m.)—by leave—I think a few points need to be made about the issue. I thank the government and the Special Minister of State for their commitment to introduce an amending regulation to remove the offending phrase—if I can use that term—that amounted to, I think, about five words which potentially allowed for the GST to be put on timeshare securities. The need to disallow the entire part—and I accept the difficulty and inconvenience that that would have caused—is, of course, due to the fact that regulations are only able to be disallowed in parts and one cannot amend or remove individual lines, which obviously makes life a little bit more difficult as legislators when there is only one particular line that you have a problem with. I am pleased that the government has given that commitment to introduce a regulation which will remove that line. That is the cleanest way to do it and produces the best outcome.

In response to Senator Sherry’s comments suggesting that the government has accepted the argument of the Democrats, I do not know that the government has actually accepted the Democrats’ argument; I think the government has just accepted the Democrats’ analysis of this and determined that the government has indicated, this shows that the government is not real estate agents and, accordingly, legislate to remove the tax input that they had intended to bring in with this regulation. As Senator Bartlett has indicated, this shows that the government do at times listen to the community. This is one time when they have, and I commend the government for agreeing to remove this section of this regulation and to put the regulations back in, in a modified form.

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In response to Senator Sherry’s comments suggesting that the government has accepted the argument of the Democrats, I do not know that the government has actually accepted the Democrats’ argument; I think the government has just accepted the reality of the numbers in the Senate. I do think that the Democrats’ views are still legitimate. I note the minister’s statement that the main time-share company that the government’s negotiations have been involved with would still be input taxed despite this regulation, according to the Australian Taxation Office interpretation of the tax act. It is an interpretation that I find curious, but I have no doubt that they have been valid in their interpretation. I guess it gives an idea of some of the complexities of the GST. I also note Senator Sherry’s comments about my record on the GST—which I certainly do not have a problem with him noting. It is possibly worth noting for the record that this is the first actual official piece of ALP support for roll-back—using Senator Sherry’s own ‘r’ word. It is nice to hear the Labor Party using the ‘roll-back’ word again. It is interesting that the Labor Party had to rely on a Democrat to actually introduce the first piece of GST roll-back. I am nonetheless pleased for the ALP support on that, and I will be interested in the Labor Party outlining further detail of further roll-back that it will be pursuing in the future.

Getting back to the specifics of the regulations, the issue the Democrats and I had concern with was not specifically in relation to one company but with the potential impact of this change on the timeshare industry overall. The timeshare industry is not just one single monolith; it is structured in lots of different ways. To this stage, it is actually fairly unusual for a time share to operate as a security, although it is quite possible that that will be a model for the future. Clearly, this regulation would have introduced uncertainty to what is potentially quite a quickly expanding industry in the area of tourism. The impact on tourism was one of the concerns that had been expressed about the operation of the GST. Certainly, I was concerned as a senator in Queensland, where tourism is particularly important, that a change such as this may have introduced uncertainty into the business planning of other timeshare operators. Whilst the company in question apparently would still be input taxed, rather than subject to the GST, because of the assessment of their structure under the tax act, there is no guarantee that every other timeshare operator in the future would fit under that same assessment. I think it will assist significantly to have what we
view as an anomaly removed. If there is other restructuring or reassessment that the government is looking at doing in the area of time share more broadly or securities, et cetera, obviously the Democrats would be happy to look at that as an overall package, but it would be good to do that in advance of changes rather than trying to address them after the fact, as has been the case with this regulation.

Having stated that, I welcome the support that other senators would have given had this been put to the vote. I thank the government for acting on this issue. I do believe it will remove an anomaly and provide better certainty for businesses that are looking at operating in a timeshare industry, which is of particular importance in Queensland. Therefore, this should assist in keeping clear the tax treatment of that particular activity. I now seek leave to withdraw the motion standing in my name.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Before asking the Senate whether leave is granted, I point out that this is the last day for resolving the disallowance motion. If any senator wishes to take over the notice of motion, they should do so immediately. Senator Bartlett seeks leave to withdraw business of the Senate notice of motion No. 1 standing in his name for today.

Motion—by leave—withdrawn.

HIGHER EDUCATION FUNDING AMENDMENT BILL (No. 1) 2000

Second Reading

Debate resumed.

Senator ELLISON (Western Australia—Special Minister of State) (5.20 p.m.)—in reply—When the Higher Education Funding Amendment Bill (No. 1) 2000) was last before the chamber, I was outlining the benefits of this bill. I stated that the other technical amendments in this bill reflect the change of name of the Batchelor College in the Northern Territory to the Batchelor Institute of Indigenous Tertiary Education and also update the definition of the term year to which this act applies. The measures in this bill are designed to continue the development of Australian higher education and to create a system that is financially viable, responsive to the needs of students and the community and provides as many opportunities as possible to young people.

Can I say in relation to that last point that, as a result of its policies, we now see that, under this government, undergraduate fully-funded places have increased by more than 14,000 equivalent full-time places. This is a remarkable achievement and reflects the government’s policy of making higher education more accessible to all Australians. At the same time, the government has recognised the need to ensure Australia’s global reputation as a provider of quality higher education. The government is currently implementing an historic quality assurance framework for the higher education sector. This will maintain Australia’s international reputation for quality university teaching and research. The new framework is a co-operative venture with the states and territories and will see a new agency, namely, the Australian University Quality Agency, established in the year 2000. This government has also introduced measures to further improve the management practices of universities and to increase their responsiveness to student and community needs. The workplace reform program is providing $259 million in additional funding to universities as an incentive for them to address the industrial relations and management rigidities that are a significant impediment to their further development.

Last year Dr Kemp released the government’s new policy for research and research training: ‘Knowledge and innovation’. This white paper puts in place mechanisms to ensure universities focus on providing high-quality training environments that give students a wider range of approaches to learning and the opportunity to experience a wider range of settings in which to develop their knowledge and skills. Research students are central to a vibrant innovation system.

The white paper also recognises that an efficient innovation system must be built on strong links between the different elements in the system. To this end, it has put in place a policy framework which encourages collaboration across the academic, industry and
community sectors. Reflecting its commitment to knowledge and innovation, in this bill the government boosts funding for higher education research and research training. The bill provides budget funding of an additional $79 million over the next few years for two key research funding schemes: the Strategic Partnerships with Industry Research and Training Scheme and the Research Infrastructure Equipment and Facilities Scheme. These are very important measures which relate to research and innovation in this country. All of the measures which I have mentioned in this bill will go a long way to improving the higher education sector in Australia. I commend the bill to the Senate.

Amendment agreed to.

Original question, as amended, resolved in the affirmative.

Bill read a second time.

Ordered that consideration of the bill in committee of the whole be made an order of the day for a later hour.

COMMONWEALTH ELECTORAL AMENDMENT BILL (No. 1) 2000
COMMONWEALTH ELECTORAL LEGISLATION (PROVISION OF INFORMATION) BILL 2000

Second Reading

Debate resumed.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (5.26 p.m.)—The Commonwealth Electoral Amendment Bill (No. 1) 2000 addresses two important matters. The first schedule of the bill deals with political parties’ receipt of the electoral roll, and the second schedule of the bill deals with the registration of political parties. The Labor Party is, in general terms, supportive of the bill. Nevertheless, we feel there are some areas that need tightening, some loopholes that need to be closed and some better practices that can be put in place. The opposition will be moving amendments to achieve these goals.

We agree that there appears to be a need to amend the Commonwealth Electoral Act as it applies to political parties’ receipt of the electoral roll. The government has assured us that it needs to legislate in this way, based upon advice from the Solicitor General. We are disappointed that the government has not provided the opposition with the Solicitor General’s opinion.

I accept that governments are not under an obligation to make public every piece of legal advice that they seek, but I would point out that there is no hard and fast principle governing the confidentiality of such advice. Where the government is using legal advice as the basis for bringing forward legislation for which it is seeking parliamentary approval, I believe a sensible and transparent government would make that advice available to the opposition and other interested senators. We know that the Solicitor General gave his legal advice to the government to save it from a serious breach of the Commonwealth Electoral Act. As we understand it, he correctly advised them that the Electoral Commission could not release the electoral roll in electronic form to the Taxation Office for the purposes of the Prime Minister’s direct mail letter promoting the GST. The Solicitor General certainly saved the government’s bacon by providing what we thought was pretty straightforward legal advice. But given the unprecedented nature of the unlawful arrangement between the Electoral Commission and the tax office, it is fair to ask why a more independent and professional approach was not adopted by the AEC.

The political bottom line of the Solicitor General’s advice was that, if the Prime Minister wanted to send a politically partisan, direct mail letter to all enrolled Australians, he or the Liberal Party should have fronted it up and paid for it. It should not have been paid for by taxpayers in this country. I suppose it comes as no surprise that the Prime Minister wanted taxpayers to pay for what was essentially another political indulgence for him and the Liberal Party, after spending $180,000 of taxpayers’ money having his two taxpayer subsided homes airconditioned, over $64,000 having the back staircase at Kirribilli built so you could not meet any undesirables on the front stairs, and another 8,000 bucks for the wine consultant at
home—and that is not counting the wine. That was just for the wine consultant to tell you the right wines to drink at the right time.

Those are just three examples of the Prime Minister’s indulgences. The Prime Minister probably thought that he could hit the taxpayers for just about anything, and of course the GST mail-out was one of those things. He has a carefree attitude to taxpayers subsidising his personal and political whims. That is the way the Prime Minister of Australia does business. He probably did not even blink at spending millions of dollars of taxpayers’ money on an unlawful and politically partisan letter to every Australian on the electoral roll. As you would recall, Mr Acting Deputy President, such was the embarrassment of the new Australian Electoral Commissioner following the fiasco over the Prime Minister’s aborted direct mail letter that the AEC stopped providing the electronic version of the roll, effectively, to anyone at all. We trust that, after the AEC got its fingers so badly burnt over Mr Howard’s unlawful direct mail letter on the GST, it has now chosen to return to a far more prudent management of the rolls.

The first schedule to the bill is intended to give the Electoral Commission authority to provide federally registered political parties the same range of information available as was the case before the debacle of Mr Howard’s direct mail letter. We support that intention, but we are concerned at two elements of schedule 1 of the bill. Firstly, the opposition proposes to amend section 17 of the Commonwealth Electoral Act to make sure that the AEC details each year in its annual report to whom it has given the roll and for what purpose the roll was used. We will be moving an amendment at a later stage to give effect to that intention.

Our second concern with schedule 1 of the bill relates to what I think is best described—and I will try to use moderate language here—as a fix which the government is trying to slip in for the benefit of the National Party. Currently, only parties that are organised on the basis of a particular state or territory get the roll for that area. This bill proposes to allow parties that are organised in five states to get the roll for the sixth state and to provide the roll for all states to parties that have five senators or members. The rolls that parties receive are supplemented with a lot of data that is designed to help local members with their constituent and other electoral work. The basis for giving the roll for certain states is that the party in question has members, an organisational base, and perhaps some connection to the community in that state. To give the roll to a party for a state where it has no base or any link at all to the community would undermine the legitimate reason for giving political parties the roll. It is no surprise, of course, that the party that most benefits from this change is the National Party. I have to say, Mr Acting Deputy President, that helping the National Party is just not an adequate reason to change the Commonwealth Electoral Act. So what will the opposition do? I do not think we have any alternative but to move an amendment that does not allow this political fix to be contained within this legislation.

The second schedule of this bill deals with the registration of political parties. The opposition took the initiative on this important issue by writing to the Special Minister of State with proposals to strengthen the act by tightening registration rules. We are pleased that the government appears to have responded positively to these proposals but, in our view, the changes do not go far enough.

Accordingly, the opposition will be moving amendments to close more effectively the loophole exploited by the shonky duo of Oldfield and Ettridge, formerly of Pauline Hanson’s One Nation. As senators have no doubt heard, Oldfield and Ettridge are trying to register two—

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Mr Oldfield and Mr Ettridge.

Senator FAULKNER—No. Oldfield and Ettridge is what I have called them and that is exactly what I intend to call them—Oldfield and Ettridge, a shonky duo. Ettridge is not a member of parliament and I do not intend to give him any title. These characters are trying to register two new political parties, cynically entitled the No GST Party and the No Nuclear Waste Party. Despite the fact that the No GST Party’s registration was
sponsored by New South Wales MLC Oldfield, the application for registration states, ‘The No GST Party is not a branch of, nor does it have any affiliation with, any other political party.’

I suppose it might have slipped his mind that he was elected to the New South Wales parliament as a representative of Pauline Hanson’s One Nation Party. It probably also slipped his mind that he was the registered officer in New South Wales of that political party. So are we to believe that these new parties have no affiliation with another party and yet One Nation’s most senior representative and only parliamentary representative in New South Wales sponsors their registration? These two really are the Dodgy Brothers of Australian politics. Immediately after their misleading statement about their affiliation with One Nation, this shonky duo gave us a revealing insight into their true motivation. Their application goes on to baldly state that, ‘The party wishes to receive electoral funding.’ Given the form of these two in regard to the management of One Nation’s finances, I suppose this statement should come as no surprise.

We would urge the Senate to support our amendments in order to prevent this outrageous exploitation. It is worth noting the attitude of this shonky duo to community input to their party. They state in the constitution of their No GST Party that they want to ‘conduct a low maintenance party devoid of traditional costs associated with administering large memberships and conducting unnecessary meetings of those members.’ That is entirely anti-democratic, as I am sure most senators would acknowledge. They also state that, ‘As a single issue party it is recognised that the need for intellectual involvement by members is limited as the required intellectual contributions and substance of the party will be sought from appropriately qualified taxation and accounting professionals.’ That is apparently their view of the world.

I can recall back in the old days when Pauline Hanson’s One Nation was one party and these guys were close to Pauline Hanson that they were both key employers in formulating One Nation’s policies. I would not describe One Nation as a single issue party. Oldfield and Hanson railed against economic rationalism and supported the abolition of multiculturalism and the right to bear arms. They argued for a flat tax system. But now, apparently, it seems that all these two characters want is the advice of accountants and tax experts.

The opposition proposes to amend schedule 2 of this bill to ensure that, in order to obtain federal registration, political parties must have a genuine base in the community. In foreshadowing our amendments to schedule 2, I note the fact that the principles behind our amendments were unanimously endorsed by the Joint Standing Committee on Electoral Matters in its report on the 1998 election. I would like to outline the nature of the opposition’s amendments. I will deal with them in more detail during the committee stage of this debate. Firstly, although we agree with the government that state and territory MPs such as Oldfield should not be able to sponsor the registration of parties at the federal level, we believe that a person who has become a federal parliamentarian should retain the right to register one party. The government proposes that the registration of parties sponsored by incumbent federal parliamentarians should be preserved but that new federal parliamentarians should not have the right to register parties. It seems unfair, frankly, to make one rule for the incumbents and one rule for new members of parliament.

Secondly, we believe that two or more parties should not be able to rely upon the same member for registration purposes. Without this provision, entrepreneurial types, if I can call them that, like Oldfield and Etridge would be able to relabel a group of 500 members dozens of times to register dozens of parties. It is not enough to set a base membership level at 500. To the extent that the AEC can check such things, we need to ensure that the 500 members are genuine. We believe that the AEC is more than capable of managing the simple membership checking processes that this would require. We are also confident that they would be able to ensure the privacy of that information. I have confidence that the AEC could do this. Thirdly, we strongly feel that there should be a registration fee for parties. Cur-
rently, it costs the AEC—and read for the AEC in this context the taxpayer—at least $8,000 to handle the registration for each and every aspirant political party. The main part of that cost is soaked up in advertising, yet surprisingly there is no cost or charge for parties that apply for registration.

I think Australians are used to charges for these sorts of things. You pay registration fees for your pets, for your cars, for your clubs, for the many other administrative processes that are organised by government. Why shouldn’t political parties have to pay such a fee? The opposition believes that aspirant parties should have to pay a one-off fee of $5,000. A fee set at that level recovers a reasonable proportion of the AEC’s costs. We also believe that there should be a fee of $500 for parties that want to change their registered name. There is a genuine desire on the part of the Labor Party—and I hope in this case it is true also of the coalition parties and other parties—to clear up these matters. No doubt there will be further robust discussion on how these issues might be resolved. They should be resolved, because Australians cannot afford to allow their electoral system to be preyed upon by unscrupulous characters like Oldfield and Ettridge using glib slogans to attempt to harvest votes and preferences and taxpayer dollars.

The opposition will be supporting the Commonwealth Electoral Legislation (Provision of Information) Bill 2000, which we are debating cognitively with the bill that I have been addressing. We understand that the AEC has been giving departments a range of electoral roll information in electronic form for some time. Following advice from the Solicitor General in June 2000, it appeared that the AEC had been doing this unlawfully. This advice forced the AEC to review its past and future handling of the Commonwealth electoral roll and led to the bill which is now before us. Our understanding is that the AEC could only provide elector information to departments in electronic format if permitted purposes for the use of the information had been prescribed. At the time of the Prime Minister’s GST letter fiasco, no such permitted purpose had been prescribed. We support this bill because it will resolve any questions about past use by agencies of electronically supplied elector information, it will avoid arguments about the admissibility in court of evidence that had been gathered relying on the use of such elector information, and it will resolve any questions about future use of that information.

Senator HARRIS (Queensland) (5.46 p.m.)—I will begin expressing my comments in relation to the Commonwealth Electoral Amendment Bill (No. 1) 2000 by clearly indicating to this chamber that neither Mr David Oldfield nor Mr David Ettridge are now members of Pauline Hanson’s One Nation. I believe that to a large degree their actions in registering the two parties are behind this legislation.

The Howard government truly expect people to believe how committed they are in ensuring the integrity of the Australian electoral system in upholding the democracies of privacy and fair play. Who do they really think they are kidding? If you call a spade a spade, the reason for the obscene haste with which this bill has been produced in this parliament is to swiftly and effectively annihilate the likes of One Nation, the Democrats, the Greens and any irritating independents in the electoral system, thus destroying any effective opposition to the entrenched and corrupt existing political system. This cynical manipulation on the part of the two-party system reeks of complicity and duplicity. The long-term consequences of this bill will result in the demise of democracy in this country and thus further entrench the existing privileged position of Tweedledee and Tweedledum. Thinking further down the track of this country’s future, what opportunities will it offer for any genuine, motivated political group to subsequently rise to a credible force to express their concerns?

One Nation’s genesis was just this situation, with over 1.2 million people in Australia expressing their disgust at the present system. The small businesses, the family farms, the urban and rural disfranchised voters were all given opportunity under One Nation to express their wrath at the present duopoly and will do it again, given the opportunity. However, it appears to be a high priority of this government and Labor to
make sure they are never given this opportunity. One of the more blatant farces arising from this bill is that it will in no way prevent the government or the ALP from continuing to do just what, by legislation, they are trying to prohibit the smaller parties from doing—to continue registering single issue and multiple parties to attract disillusioned voters back into the fold.

We must ask the question: who is this bill meant to protect, and from whom? It is blatantly obvious that this bill has One Nation firmly in its sights, because of its threat to the existing oligopoly. The fact is that the issue of the resurrection of the No GST Party, under the supposed blessing of One Nation—which was not the case—is the catalyst of this bill. This is blatant blood-mindedness on the part of the establishment. Irrespective of what I think of the GST party, the fact remains that this move resulted in both the government and the ALP being outsmarted and outmanoeuvred. They just simply missed the boat. I am well aware of the cluttering of the ballot papers by the proliferation of single issue and trivia parties. However, I must express my great concern that this government is in collusion with Labor and is hell-bent on inhibiting and ultimately obstructing this natural path of progress and will ultimately result in the demise of true democracy in this country. Any blatant attack by the government and ALP upon our democracies needs to be exposed to the entire Australian population, thus informing them of the hijacking of their democratic right under their noses. Any blatant attack by the government and ALP upon our democracies needs to be exposed to the entire Australian population, thus informing them of the hijacking of their democratic right under their noses. As a result of the deceit of this government and the ALP, I will be introducing amendments with the aim of maintaining some semblance of democracy in this bill should it proceed.

The government, in its second reading speech, said that it was proposing that federally registered political parties organised in five states and territories or more, or that have at least five federal representatives, would be able to receive electoral information for all the states and territories. This is in schedule 1 of the bill. That will effectively, if this is allowed to progress, stifle all Independent and other parties from having the same access to electoral information that Labor and the government will have. This will lead to a situation of the haves and the have-nots: two different sets of rules for two different groups of people. The government’s bill will bring in a section that will allow the Australian Electoral Commission to provide electoral information to medical researchers in public health. At the present moment, this can only be provided in five-year increments. The bill will reduce that so that the Electoral Commission can give that in two-year increments and, therefore, it will be much more effective for medical researchers in terms of the information that they can obtain from the Australian Electoral Commission.

Both the government and Labor may be surprised at the sections of this bill that One Nation will support, because we believe that there should not be ways in which people can, with great respect, get around the present electoral system. The electoral system in Australia is there to provide the Australian people with a way of expressing their choice as to whom they want to represent them. It should be that those regulations are constructed in such a way that that representation is clear. Parts of the government’s bill will remove the ability to access funds for some of these minor parties that have been there for no other reason than to siphon preferences either back to the government or back to Labor. Where money does go to genuine political parties, I have no problem with that whatsoever. If this legislation is to thwart the intention of any person to fraudulently obtain that, I will support that 100 per cent. As I have indicated to the senators in the chamber before, they may be pleasantly surprised to see which sections of this bill One Nation will support. But we will not support any section of the bill that would bring into existence the demise of the Australian people being able to express their concerns by way of starting, initiating and progressing a genuine political movement that is representative of the Australian people.

Senator ROBERT RAY (Victoria) (5.56 p.m.)—I think the government’s original intention was to legislate to cover for problems associated with electoral roll use by political parties. I did not think it was wise to deal
with that separately from dealing with privy issues in relation to use of the electoral roll by prescribed authorities and others. But the government is dealing with both now at the same time—with the Commonwealth Electoral Amendment Bill (No. 1) 2000 and the Commonwealth Electoral Legislation (Provision of Information) Bill 2000. I congratulate it for doing this. I think it was wise to do that at the same time.

With regard to validating, if you like, electoral roll use by political parties, we are told that this is done on the basis of a legal opinion obtained by the Electoral Commission. We have not seen this legal opinion, so we are not able to judge whether that bill and those provisions are absolutely necessary. Nevertheless, we will take that on trust. If the legal opinion suggested that we needed to validate the various technical uses associated with the electoral roll, then let us validate them here over the next two days.

The more key bill is the one that validates the use of the electronic roll in the past—and that is absolutely necessary. It has a retrospective effect but, in this case, this is a valid application of retrospectivity and it should not really concern anyone. The misuse of the electronic electoral roll probably dates back over nine years. People may remember—or they may not—some of the contributions Senator Faulkner and I made about the use of electronic mail. But at no stage were we critical of ministers who have been in charge of the electoral office for allowing this situation to occur.

The electoral office is a statutory authority. There is always distance between it and ministers. So the misuse of the electronic electoral roll under Senator Ellison was never brought to his attention. He had no knowledge of it and nor should he ever have been expected to have knowledge of that misuse. The same applies to Senator Minchin, to Mr Jull, to Senator Bolkus and to Mr McMullan, or Senator McMullan as he may have been then, when they were in charge of the Electoral Act. I can claim purity because the provisions came in after I was the relevant minister—but that is only an accident, nothing else. They did not know that the electronic version of the roll was being given to prescribed authorities in an unlawful manner. Nor should they have known, particularly given the relationship that exists between a minister and the Electoral Commission. Nor do I think that the Electoral Commission ever knowingly breached the act. I think the latest Electoral Commissioner was following in the footsteps of previous electoral commissioners. Their reading of the act was that you could pass on the electronic roll rather than just the microfiche as prescribed in the act and in the regulations.

However, this was all highlighted when a move was made by the tax office to use the electronic version of the roll to send out eight million pieces of propaganda to the Australian electorate in order to support the implementation of the GST. It was all part of the ‘unchain’ campaign. We had no concept that this was going to occur until we cross-examined officials at the estimates committee and suddenly found out that the electronic version of the electoral roll was going to be used by executive government to propagandise the electorate. I have to say that I was disappointed by the reaction of the Australian Electoral Commission when they were cross-examined on this matter. I know it is asserted—probably by Senator Ellison and others—that our cross-examination was too vigorous. I also put on the record that it was the only time in the whole time I have attended estimates committees when emotion drove me much more than logic. I was so furious at this particular act, and therefore my approach to estimates may have been even more aggressive than usual; it was certainly less constrained than I would have liked. But I was furious because I believed that this was an unlawful act.

Having gone through that estimates process, having cross-examined the Electoral Commission, I then went away and read the electoral act. I have no legal training at all, but I came to the conclusion from my reading of the Electoral Act that the proposed action by the government was unlawful, that the Electoral Commission should not have passed on the information and that the Australian Taxation Office should never have used such information. I was quite surprised,
however, at the reaction to this. We were assured on a number of fronts that the Electoral Commission was acting lawfully. We were assured by press release, by the commissioner and by the minister. Eventually, a few days later, we cross-examined the Commissioner of Taxation. The tax commissioner assured us that he had taken legal advice and that the propositions that the government was intending to do were lawful. To give the tax commissioner credit, after 50 or 60 minutes of cross-examination in which we put propositions to him, in which we tested propositions with him—again, Senator Kemp would say too aggressively, but it is in these circumstances that it becomes an adversarial system not an inquisitorial system, when the answers really are not flowing properly—the tax commissioner said that he would seek further legal advice on it. A very wise decision, Mr Carmody.

It is interesting that when the Electoral Commissioner, Mr Becker, and the Commissioner of Taxation, Mr Carmody, sought further legal views from the Government Solicitor’s office, their actions were validated by opinions from Mr Burmester and others. So, in all fairness, they could say that their position was validated, but it was not validated in our reading of the law. We then took the precaution of talking to barristers and having them look at the situation. I asked the opinion of a former Attorney-General of this country. He looked at it, and he thought there was considerable doubt as to the lawfulness of the actions of the government. A former staffer of his who is a prominent barrister in Melbourne also came to the same conclusion. I was concerned that they may have come to these views because I had briefed them on my views beforehand. I had also sought the views of a very senior barrister in Melbourne. He was going away for the weekend, so I could not brief him. He rang me the following Monday morning, having got home early and looked up all these things on the computer at home—now you can look up the Electoral Act and all the regulations from home. He gave me an opinion that was absolutely identical to my own without having been briefed.

So we in the Labor Party opposition really believed that we were right and that the Government Solicitor’s views were wrong. But the tragedy of the way in which the political system works was that we could not have an interchange. I did email one of the solicitors at the Government Solicitor’s office to try to have a discussion on this, but I put the rider on it that ‘you may regard such interchange as not being ethical or in the nature of government’. He reluctantly emailed me back saying, ‘Yes, that’s the case,’ so we dropped the matter.

So where did it go from there? What choice did the Labor Party have as an opposition but to start to prepare to take an injunction? So we employed Slater & Gordon in Sydney, and we then sought the services of the man we regarded as the best senior counsel in Sydney for this matter. Do you know how I know that he was the best? Because the Electoral Commission rang him 10 minutes after we did. Of course, he had to give preference to us, having already discussed the case with us. He looked at the situation, as did Slater & Gordon. They came to the opinion that what the Electoral Commission had done, what the tax office proposed to do, what had been motivated by government and driven by the Prime Minister’s office were, in fact, unlawful. Therefore, we were preparing to go to the Federal Court in Sydney on the Friday to take an action against the government. What happened? The Solicitor General, the most senior legal counsel employed by the government, gave an opinion on the Thursday morning. He said that the actions of the Electoral Commission and the action and the proposed actions of the tax office would not be lawful. It is amazing how much his opinion agreed with our own and those of our legal advisers. Of course, the government did not release that until two minutes to 2 o’clock so that we would not be able to cross-examine them in the chamber. As it turned out, three minutes later we had our questions ready and we did.

So the government were left in the situation where they had to pulp eight million letters—at what cost, we do not know. The tax office are still refusing, five months later,
to answer any questions on this matter, so we do not know what the cost was. In the end, they had to send out a householder-delivery letter containing the leaflet that was not properly authorised. So what is the result of all this? The Labor Party prevent the government from committing probably the most unlawful act in the history of the Commonwealth eight million times. The taxpayer picks up the tab for pulping all the letters. We get sent an admittedly very minuscule bill from our legal adviser. We have to pay that, so we lose, but we have saved the government from themselves.

Nevertheless, putting that aside, it was an exercise worth doing, because no government want to be in a position where they have committed unlawful acts. They certainly did not do it knowingly, but it does raise the question whether the Electoral Commission in the future should always rely on the advice of the Government Solicitor’s office. We had better think about that. It was very poor advice. It was well-meaning from Mr Burmester and Mr Marris, but in fact it turned out to be hopeless advice. Certainly if you were in private enterprise you would not have paid for that advice once you realised that the contrary was the case. It was the same with the tax office: they also appeared to go to the Government Solicitor’s office, maybe a different person, and they also got extremely poor advice. You have rubbers on the end of pencils because people make mistakes. I understand that. But I wonder why it was that the Solicitor General could so concisely analyse this in such a brief period of time and bring down such an excellent opinion and the whole Government Solicitor’s office could not do so.

Of course, in the process of this whole thing Senator Faulkner and I got a bit of a bollocking on the way through. That is water off a duck’s back, really. For instance, Senator Ellison put out a press release on 25 May headed ‘Labor abuses the AEC for doing its job’. We get attacked for raising these issues. We get attacked in this press release is that it was on the web; it went on the minister’s web site. Guess what? Straight after the Solicitor General’s opinion came down, it disappeared into the rubbish bin of history. It could be just an accident that it disappeared, but it certainly disappeared. I am glad I am a paper oriented person and I still at least have a copy.

I go back to the philosophy about access to the electoral roll. This was really a matter of great discussion in the Joint Select Committee on Electoral Reform in the 1980s. We knew government agencies used the electoral roll. You could not stop it. It is a publicly available document sold at electoral offices and it is impossible to stop its use. We said that these agencies could have the microfiche, which is a lot easier to search—and they could pay the cost of it—for the purpose of detecting and prosecuting fraud. We never envisaged their having the electronic roll to do all sorts of data matching. It was specifically put in in microfiche form. That was the intention of the committee and it was intention of the government; I put the legislation through as a minister in this chamber. That was the intention, never the electronic roll in that form. How it emerged that it was used in that form we do not know, and we are rectifying it today, so we can let that case rest. What the government has now done is to issue a whole series of regulations prescribing the uses of the electronic roll which takes back those uses to the original intention of the joint select committee and this parliament. You will note that we have not moved to disallow those regulations. We think they get the balance right between privacy and the pursuit of fraud. Having done so, we think these two bills for the main part will bring about, firstly, lawfulness and, secondly, commonsense. I recommend that people at least look at those regulations, because I think they are an advance.

How do we sum up this whole issue? We do not actually find many people guilty. We do not find the government guilty for the misuse of the electoral roll. That was something that was not within the knowledge of government ministers—Labor, Liberal or otherwise. I do not find that the Electoral Commission deliberately committed unlaw-
ful acts. They followed evolved practices that no-one questioned. And I do not believe that the tax office either were the initiator of the direct mail letter or were ever acting in the belief that what they were doing was unlawful. But there is a need in future for people to be a little more challenging of the directions they are given.

There should have been someone in the Electoral Commission who could have read the Electoral Act and at least conceded that it was open to an entirely different interpretation—the interpretation that I, solicitors and in the end the Solicitor General came to. There should have been people in the tax office who were more rigorous in understanding whether this proposal to have a mail-out was within the confines of the provisions of the Electoral Act. When the issues were raised, more slack should have been cut to those who were raising them. The Electoral Commission should not have been so defensive on the night they were cross-examined. Again, if I have to, I apologise if our cross-examination was too vitriolic. It was not a conscious effort by the senators; it was driven by the emotion of the time. I also again place on record my appreciation to Mr Carmody that, having been cross-examined in detail, having had issues raised that he had not thought about, he said he would take those things on board and pursue new legal advice.

The final aspect I want to finish on is that when that legal advice was sought from the Government Solicitor's office I think they should have had more intellectual rigour in their approach to this. I think their advice misled the Electoral Commission, misled the tax office and delayed the overall proceedings. To make amends, Minister, you might suggest to them that they could pick up our legal costs in this matter.

**Senator Brown** (Tasmania) (6.13 p.m.)—I thank Senator Ray for that dissertation on events. It was very enlightening. I want to briefly put a point of view from the Greens in regard to the new provisions coming in through this legislation, the Commonwealth Electoral Legislation (Provision of Information) Bill 2000, as to how you register as a political party. We are in an age when more political parties are going to be established, when the two-party system is in a period of decline and when it is inevitable that we are going to see multiparty parliaments and governments. That process is not just in Australia, it is worldwide. It is a healthy process which is part of the plurality of modern society. It is part of the changing face of the world. Indeed, if you look at countries similar to ours in continental Europe, almost without exception there are 14, 15 or 20 parties in the parliaments and sometimes almost as many in government.

**Senator Boswell**—Do you think that is a good thing?

**Senator Brown**—It is an excellent thing. In fact, it is instituted into some constitutions that cabinets, for example, reflect the number of people representing different parties in the parliament. I think it is an excellent thing because parliaments ought to reflect the thinking of the people—the more exactly they reflect the thinking of the people, the better. The more parties you have, the more choices people have in selecting a parliamentarian who is going to represent them more exactly in the whole range of issues which are important in the management of modern societies. It is not just picking out who has the best budget anymore; it is picking out who has a more progressive or conservative social policy and what is important to people as far as education, health, the environment and industrial relations are concerned. These issues are not dealt with by the stock exchange, which more and more these days is challenging parliament as the centre of power and authority over how society works. As long as the Greens are about, the movement will be to ensure that that power base stays with parliament.

**Senator Boswell**—I can see a coalition of One Nation and the Greens.

**Senator Brown**—One Nation and the Greens are at opposite ends of the political spectrum. That is the thinking I would expect from the old parties. You have to get into a coalition to move towards the two-party system. We will see coalitions in the future, but they are going to be coalitions in government because we are going to see coalition governments post-election made up of...
parties to give minority governments the numbers in parliament, much the same as that which is the standard in Europe. Since the Second World War, I do not think there has been a majority government in Denmark, for example. Denmark is a splendid example not only of a democracy but of an egalitarian society which is at the forefront of wealth, health and happiness. This fear that has come to us that the Westminster system is at the forefront of democratic excellence and that it must not be changed in any way is very false indeed. In fact, the Westminster system is old hat; it has been bypassed by much more flexible and representative parliamentary systems in Europe. Proportional voting so that you see reflected more exactly in parliaments the vote of the people is an inevitability.

In Australia, we have this extraordinary system where at least 15 to 25 per cent of people want to vote for parties which are not big—neither the coalition nor the opposition. With the exception of two Independents, the House of Representatives is made up entirely of the big parties with a first-past-the-post system whereby, if any party comes along that is getting up to 20 per cent of the vote, it really has no chance of getting representation in the House of Representatives in any particular electorate.

Senator Boswell—Because 80 per cent of the people do not want to be represented by them.

Senator BROWN—Yes, 20 per cent of the people can be permanently disenfranchised by that system. Eighty per cent of the people have a right to 80 per cent of the representation; the other 20 per cent have a right to their 20 per cent of representation. But the big parties are terrified of that scenario. They had better get used to it because it is coming down the line. It is the basic tenet of democracy: one person, one vote, one value.

When it comes to the registration of political parties—Senator Harris made a very clear point on this—the tendency of the big parties is to raise the bar to defend themselves from competition, and there is something of that in this piece of legislation: ‘Let us make it more difficult for new political parties to form.’ The current situation in Australia is that you can get a registration for a political party in one of three main ways. You get a sufficient number of members—in Tasmania it might be 500, it might be 750 in another state—and you can then register. In the federal arena, you can register as a party if you are a member of parliament. I think some members of parliament have actually registered parties under their own names—Pauline Hanson might have been one of those in the past and I think Senator Harradine, if I am not wrong, may also have registered a party—and that is a legitimate thing to do. If you have the votes to get into parliament, then the public have voted for that and said, ‘We give enough support to this person for them to get into parliament,’ and a party registration should be valid in the wake of that. Parties can also be registered because they relate to an existing party which is in the parliament, so the Tasmanian Greens, for example, have federal registration by dint of the fact that they are related to the Australian Greens. That is legitimate as well.

I am concerned that, because of some unacceptable behaviour by former members of One Nation in New South Wales—moving to register front parties—we now have the excuse by the big parties to raise the bar yet again. I recognise that at any given time we have to stop people from fraudulently, or with mischief in mind, abusing the electoral system, particularly when the end result—whether or not it be aimed at—is to deceive electors. Amongst other things, I will be moving an amendment which makes it very clear that a parliamentarian can have a registration allocated to them of only one party. For example, I am in the Greens; I cannot register the name of another party until or unless I leave the Greens. I counsel nobody to hold their breath!

I think also that we have to look at the number of members that are required by a party before it can be registered. This will tend to go up, up, up because the bigger political parties are safe, although I understand they have had falling memberships in recent years. Nevertheless, they have over the 500 limit or the 1,000 limit of members. If there is a group of Australians who are very concerned about even a single issue, it is very
difficult to go through the process of registering large numbers of people simply to get a valid list of members for the registration of a new political party. I believe there should be a membership and I believe there should be a number, but I believe it should be small. It should be commensurate with the idea that, if there is in our community a group of people who feel strongly motivated about an issue which they think is not being given voice in the parliament, they should be able to register and have a go at getting themselves into the parliament.

Let us remember that all the time this is happening at local government level. If people feel aggrieved at local government level, they can stand a candidate at the next election. They do not have to be a member of a political party, but everybody at local government level knows whom they stand for. They can be a community group with a name and they can get representation. Very often, majority representation will occur as a result of that at local government level.

I am reminded, Mr Acting Deputy President Watson—and you will remember this very clearly—of the issue of Lake Pedder back in 1972. At that time, we had there the greatest national environmental issue the country had ever seen: the flooding by the Tasmanian Hydro Electric Corporation of Lake Pedder—the Lake Pedder National Park, in fact. It was an illegal act validated by retrospective legislation a little further down the line. A lot of Tasmanians felt bad about that but, under the two-party system of Labor and Liberal, there was not one single member of the House of Assembly who was prepared to get up and say, ‘I oppose the flooding of Lake Pedder.’ The members of parliament were coerced by the power of the Hydro Electric Corporation of the day. So, at an overflow meeting in the Town Hall in Hobart on 23 March 1972, the United Tasmania Group was set up. That is the parent party of the Tasmanian Greens and was the world’s first Greens party. It very quickly had a comprehensive policy platform for social issues as well as environmental issues and came within a whisker of getting people elected into the House of Assembly, though we had to wait until 1983 before the first seat was secured for the Green movement in Tasmania.

It is a very good example of an issue that can come along in which the feelings of citizens have not been represented. Those citizens ought to be able to get together to get a party registered and to get representation in the parliament if they can muster the support. Almost without exception, the odds are against a new party getting into parliament anyway. They are not recognised as legitimate political players by very many members of the public, or indeed by sections of the media, so they will get a poorer run. A party which is already in the parliament has an enormous advantage. For example, it has been estimated that, for members of this parliament, holding a seat is worth a $50,000 advantage at the next election; in other words, other competitors are at a great disadvantage. I believe it is quite wrong for us to be legislating in here to reduce the opportunity of people in Australia to get other parties registered and to bring new voices into this place. I do not care where they are on the political spectrum; we should encourage them. We should as democrats all encourage the right of people to have a bigger, more valid choice when it comes to whom they vote for on polling day.

We have to be very careful about making it more and more difficult for political parties to set up, but on the other side we have to make sure that we stop charlatans and manipulators from using or abusing the Electoral Act for their own purposes. I have a number of amendments to this legislation, as do other members. My amendments further the aims that I have been talking about, and I hope they will get good consideration by the other parties, including the government, before we come to vote on them tomorrow.

Senator Boswell (Queensland)—Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services) (6.28 p.m.)—We are debating the Commonwealth Electoral Amendment Bill (No. 1) 2000 and the Commonwealth Electoral Legislation (Provision of Information) Bill 2000. Tonight I want to mainly address the Commonwealth Electoral Amendment
Bill (No. 1) 2000. We have been forced into this because we have seen two people, a member of the One Nation Party in the New South Wales parliament—

Senator Harris—Ex!

Senator BOSWELL—That is to be determined. Whether Pauline gets thrown out of her own party or who wins that little legal battle will be determined by a court action, not by Senator Harris. It is because of Oldfield and Ettridge that we have had to gather here tonight and amend the legislation. We have had to do it to stop the Australian people being taken for granted by members of the One Nation Party in its attempt to register populist political party names. I do not think the electorate deserves to be treated like that, and I am sure people see it as an absolutely cynical display of politics.

When One Nation started, they claimed to be a group of people who were true believers in democracy and in the common view. I say that what they have turned out to be, as evidenced by this ill-conceived attempt to register a No GST Party and a No Nuclear Waste Party, is manipulative, self-serving and self-interested. When it first came out I think I was one of the first to say that it was nothing more than a decoy party and a sham—a party that was designed to point certain preferences in certain directions. It was nothing more than an attempt to divert preferences to One Nation to shore up the vote. You can understand why people are cynical about politics.

I was at a dinner last night for our Olympians and I said to them, ‘You have put everything into your sport: Saturdays, Sundays—you’ve given it everything. But you have received accolades. You have received the greatest accolades this nation can offer you. We do it too but all we get is cynicism, brickbats and condemnation.’ It is no wonder, when we have to stand up in this parliament and take action to rescind something that is the most cynical application of politics that I have ever seen—registering a political party because of a policy change. Does this mean that every time a government has a change of policy and brings in another taxation proposal we go out and register another party? Every time a new issue comes up do we form another party? Most parties have the ability to accept that there are changes and to bring them into their policy positions, and they recognise those changes by their policy positions. Most credible parties can do that. Most credible parties can accept the changes and adapt their policies to suit the conditions; they accept that the debate moves on. Obviously Mr Ettridge and Mr Oldfield could not do that.

We have a great democracy, one that we should be proud of. There are few places in the world with such an open and tolerant political system, yet One Nation does not accept that. That does not mean that we have to lie back in the traces, that we do not have to improve it or that we do not have to change it every now and again. The political system, like everything else, has to be a living thing that accommodates the changes in the electorate. But the masters of the ‘conspiracy theory behind every door’ say in the editorial of the official Pauline Hanson’s One Nation magazine that Australia is ‘a country with arguably the most corrupt political system on earth, posing under the facade of democracy’. I challenge Senator Harris to say whether he agrees with that or not. Maybe that is why they have chosen to totally disregard any semblance of democracy in the establishment of these parties. The registration application for the No GST Party blatantly proclaims that it is not a democratic party—no members list, no structure and no points of view tolerated. The application for the No GST Party says:

As a single issue party, it is recognised that the need for intellectual involvement by members is limited as the required contributions and substance of the party will be sought from appropriately qualified taxation and accounting professionals.

One of the aims of the party states that it is:

To conduct a low maintenance political party, devoid of the traditional costs associated with administering large memberships and conducting unnecessary meetings of those members.

That is not a political party; that is a dictatorship. That is why we have to come in to this parliament to try to cut off the excesses of One Nation. It is not just political manipulation; it is a nice little earner. Pauline Han-
sons’s One Nation received $3.4 million, which came from public funding at the last election. One would have to ask: how much do Mr Oldfield and Mr Ettridge get out of this? Even Mrs Hanson was quoted last week as questioning the finances of the party. She said:

I’ve turned up there to access the books of the party and the company, and I’m calling for accountability and transparency in my role as director of the company ...

Director of the company, not director of the political party. Pauline Hanson has had the role for a number of years. One has to wonder who has actually had their hand on the tiller. Voting for One Nation, or for its most recent offshoot, the Country City Alliance, is counterproductive for rural Australia. In Queensland the split in the conservative vote resulted in the election of a Labor Party government. One Nation served to elect an ALP government. I point out to the Senate that all those MPs are now Independents or part of an even smaller minority, the CCA. This has not benefited rural Queensland at all.

The ALP will never put money into regional Australia. They do not get a vote there; their constituency is not there.

Senator Ludwig interjecting—

Senator BOSWELL—It’s true—you know that, Senator Ludwig. Your constituency is not rural Australia, and you are going to spend your very limited funds on the people who support you. That is no different from any other political party. You will do what you have to do for rural Australia.

This is evidenced by the major issues now concerning regional Queensland: native title, the legislation of brothels, tree clearing restrictions, and water allocation schemes. Those are all things that Labor have introduced that do not benefit, and actually work against, rural Australia. ALP philosophy determines a city based approach to these issues, and they show a total lack of understanding of the way things are in regional Queensland. Let me give you another issue. Dairy farmers in particular are now facing the consequences of an ALP government, caused by the split of the conservative vote.

Senator Harris interjecting—

Senator BOSWELL—We put $1.8 billion in, and you voted for it. A state coalition government would have provided a compensation package for farmers in the same way as the Western Australian government has done. In WA, the state coalition government provided $27 million to the state’s dairy farmers for readjustment and assistance, on top of the $1.8 billion that the federal government put in. But the Queensland government did not put anything in. It did not put anything in the sugar package. However, whilst rural areas are not part of its core constituency, the Beattie government will merely pay lip service to them. That is fair enough; you have always done it. There is never going to be a CCA government or a One Nation government in Australia. That is why they can get up here and say such utterly absurd things, make promises, and attempt to be all things to all people—and they know they are never going to have to deliver them. One Nation’s claim of making politics honest and accountable has been a total sham, as evidenced by the infighting, electoral fraud, party deregistration and ‘lost’ funds.

The majority of Australians will not have a bar of the types of theories which are promoted by One Nation, and I do not blame them. What rational person would? Let me quote from the official One Nation newsletter, the August edition. No doubt you receive this, Senator Harris. I note that Pauline Hanson has never denied that she believes these theories. On genetic research and drugs, the newsletter says:

Governments do know of the problems but are not letting us have all the details. They seem to be
funding indiscriminate research by out of control scientists. It does seem that there is a cover-up of some aspects of the reproductive system and infertility problems that frequently occur in Australia.

On the Port Arthur massacre, I would like anyone to put their hand up if they agree with this. We have all heard the theory, and this is what the Pauline Hanson monthly magazine says:

Available evidence indicates that Martin Bryant fulfilled the same function as Lee Harvey Oswald in the Kennedy killing. A patsy from Patsyville. Whodunnit? I believe I know, and so do millions of Australians.

That is the pap that you put out to your people.

Senator Ludwig—Outrageous.

Senator BOSWELL—It is outrageous, and this is a democracy. They are entitled to do it. In the latest newsletter, Antonia Feitz is listed as a popular contributor and has authorised a piece on the supposed constitution of the alleged world government, designed by the socialists to suppress human nature. Ms Feitz is a prolific letter writer, she is a regular contributor to the Australian National News of the Day web site, a contributor to the Australian League of Right's On Target, and a speaker at the Inverell Forum, which is a gathering of the who's who of the racist right.

One Nation and the CCA have had time to cut out the extremists. One Nation attempts to lead us to believe that they are not associated with the far right, but still they continue to publish and promote these bizarre thoughts and ideas. I say this, and I mean it: it is sad that legislation initially designed to support increased democracy and flexibility in our political system has to now be amended because of the rorting by One Nation and the sham that One Nation has put up by registering these parties.

I am surprised that Senator Harris is not definite about which way he is going to vote, but it is a sad indictment of One Nation that they have abused the tolerance and acceptance of the Australian people so much that this action has to be taken tonight. Tonight we have had to close down a way that people could register political parties, because it was turning into a sham, it was turning into a moneymaker, it was turning into a system to divert political votes, and it does not cover One Nation in any sort of glory at all.

Senator ELLISON (Western Australia—Special Minister of State) (6.44 p.m.)—I thank senators for their contributions to the debate of these two bills, the Commonwealth Electoral Amendment Bill (No. 1) 2000 and the Commonwealth Electoral Legislation (Provision of Information) Bill 2000. They are both very important bills dealing with a range of subjects which I believe will improve the electoral legislation in this country.

Perhaps I best start with the Commonwealth Electoral Legislation (Provision of Information) Bill 2000. This bill contains provisions which will resolve any questions about past use of electronically supplied elector information by prescribed Commonwealth government agencies and authorities—being prescribed authorities as listed in schedule 2 of the Electoral and Referendum Regulations and as defined in the Commonwealth Electoral Act 1918. It will also avoid any uncertainty surrounding the admissibility of evidence in court which has been gathered by relying in some way on electronically supplied elector information. It will also resolve any questions about future use of elector information that was supplied electronically and which has been incorporated into prescribed authorities' information systems and from which it would be impracticable to identify and/or remove the information.

It is worth while to note that the Australian Electoral Commission had been providing a number of prescribed authorities with electoral roll data under the provisions of subsection 91(1) of the Commonwealth Electoral Act 1918. This act does not provide end-use restrictions on the data supplied to prescribed authorities under the subsection, and the AEC relied on privacy principles under the Privacy Act 1988 for guidance, together with a safeguard agreement made between the AEC and the requesting agency. What we have here, as has been outlined by some senators, is a situation where the AEC had been providing electoral data to prescribed agencies on the basis of advice it had
been receiving over a period of time. Senator Ray outlined that when he pointed to the previous ministers, apart from me, who had relied on that advice and the AEC. In fact, it was advice which had been obtained on more than one occasion and led to the firm belief on the part of the AEC that the provision of this information was lawful.

I might just touch on the estimates hearing that Senator Ray mentioned. I think it is also worth while to note that the AEC officials at that hearing were firmly of the view that what the AEC had done was correct. They had had advice in the past reinforcing that view and, subsequent to that estimates hearing, they had obtained further advice which reinforced that belief. It was not until the Solicitor General’s subsequent advice that things changed. Several legal opinions since 1991 continued to advise that the AEC could lawfully provide this information. Of course, the Solicitor General advised on 8 June this year that the AEC could not provide prescribed authorities with the electoral roll in an electronic format under subsection 91(1) but it could do so under paragraph 91(4A)(e). The supply, however, of the electoral roll in an electronic format under that subsection would require a regulation under subsection 91A(1) in order for prescribed authorities to be able to use the information. No regulations, of course, had been made to that effect at that time. However, whilst prescribing regulations would authorise future use by prescribed authorities of the elector information supplied in electronic format, regulations could not be used to authorised past use. This could be done only by enacting legislation. On 8 June this year the Attorney-General issued a media release indicating that the government would seek to rectify through legislation, regulation or other appropriate action, the past use by prescribed authorities of elector information received in electronic format.

There was also concern that prescribed authorities may have difficulty in progressing cases which had in some way relied upon elector information supplied electronically by the AEC. Without the proposed amendments there is a possibility that previous actions taken by prescribed authorities as a result of use of elector information could be called into question and that challenges to prosecutions may result in lengthier trials and an increasing number of appeals. The government’s legal advice is that such challenges and appeals are not likely to succeed; however, they could result in the unnecessary waste of court time and legal resources. It is therefore preferable that any doubt in relation to past use of elector information by prescribed authorities be removed. These amendments will fulfil that purpose, and I think that is a thoroughly commendable purpose so as not to interfere with current prosecutions.

The provision of elector information in electronic format to prescribed authorities is a very useful tool for government. We have a range of agencies dealing with things from social security, customs, passports—just to name a few—where the average Australian enjoys the services of government and the efficiency in the delivery of those services is enhanced by the delivery of elector information in electronic format.

Debate interrupted.

**DOCUMENTS**

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! It being 6.50 p.m., we now move to consideration of government documents.

Department of the Prime Minister and Cabinet

Senator CROSSIN (Northern Territory) (6.50 p.m.)—I move:

That the Senate take note of the document.

I wish to make some comments about the Department of the Prime Minister and Cabinet annual report as it relates to the PBS output group 2.2—women’s policy. This section of the Department of the Prime Minister and Cabinet annual report states that the Office of the Status of Women contributed over the past year to a number of policy issues. Some of the areas identified in the report were government legislation; the impact of tax reform on women; and preparing reports under CEDAW and the ILO conventions. We asked many questions of the OSW during the Senate estimates—not only this year but also last year—about their contribution to policy,
because it has been difficult to see the impact of any policy advice that they may have given the government in a number of areas. One such example, of course, was the introduction this year of a tax on sanitary products. Another example was the changes to the family tax benefit. They are just two instances where government policy which has adversely affected women—and the community has raised those concerns—does not seem to emulate the activities of the OSW.

It is also interesting to note that this report details OSW’s role in preparing reports under CEDAW and its participation in the Beijing Plus Five conference. While the CEDAW reports are listed under the OSW’s key results, I am sure that many non-government women’s organisations around the country, including those currently funded through OSW—and I notice that page 40 of OSW’s NGO funding document lists only the number of women’s programs funded, not the exact names of those organisations—are less than impressed with the government’s recent decision not to ratify the optional protocol. The report also lists capacity building of women’s NGOs as a key achievement. No doubt the women’s organisations feel pretty powerless in the face of this government’s stance on the optional protocol and they are entitled to feel duped, after a lengthy period of engagement with OSW and the minister on these matters.

The report also details positive feedback on OSW’s web sites from women’s groups, departments and individuals. So imagine how surprised I was when I went to the web site today and found that there was no information, in fact, about a recently released publication which it funded as part of its second stream project funding titled Pregnant, present and proud—a document that I have had to get through the Parliament Library because I am not prepared to pay $30 for this little piece of evidence. This publication researches the impact of pregnancy and early parenthood on educational outcomes, and it gives examples of schools which deal well with pregnant students and young mothers. It also contains guidelines for good practice in this area. Unfortunately, not only is there no information directing people visiting the web site on how to obtain this publication, but the OSW itself and the minister have not even bothered to put out a media release about it. So, despite the fact that the production of this important publication was funded to the tune of $15,000, OSW is not publicising it, and neither is the minister.

Perhaps I should not be surprised that OSW is not saying much about this report, given the deafening silence from this government and from the minister on the subject of pregnancy discrimination. We are still waiting for the government to respond to the HREOC Pregnant and productive report released over a year ago. The OSW told us at an estimates hearing almost five months ago that the government would be considering this matter shortly. The HREOC report reveals that in fact Australia’s existing antidiscrimination legislation has holes in it. We, in the Labor Party, have sought to rectify that by putting our own legislation through this parliament. But I would have to say that the information contained in this annual report, on behalf of the OSW and women’s policy, is light on. It is as light on as the information we have found in the PBSs and the information we cannot get from this department out of estimates.

There are many areas that I think this annual report should have gone into—many areas in which there needs to be much more information. I think when the NGOs and those people who have been funded pick up this annual report and find that there are only five pages of accountability from the OSW under the women’s policy, they will be bitterly disappointed. It is very disappointing to see in this section of PM&C’s annual report that the attention to women’s policy is deficient. I seek to continue my remarks. (Time expired)

Leave granted; debate adjourned.

Australian War Memorial

Senator HUTCHINS (New South Wales) (6.56 p.m.)—I move:

That the Senate take note of the document.

I rise tonight to take note of the Australian War Memorial annual report 1999, including the Auditor-General’s report. I want to
briefly highlight four aspects of the report where I believe the board, management and staff should be commended on the way in which they have dealt with this very significant and important national memorial to the people who have contributed to the armed forces in our country.

It was with regret that I heard the announcement earlier this year that the British had decided that they would no longer have an official D-day celebration. I think that that is not a good step, because in historical terms the D-day invasion was probably the largest single invasion force ever assembled in history. As we know, that set about the destruction of the totalitarian regime of Hitler in Europe. It was only up until the beginning of World War I that there was a national day in Britain to celebrate the victory of the Duke of Wellington over Napoleon on 18 June 1815. As you read the Australian War Memorial’s report, you will see why I want to highlight a number of these significant areas this evening.

The first is that the memorial reports that, since the last financial year, they have experienced a 15 per cent increase in visitation, including a 12 per cent rise in students. This is significant in that we have not been involved in armed conflict for some time. We have been in dangerous situations, but we have not actually been involved in armed conflict.

The second aspect I would like to highlight is the reference on page 20 of the report to the Australia-Japan research project being funded by the Japanese government, which deals with Australian-Japanese relations in wartime. I think that that is a very important step because, despite being former enemies, it demonstrates the significant and continuing relationship between our two countries. In fact, the Toyota Foundation is funding a grant, which involves historians from Australia, Japan and Papua New Guinea, to investigate the war in Papua New Guinea.

A third aspect of the report that I wish to highlight deals briefly with East Timor. Those people who have a copy of the report will see on page 45 that, once again, not only have we led the way in East Timor in assisting our neighbours but also our historians have ensured that our record of involvement in that part of the world is officially recorded. On the INTERFET operations, there are some 600 photographs showing the preparations for and the departure of Australian troops in Darwin, 587 original colour negatives by official war artists, 136 artworks under the official artists scheme, a sound recording and 18 films taken by Australian soldiers serving in East Timor.

Finally, I bring to the attention of the Senate the fact that they do have a complaints book at the War Memorial. They received 38 complaints during the year. The most significant of the complaints—reading from the book—was dissatisfaction with the Australian service women’s memorial. They believe that that can be rectified by the inclusion of a water feature in the service women’s memorial. There are a number of other aspects to the report which are very pleasing, particularly those that concern nurses, and these have been well and truly highlighted. We may have an opportunity at some later stage to bring to the attention of the Senate the contribution nurses have made in armed conflict on behalf of our country.

Senator SANDY MACDONALD (New South Wales) (7.01 p.m.)—I take this opportunity to add a few words to the debate on the annual report of the Australian War Memorial. It goes without saying that the Australian War Memorial is an exceptionally important national monument. It is probably the most important national monument in Canberra. It is certainly visited by a wide variety of people—people from overseas, visitors to the national capital and many school students. To my mind, the Roll of Honour is the centrepiece. The Tomb of the Unknown Soldier, which was opened in 1993 with the body of an unknown soldier coming back from near Villers-Bretonneux on the Western Front of France, was an exceptionally moving ceremony and it remains an exceptionally important part of the memorial. I was fortunate to be there with a visiting school when the service was carried out. It is very important to those students to remember what has gone on in past times.

I congratulate the council on the alterations that have been made over the last little
while. There have been great improvements to both the static displays and the live displays. The excellence of the council has to be recognised and the people who are associated with the memorial congratulated. I know there are many dedicated people involved and many people have skills in restoring and choosing the exhibits. We are fortunate to have many more exhibits than can possibly be displayed. The exhibits are displayed in a very sensitive way, particularly in the new aircraft display. This display contains a number of aircraft, parts of aircraft and recovered aircraft and these have incredible historical significance to Australia. Anybody who has had the chance to go and have a look would be proud of the way the display has been set up.

We must recognise, in a country like Australia which has a proud military tradition, the importance of remembering. We are not warmongers—far from it. We have only helped other countries in times of conflict and we have provided the sort of assistance that we would require or would like in exchange. The initiative of the previous government in 1995, Australia Remembers, was a powerful one and the previous government is to be congratulated on that initiative. A continuation of that type of program called Their Service Our Heritage has been going since 1996. That is also a very important project and is very much tied up with the way that the War Memorial operates.

Australians have an enormous interest in Anzac Day. It is our great national day of remembrance and represents very much the way that we think about ourselves as Australians. It is particularly important to have the headquarters, so to speak, of our military history tied up with the War Memorial. It is a first-rate memorial. I congratulate all members of the council and wish them well in the future.

Senator SCHACHT (South Australia) (7.06 p.m.)—In speaking to the Australian War Memorial annual report 1999-2000, I would like to make similar remarks to those made by Senator Sandy Macdonald and Senator Hutchins concerning the excellent development of the War Memorial. The annual report refers to the increased patronage, in the sense that more people are going, the redevelopment and the development of new exhibits. I have not had a chance to get across there to see it but I will be there shortly. The development of the War Memorial—as Senator Macdonald has said, it is the headquarters in Australia for the history and memorabilia of the service of Australians over 100 years in various conflicts—is now well established and is encouraging an increased level of interest all around Australia. At the local museum level and in regional areas, people are going through the records and the papers of relatives who have passed away and are finding that memorabilia. Of course, many of them donate it and forward it on to the War Memorial. It has now become a bit of a problem in that there is so much material being sent in that it cannot use it all. Much of it duplicates what it already has, and it is a problem to not offend people who make the generous offer of something that is personal to the family when there is no place to store it or show it in the limits of the ever expanding War Memorial.

I congratulate the board and all the staff over there for the way they have carried through the new developments of the War Memorial. It is a real asset for Australia. I would also like to take this opportunity of putting on the record and noting the contribution of an Australian who has done as much as anyone in the last nearly 50 years to promote the history of Australian activity, Australian service, in conflicts. That is John Laffin, who wrote what must be a couple of a dozen books on Australian military history. He passed away only three weeks ago, in the middle of the Olympic Games. Unfortunately, I was not able to attend his funeral but I want to put on record here his contribution to raising the profile of Australian service in various wars over the last 100 years. He may not have been a true academic historian, with lengthy qualifications and experience in the preparation of writing weighty historical documents and books, but he was a very popular writer and he made access to Australian military history very easy. I think one of the first books he wrote was way back in the mid-1950s. It was simply called Digger. It was partly about his own service in the Second World War as a soldier and partly
about the service of his father in the First World War.

What John Laffin did, for the first time, was to write in a popular way that the service of Australians in the last 100 years in military terms was outstanding and something of which all Australians should be proud. He held a particularly strong view that many Australian service people, in the First World War in particular, were not given due credit because they were often written up as ‘British’ or ‘Empire’ soldiers, rather than as Australian service people. He was very strong on promoting the success of Australian soldiers at critical moments in the First World War in the five divisions, in particularly significant battles, and the extraordinary loss of life of Australian service men and women in the First World War. He wrote very critically of the incompetence of the British generals who, by any definition, were blundering idiots. Unfortunately, many Australians lost their lives through their incompetence, as did British and other allied soldiers. (Time expired)

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (7.11 p.m.)—I would like to join my colleagues in congratulating the Council of the Australian War Memorial on yet another annual report and more particularly on the work that the council does at the War Memorial. It is certainly one of the most significant features of our national capital. It is a facility which draws Australians and visitors from overseas to our national capital in very great numbers. The work they do is particularly well regarded. As a result of their work we certainly have a memorial of which all Australians are justly proud.

The report of the Australian War Memorial Council allows me also to mention some recent events which have happened at Anzac Avenue, leading up to the War Memorial. Just last week I was pleased to be able to open a new pathway which connects all of the memorials up along Anzac Avenue. Prior to this it had been difficult for aged and disabled people to get along to see the memorials. The government, through the National Capital Authority, spent about $1.5 million to construct a pathway which would connect all of the memorials and allow access to them by the aged and infirm.

Just this morning, at a ceremony which started at 6.20 a.m. on a brisk Canberra morning, the New Zealand government launched its proposal for its memorial at the commencement of Anzac Avenue. The High Commissioner, His Excellency Mr Simon Murdoch, and I together broke the soil for what will become the New Zealand memorial at the commencement of Anzac Avenue. Anzac Parade, as the name suggests, is in honour of the Australian and New Zealand Army Corps and the most significant involvement that the Australians and New Zealanders have had together since their very courageous assault on the Gallipoli beaches back in April 1915.

This morning the plans were unveiled for the New Zealand memorial. It represents two handles of a ‘kete’. They are the handles of a flax basket which is used by Maori people. Translated from the Maori language into English it means as follows: ‘You at that, and I at this, handle of the basket.’ It simply means that two people carry the load, that two people can share the load. The symbolism of this for the New Zealand memorial is that Australia and New Zealand have, in this part of the world, shared the load. Those two flax handles, handles of the kete, will be on either side of Anzac Parade and will be a significant memorial to New Zealand’s contribution, with Australia, to the aims of world peace.

The memorial will also represent the New Zealand people’s gift to Australia in the year of the centenary of our federation. It is of significance to the large number of military people at the ceremony this morning and the very significant number of representatives of returned services organisations from both Australia and New Zealand. I am told by them that the two handles of the flax basket also look like the handles of ammunition boxes and so are particularly relevant to military people.

That ceremony took place this morning following a traditional welcome by the Maori people. At the same time the Ngunnawal people, who are the traditional owners
of the land, also welcomed us to the area with a smoking ceremony. *(Time expired)*

**Senator McGauran** (Victoria) *(7.16 p.m.)*—I would like to add a few remarks in regard to the Australian War Memorial annual report. The fact that so many have spoken on this annual report is a measure of the feeling we all have for the fine job the council does at the War Memorial. Rarely does an annual report get such attention. It was all properly started off by my colleague Senator Sandy Macdonald, who spoke very well and movingly in regard to what that War Memorial means to us all, but I cannot resist jumping up too so that the council really get the message that we in this parliament deeply appreciate the work that they do in regard to representing a certain character—

**Senator West**—I thought it was Senator Hutchins who kicked off.

**Senator McGauran**—Is Senator West actually interrupting me in regard to this War Memorial, Mr Acting Deputy President? What a mean-spirited little woman she is, that when I want to speak on this particular matter—

**Senator West**—Mr Acting Deputy President, I rise on a point of order. I would ask that that be withdrawn. It is a reflection upon me. I was only trying to correct Senator McGauran. It was Senator Hutchins who commenced the debate on this issue.

The **acting deputy president** *(Senator George Campbell)*—Order! Senator McGauran, withdraw that remark.

**Senator McGauran**—I withdraw that comment. But such is the sensitivity of this matter! I have to make the point: this is not a trivial matter. This really goes to the heart. It is like bagging the Olympics or something. This is quite a serious matter. We all feel for it. We see that War Memorial from the balconies of this parliament and we know only too well the meaning of that building and of the institution. As much as this place means to democracy that building also means to democracy and the spirit of Australia.

No-one can come to Canberra without visiting the War Memorial. If you speak to anyone who comes to Canberra, it becomes the number one attraction. It is what they love about Canberra more than anything else. It is so impressive, as is the Anzac Avenue that my other colleague, Senator Ian Macdonald, was talking about. There we have memorials to all the wars that Australian troops have gone off to. They are all fine war memorials. Recently we have opened the Korean war memorial. I believe there is a memorial even more recently opened up dedicated to the nurses of Australia. Senator Sandy Macdonald made the excellent point in regard to the very fine feature at the War Memorial—the Unknown Soldier. Like him, I was utterly privileged to attend the ceremony of the Unknown Soldier in 1993. When asked, ‘What were your finest moments in politics?’ I would put that down most definitely. It was a great privilege and a great honour to be in public life at that time, when an unknown soldier was brought back from France and laid at rest at the Australian War Memorial. Recently I visited Gallipoli, and I know only too well what those symbols mean to Australian youth, of whom there were some 12,000 attending the dawn service at Gallipoli this year. I know what institutions, buildings and symbols like the War Memorial mean to Australia.

Question resolved in the affirmative.

**Consideration**

The following government document tabled earlier today was considered:


**Adjournment**

The **acting deputy president** *(Senator George Campbell)*—Order! It being 7.20 p.m., I propose the question: That the Senate do now adjourn.

**Fuel Prices**

**Senator Sandy Macdonald** *(New South Wales)* *(7.20 p.m.)*—I want to speak tonight on fuel prices. For those of us who live in rural, regional or remote Australia, there is no single issue that is causing so much worry as the level of fuel prices. I am concerned. The government is concerned.
Hopefully, in time the crude oil price will fall, which will give all of us cheaper prices. In the meantime, I want to provide some explanation of the position fuel users find themselves in. In the past 18 months, the price of crude oil has nearly trebled, from around $A18.74 a barrel in February 1999 to $A54.67 a barrel in August 2000. The rise in petrol prices which began in the first half of 1999 is primarily the result of high international crude prices. A decision early last year by the Organisation of Petroleum Exporting Countries, OPEC, whose members produce about 40 per cent of the world crude, to reduce output despite high demand was the catalyst for the huge rise in the crude prices.

Producing countries are the main beneficiaries from the rise in prices, while consumers, especially those in the West, are the losers. I should say that much of the growth in the Western economies in the past 10 years has been the result of what might be called ‘realistic’ fuel prices. The federal government collects 37.481c per litre in excise for both unleaded and diesel fuels and 39.725c per litre for leaded fuel. There is no excise on LPG. However, the GST is applied at the point of sale and is rebatable for business use. The coalition has not increased the excise rate since coming into office in 1996. Fuel excise is set at a flat rate and does not increase as the price of petrol increases.

The consensus amongst the media, the public and retailers is that the federal government did not do enough to reduce the impact of the GST on fuel prices. However, it needs to be pointed out that pump prices in fact fell on 1 July. They fell marginally, I admit, but they did fall as per the ACCC surveillance. The government’s new tax system gives significant priority to reducing the cost of transport. Excise removal for on-farm use, the abolition of wholesale sales taxes over a wide range of cost inputs and the reduction of diesel excise on transport by a massive 24c a litre, together with a reformed tax system, meant that the price of petrol did not need to rise due to the GST. The fact is that petrol prices fluctuate in response to world crude oil prices, the exchange rate and the level of competitive retail activity in the local market. I think that all of us realise that.

The Howard-Anderson government took a number of initiatives to prevent fuel prices rising because of the GST, including a reduction of fuel excise by 6.7c per litre—equating to a cost saving of $2.2 billion—and introduced other initiatives which further reduced the cost of fuel. These other initiatives included the fuel grants scheme targeting rural and remote areas, worth $500 million over four years; the Diesel and Alternative Fuels Grants Scheme; and the diesel fuel rebate scheme. As I have said before, through these initiatives business will be able to claim some fuel costs back. The price of diesel has been reduced by 24c per litre for eligible transport users. Most importantly, under the new tax system the cost of petrol falls by around 10 per cent for registered businesses where the GST on petrol can be claimed as an input tax. Also, the new tax scales mean that average Australians, 80 per cent of whom earn less than $50,000 a year, pay much less tax. Average families have between $50 and $60 per week more to spend after the introduction of the GST. This was the largest personal income tax cut in Australia’s history—around $13 billion. Labor voted against the tax input credit initiative, as well as against the fuel sales grants scheme, the Diesel and Alternative Fuels Grants Scheme and the abolition of the 22 per cent wholesale sales tax on motor vehicles, tyres, and parts and accessories. All of these were beneficial to the motorist, especially in rural and remote Australia.

The coalition has continued indexation in line with the consumer price index, a policy that was introduced by Labor in August 1983. As indexation is linked to the CPI to reflect the cost of living, petrol excise increased far more under Labor, at an average of 5.2 per cent inflation between 1983 and 1996, than it has under the coalition, at an average of 1.4 per cent inflation between when we came to government in 1996 and now. In dollar terms, petrol excise under Labor rose from 6.155c per litre to 34.183c per litre, an increase of over 550 per cent in 13 years. Our political opponents are responsible for turning the petrol bowser into tax gatherers, not the coalition.
There have been calls on the government to cut the excise rates or to freeze indexation, but in order to balance the budget the government would have to raise other taxes to offset the revenue loss or it would have to reduce spending. Cutting the excise would not make a significant difference to the price at the bowser and would undermine the budget surplus, which would have a tendency to trigger higher interest rates. It would be economically unwise for the government to take $1.7 billion out of the budget surplus to fund, say, a 5c per litre reduction in petrol excise. This reduction could be wiped out overnight by an increase in crude prices or a change in exchange rates. Like pensions, the fuel excise rates will be fully indexed in February. As Treasurer Peter Costello has said recently, there are always two sides to the coin with indexation. There has been no call—and nor should there be—to freeze the indexation of pensions, which are also set to rise in February.

I personally do not rule out hypothecation of a particular rise in excise, because there is an enormous need in rural Australia for expenditure on roads and bridges. I would say no more than that there is more work to be done on this particular issue as we move closer to the possible rise of excise caused by indexation in February. While the government receives some extra revenue from indexing fuel, alcohol and tobacco excise, it costs the government far more to index pensions and allowances under the CPI. An end to fuel excise indexation may impact upon the indexation of pensions and allowances, and I do not think that anybody would think that that was an appropriate response. The bottom line is that the government does not benefit from higher prices as the excise rate remains the same. It does not receive extra excise when the price of petrol is high; nor does it receive any windfall in GST revenue as a result of rising petrol prices, which is directed to the states.

I do not think any of us in this place—certainly not anybody in the government or anybody who has a particular interest in regional Australia—is under any misapprehension about the concern that people feel, especially farmers, about the high price of fuel. We understand the issues, derstand the issues, but I reiterate that the reason for the high fuel prices is not the GST and is not government imposition of excise; it is the fact that crude oil prices have risen substantially and the Australian dollar, for one reason or another, has been weak against the US dollar. Crude oil prices are paid in US dollars and it is an unfortunate fact of life that, until such time as the Australian dollar strengthens—which I expect it will and many commentators believe it will—the crude oil prices fall and the refining capacity of the processes also increases, we will not see a reduction of fuel prices at the bowser. No-one in regional Australia should feel that we are not conscious or concerned about their very important use of fuel.

**Telstra: Julia Ross Personnel**

Senator WEST (New South Wales) (7.29 p.m.)—I wish to address tonight an issue that was first brought to the attention of people in two submissions to the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee in the inquiry they held into the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999. The two submissions, submission No. 500 and submission No. 500A, were from the Communications Division of the CEPU. These submissions outlined the activities of a company called Julia Ross Personnel and their relationship with Telstra.

I was aware of the situation at the time, but it has come to my attention that the problems still exist. What Telstra appears to have done in their call centres is to have two lots of staff, employed by two different groups. You have the Telstra permanent staff employed in these call centres, and then you have the casual subcontracting staff, employed there by Julia Ross under a contract that they have been awarded by Telstra. The Julia Ross staff are employed as casuals; they therefore get no sick leave, no long service leave, no annual leave entitlements—none of those conditions. The Telstra staff have permanency, and they have the right to receive rewards for the sales that they make. That is not accorded to the Julia Ross staff.

But what really astounds me, what really makes my blood boil, is that, whilst these staff are doing the same or similar jobs in
In this call centre, they are paid at different rates. The Telstra permanent staff are paid at about $20 an hour, plus their rewards for the sales that they make. The Julia Ross staff are paid at about $15 an hour—and this is for a group of people who are not even permanent. The other group is permanent. In a number of call centres, they are physically kept separate within the building: one group will be on one floor and the other group will be on a different floor. But they are performing the same work, they are answering the same phones, they have to have the same background information and knowledge of the products and of how to answer complaints. So the work that they are doing is the same, but the remuneration and the conditions under which they are working are not the same.

This situation was highlighted in the Stellar case, which is currently before the full bench. We are waiting for a full-bench decision to be handed down, and hopefully the full bench will uphold Justice Wilcox’s original decision, because this is about giving people a fair go.

We know that Telstra—and the government is the major shareholder in Telstra, so they have to take responsibility here—is undertaking a restructure of call centres. We know from their publicity that under this review and restructure there will be a decrease in the number of call centres and an increase in the size of call centres. I am not here tonight to get into the pros and cons of that and the need for some restructuring of the call centres. The points that I want to make go to the employment of staff and their conditions and what I think is potentially a sneaky switfie that Telstra is pulling so that they will be able to reduce their redundancy payouts and payments for any call centres that they might close. We know that call centres have a high turnover rate of staff, and that is an issue that needs to be examined very closely. I suspect that what is happening here is that permanent employees are being replaced with casual contractors. Therefore, the more they can run down the permanent staff and employ casuals, the cheaper call centres will be to operate, because of the difference in the salary ranges, and the less they will have to pay out in redundancies.

That is something that in this day and age we should be appalled about.

Many of these call centres are in rural and regional areas. The concept of call centres is often sold to people as being a way of having employment in those rural and regional areas. But one needs to look very carefully at the terms, the salaries and the conditions under which staff in the call centres are employed. The call centre in Tamworth looks like being closed; the casual staff are certainly being laid off. There have been media reports that women who were encouraged to move from Sydney to Tamworth to take up these casual jobs are amongst the first ones to lose them. That is not fair, but I also have grave concerns that the government and Telstra are going to use the restructure of call centres to cut the amount of money that they are going to pay on redundancies.

Other complaints that I have had from Julia Ross staff are that they are kept separate and are not able to talk to the Telstra permanent employees. They certainly are not allowed to see a union organiser. They are not being paid on time all the time. Their money is not being put directly into their bank accounts on the night before payday so that it is there for the opening of business on the morning that it is supposed to be there—it might not go in until one, two or three o’clock in the afternoon. If those people have direct debits being drawn on those accounts, they are finding that they are up for fees for failing to have adequate resources in their bank accounts when the direct debit is made. So Julia Ross is causing people to get bad credit ratings. They are also not getting any proper supervision. The ones that are in rural areas are on their own; the Julia Ross supervisors rarely come near them. They do not know where to take their complaints, and they have basically had to organise themselves. It would be much better if they were allowed to be in a union: they could have better coverage, there would not be this two-tiered salary system and there would not be all the occupational health and safety problems, which is something that is shown very clearly in submissions Nos 500 and 500A. The hours that they are working are long, and there is a lot of computer work. They are
not given adequate breaks, so they cannot get up from their screens and move around to loosen up the muscles in their shoulders. The occupational health and safety issues in this are quite marked—nobody should spend a full eight hours sitting in front of a computer screen, because you are sitting in the wrong positions and it can cause problems.

The morale is very low and people are leaving in quite large numbers. I suspect what is also happening with this anonymous one I am quoting from is that all of the sales phone calls are basically directed, where possible, up to the permanent Telstra staff because they want to get those calls for their rewards. But these people can be for nearly eight hours a day just getting telephone complaints, answering nothing but complaints. Presumably there would be a certain number of phone calls they have got to take in the day, and the phones are monitored so you cannot even say what you feel like saying. Every phone call is a complaint, because of their bill or maybe because they have got a kid they did not think could access a 0055 number and they had been stunned with this phone bill, so they have got somebody who is angry. When the GST came in, part of the GST legislation exempted Telstra from charging people on Christmas and Cocos Islands the GST on their phone calls. But Telstra managed to mess up the billing there and charged for the GST. So for several days, all day every day, staff were fielding calls from angry people ringing in from Christmas and Cocos because they had been charged GST when they were not supposed to be.

The issue of the use of casuals to do the same job as permanent staff and not being employed under the same conditions is one that I think in this day and age is absolutely atrocious. This government ought to think very closely and very carefully about it. But obviously, with all the workplace legislation that they have previously brought in and what they are trying to bring in now, they do not care about that—it is screw the worker at every opportunity they get. This Julia Ross organisation seems to be leading the way in Telstra. I would urge people to watch very closely for the full bench decision in the Stellar case.

Iraq: Sanctions

Senator BOURNE (New South Wales) (7.39 p.m.)—I want to speak this evening about an issue that many people are aware of and are perhaps feeling some discomfort and concern about, as I am. It is the sort of issue that many of us feel is wrong but feel we can do little about. The issue is that of sanctions on Iraq. I say we can do little about it because it is generally acknowledged that Australia, whilst recently well regarded internationally, has limited influence in the Middle East. But our limited political influence should not affect our moral obligation. The words of the former UN humanitarian coordinator for Iraq, Dennis Halliday, are haunting. During a recent speech at the ANU he pleaded with his audience:

We’ve just got to get our governments to speak out, because you know, when the history books are written ... those of us who knew and did nothing about it are no better than the people who sat on their hands in the 1930s and 1940s.

I will mention a few things about the situation in Iraq, the situation that ordinary people are facing, before I comment on the political situation. As first-hand experience is much more meaningful, I would like to read to you some excerpts from a paper by Dr Sue Wareham, from the Medical Association for the Prevention of War, about a recent trip she took to Iraq. She says:

In October 1996 UNICEF stated that more than 4,500 children under the age of five were dying each month from hunger and disease. In total over 1 million Iraqis have died from the sanctions, and at least half of these are children. And the situation is not improving.

Iraq, with its vast reserves of oil, is potentially a very wealthy country. Until August 1990, the health care system was one of the best in the region, with all services and supplies readily available. Education was free and compulsory, and literacy rates were very high.

Health care now is equal to the worst of Third World standards, and, as in other such situations, it is particularly young children who are affected. The major killers are treatable or preventable infectious diseases such as pneumonia and gastrointestinal infections.

Basic supplies such as antibiotics and intravenous fluids are severely deficient. Even bed sheets are
rare. Many babies are of low birth weight (less than 2.5 kg).

The poor state of sewerage and water treatment works, partly a result of the 1991 bombing, is a major public health concern. Spare parts, plumbing equipment and chemicals needed for purification are all classified as “dual use” under the sanctions (able to be used by the civilian or military sectors) and are delayed or prohibited by the Security Council Sanctions Committee.

The Sanctions Committee also obstructs distribution of food and medicines. Forklifts, trucks, truck tyres and mechanical spare parts are “dual use” and subject to lengthy delays. In addition, the money to buy these things, and to pay the workers, is lacking.

Both Dennis Halliday and Dr Wareham obviously believe that what the UN is doing to the ordinary people of Iraq is an abuse of power—even worse, it contravenes the UN’s own conventions on human rights. To starve people to death or let them die from preventable diseases contravenes the Universal Declaration of Human Rights.

I am aware that many put the argument that sanctions should remain until Saddam Hussein is out of power. The clearest fallacy with this argument is that Saddam Hussein is not going anywhere, and he is still in a position of great power. In fact, it appears that he is harnessing a growing hatred against the West because of the sanctions. Several UN resolutions in relation to Iraq have been passed over the years. The sticking point has always been the capacity of Iraq to build weapons of mass destruction. However, Dennis Halliday says it is clear that UNSCOM has succeeded in its task and Iraq no longer has weapons of mass destruction. And, even though resolution 661 states explicitly that food and medicines would be exempt from the embargo ‘in humanitarian circumstances’, this is of virtually no use to Iraqis because they cannot sell their oil and no oil sales means no money to buy food or medicines. Since 1990, Iraq’s GDP, three-quarters of which came from oil, has fallen from around US$60 billion to under $6 billion. It has not just been decimated, cut down by one-tenth; it has been cut down to one-tenth of what it was.

I am sure many Australians are not aware that Iraq is still being bombed. I was not aware of that until quite recently. The US and the British are systemically apparently destroying more and more infrastructure. We have not been so harsh to other warmongers. Dennis Halliday made some good points in highlighting the inconsistencies of the United Nations position on various world crises. He said:

For instance when Iraq invades Kuwait and we have this comprehensive regime of embargo imposed. When Israel invades Lebanon nothing comparable happens. Turkey invades the north of Iraq on a regular basis. I—

that is, Mr Halliday—

personally counted Turkish tanks in the north of Iraq killing Kurds—which is a breach of national sovereignty. Indonesia invading East Timor in ’75 likewise never caused a similar reaction. We have the United States invading Panama and a few other places and yet no sanctions have been imposed against the United States. The membership of the Security Council has also ensured that they—

that is, the members of the United Nations Security Council—

are immune from this sort of pressure, which is why Chechnya or Tibet is never discussed in the Security Council.

While we do not have huge influence politically in the Middle East, Australia is still participating in the enforcement of sanctions. For instance, we recently sent the HMAS Melbourne to the Gulf to help with that enforcement. In 1996, US Secretary of State, Madeleine Albright, was asked by a reporter—and I remember seeing this interview:

We have heard that half a million children have died in Iraq ... that’s more children than died in Hiroshima. Is the price worth it?

I remember Madeleine Albright stopping and thinking about it and then she answered: I think this is a very hard choice, but the price—

we think the price is worth it.

I do not agree with Ms Albright—I think the price is way too high. It is time that the international community said to the US, and to Britain particularly, that enough is enough and we do not want to participate any more in such an inhumane exercise. We have seen in recent weeks that France has ignored UN sanctions and sent in a humanitarian plane.
Others such as the Dutch and Venezuelans are considering the issue. Yemen allowed the plane to fly over its airspace. We must do something. We cannot support these sanctions any longer. To facilitate some action, I am asking my parliamentary colleagues to sign a letter to Kofi Annan, Tony Blair and Bill Clinton about this matter. I urge members and senators to give the issue proper consideration before they decide whether or not they will sign it. I know there are many in this place who share these concerns and do not want to sit by while this population is destroyed, in particular the children. A copy of the letter is available from my office and I will be sending it around soon.

Regional Universities

Senator TIERNEY (New South Wales) (7.47 p.m.)—I rise tonight to speak about the importance of universities as regional drivers of small communities. In Australia, this needs to be explored further with the aim of generating long-term employment in regional economies. For example, in western New South Wales, from Albury to Dubbo, the dynamic and expanding Charles Sturt University has become a major driver of the economy. A very good case study to look at how universities can aid economies in regional areas that were once plagued by problems of remoteness is the experience of the University of the Highlands and Islands in Scotland. Australia can learn quite a lot from this experience. This region of Scotland has been struggling to maintain its population and economic activity for a long period. This had its genesis with the passing of the Enclosures Act of 1698 when intensive highland crofters were removed to make way for extensive sheep grazing. Today in the highlands what is left is traditional grazing, fishing and limited agriculture. These have more recently been supplemented by tourism and small scale secondary industries.

Despite this low level of economic activity, the population of rural and remote Scotland is rising at a rate of four per cent per annum. This is happening mainly because ‘empty nesters’ from southern cities are selling up and moving north to these more attractive and rustic areas. However, their arrival is not contributing a great deal to the economic growth and development of the area. When population moves in, normally it is followed by schools and other types of social infrastructure. This is not happening in Scotland because these people are empty nesters. They are actually bringing additional pressures to the local economy because they bring with them the need for a higher level of aged care services and health care services. When I discussed this matter with the Scottish executive in Edinburgh, they were really worried about the way in which they could deliver these services to the remoter areas of Scotland.

The area I am discussing here consists of the highlands of Scotland and also 93 islands. All up, the whole region covers only half a million people. To help with the economic development of a region such as this, the Scottish parliament has developed a range of initiatives focusing on either economic development in larger communities or community development in sparse regions. Another initiative involves the University of the Highlands and Islands project, which is what I want to focus on today. This project involves a range of educational providers from all over the highlands region being linked into a single university called the University of the Highlands and Islands. This involves 13 university and further education colleges and research institutes as well as 50 learning centres which are all to be connected in one university body. Just as these figures sound fairly daunting in terms of managing such an institution, over the five years of its preliminary development the university, in collaboration with local communities, has already created employment, education and business prospects for the region and of course, by the link-up through microwave technology, is helping overcome the tyranny of distance in the remoter areas of Scotland.

The collegiate structure of this new university gives people the advantage of larger institutions but with individual attention through smaller colleges and learning centres. The university itself claims that the service they provide was needed and recognised long before this current manifestation of the institution. It came to fruition only
when the telecommunications revolution took hold. Courses and university participation in the community are designed to open the way for new businesses in the region, as well as playing a pivotal role in education, economic, social and cultural development. For example, the Sleate campus of the university is meeting the needs of the local community, while maintaining a link to its culture. The campus is located in a region where Gaelic speech and culture have a very large influence. This is reflected in the number and types of courses offered by that institution.

As well as reaching back into its cultural past, the university is looking to the future with the adoption of Internet based learning approaches. All 13 campuses have been linked by Scottish Telecom through a high bandwidth microwave communication network. It has done this at a loss, and the reason it has created a loss leader is that it is hoped that economic activity and other developments will follow in this new information age in this remote area of Scotland, therefore overcoming the problems of distance.

With so many remote island and highland areas involved in the project, the ability to provide quality tertiary education is a major issue. The UHI has provided the solution through its learning centres by delivering a very wide range of courses, right down to isolated communities of fewer than 1,000. The university network enables the provision of courses in multiple locations, sharing the skills and resources of those different sites. Students from several locations come together through videoconferencing or online discussions about subjects. Tutors keep regular contact with their students through these speeches, as well as by email and telephone.

This example could be readily applied in regional and remote Australia. Already universities like Charles Sturt have developed multiple campuses, using web based technology, to deliver courses to smaller centres. Much can be done with a small classroom, a tutor and a link in the Web connecting up the personal computers to deliver high quality education courses to smaller communities. Australian universities need to look at the example of the UHI model to see to what extent they could adapt such a course delivery system. With such a development, students are more likely to stay in their districts, to study there and to work there. Also, the high bandwidth that is created when such facilities are set up in more remote areas can be utilised by the citizens and businesses of that area to deliver e-commerce and to improve services and lifestyle. The information age heralds so much potential for regional areas. These initiatives open the way for regional economies to thrive. They can bring technology to the region, they can bring expertise in various fields, and they can bring a new culture of learning and industry.

**Petroleum Industry: Pricing**

Senator HARRIS (Queensland) (7.55 p.m.)—I rise this evening in this adjournment debate to raise some issues relating to the price of fuel in Australia. Senator Sandy Macdonald, in his contribution this evening, said that the government does not gain from world parity pricing. The government does gain from world parity pricing, and it does so through the petroleum resource rent tax. The petroleum resource rent tax is largely levied on Bass Strait oil, which takes 40 per cent of the difference between the production cost of the oil and the selling cost. The higher the world oil price, the more tax the government collects. The budget estimates for revenues from the petroleum resource rent tax is $A1.28 billion over the next year. The budget estimates for revenues from the petroleum resource rent tax is expected to increase by 13 per cent in the year 2000-01. This reflects the impact of recent growth in the world oil prices and an anticipated increase in domestic oil production in 2001, so it is incorrect for the government to infer to the Australian people that it does not benefit from world parity. When looking at other avenues of impact on the skyrocketing price of oil, we need to have a look at the mergers that have happened in the large oil cartels, the prices prior to those mergers and what has happened subsequently. The source of this information is the Wall Street Journal. On 8 November 1998, BP merged with Amoco. Within a fortnight of that, we had
another merger between another two companies—Exxon Mobil and Total-Petrofina. The price of oil, at the time of that merger, was around $US15.

Subsequently, at the end of the 1999 and the start of 2000, the oil price touched $35 or $36. If we look at the production of oil at the same time those mergers were carried out—if we look at September and October 1998—world production on a daily basis was approximately 67.5 million barrels per day. As I said earlier, the price was approximately $US15. If we move to the end of 1999 and the start of 2000, oil production was 77 million barrels per day. The situation was that, when the price of oil was $15, a total of 67 million barrels were produced. If the price increase is due to a lack of supply, how is it that, when the price is $35 per barrel, production has increased to 77 million barrels?

Senate adjourned at 8.00 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Mental Illness: Action on Survey Findings
(Question No. 1252)

Senator Allison asked the Minister representing the Minister for Aged Care, upon notice, on 18 August 1999:

(1) What, if any, action is the Government taking to address the following findings of Sane Australia’s National Survey of Service for Older Australians with a Mental Illness 1999: (a) negative attitudes towards older people with a mental illness, particularly those found within some mental health services; (b) the lack of policy and funding aimed at the special needs of people growing older with a mental illness, as distinct from those with dementia; (c) the urgent need for improved community and in-patient mental health services targeted at people growing older with a mental illness including improved liaison with psychogeriatric, dual disability and other specialists, general aged care services, general practitioners and staff at hospitals and nursing homes; (d) medication issues for older Australians with mental illness including the prescription of traditional antipsychotic medications at high doses which are infrequently reviewed; (e) too few disability support services available for older Australians with mental illness; (f) large numbers of older people with mental illness who are inappropriately ‘warehoused’ in hostel and boarding houses; (g) the lack of decent supported accommodation for older people with a mental illness; (h) the lack of support and training for general practitioners who are the main providers of clinical care for older people with a mental illness; (i) home and community care services which do not have the resources to meet the needs of older people with a mental illness; and (j) inadequate training for staff in general aged care services, hostels and nursing homes working with people growing older with mental illness.

(2) Will the Government work towards extending those successful existing programs which focus on supporting older people with a mental illness in the community.

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

(1)(a) Under the Mental Health Promotion and Prevention National Action Plan (Action Plan), which is a Commonwealth and State initiative, older people and the elderly are identified as a priority lifespan group. Promotion of community awareness and understanding of positive mental health and ageing is identified as a priority mental health target.

(b) The Health Ministers’ Mental Health National Health Priority Areas Report on Depression identifies targeted prevention activities and education for high-risk groups, including older people in residential care. Interventions to address depression in older people and the elderly will also be articulated in the National Action Plan for Depression, currently being developed under the National Mental Health Strategy.

Work is also being undertaken in partnership with State and Territory governments through the development of aged care policies and dementia plans, and programs of other relevant government departments, for example, the Department of Veterans’ Affairs Dementia and Aged Veterans Program. Projects will focus on increasing mental health literacy, enhancing wellbeing in older people, and changing images and terms of the past, for example, “asylums” and “split personality”.

The National Depression Initiative was launched by the Commonwealth Minister for Health and Aged Care, the Hon Dr Michael Wooldridge MP, on 14 March 2000. One of the key aims under the Initiative will be to promote professional training and development of primary care workers and mental health specialists to increase their capacity to respond quickly and effectively to those experiencing or at risk of depression, including older people in residential care.

(c) Research has been undertaken to examine issues related to service planning and provision of psychogeriatric care in both the mental health and aged care sectors. The research suggests that psychogeriatric patients require care from providers with expertise in both physical and mental illness.
(d) The Government operates a Medication Review Program which, while not specifically targeting members of the community with mental illness, has the capacity to identify and provide medication review services to older Australians with mental illness.

The selection criteria encompassed those circumstances likely to arise in people with mental illness who are receiving treatment with multiple medications and/or traditional antipsychotics. The results of these pilots are currently being evaluated with a view to general implementation of the domiciliary review service in the 2000-2001 financial year.

(e), (f) and (g) Commonwealth-funded residential care services, such as nursing homes and hostels, may be an appropriate accommodation option for older people with mental illness, provided their care needs can be met by the service. Older people can only enter a nursing home or hostel if they have been assessed by a team of health professionals, called an Aged Care Assessment Team, which determines that their care needs can be appropriately met in a residential care setting.

The Commonwealth funds Psychogeriatric Care Units to improve the quality of care for residents and potential residents of Commonwealth-funded facilities who have dementia or other psychogeriatric conditions. The Units provide support and training for residential care staff and information and advice to carers in the community.

State and Territory governments provide specialised accommodation services for people with a mental illness, including psychogeriatric services. State and Territory governments are also responsible for regulation of private accommodation services such as boarding houses and special accommodation houses, some of which accommodate people with mental illness.

(h) The completion of comprehensive research activity and consultations with stakeholders confirmed the key role of General Practitioners (GPs) in Primary Mental Health Care (PMHC). As a result, the Commonwealth Minister for Health and Aged Care, the Hon Dr Michael Wooldridge MP, approved (on 2 March 1999) $3 million for a National Mental Health Strategy initiative to provide GPs with education in PMHC through Divisions of General Practice, and better link GPs with specialist mental health services – public, private and non-government. Within this initiative, approximately $2 million will be provided to Divisions as PMHC education “incentive” funds, beyond mental health work already being undertaken through Divisions’ outcome-based funds and other sources. It is anticipated that this initiative will also assist clinical care for older people with a mental illness.

(i) The Commonwealth Government continues to increase its funding and commitment to the Home and Community Care (HACC) program. A total of $930 million will be provided nationally for the 2000-2001 financial year if all States and Territories agree to match the Commonwealth’s offer of funds. Of the total the Commonwealth will make available $565 million or 60%, with the States and Territories providing the remaining 40%. It is important to note that States/Territories are responsible for the day to day administration of the program.

(j) The Aged Care Act 1997 requires facilities to have in place a skills mix appropriate to the care needs of their residents and arrangements for the ongoing development of staff skills.

As part of the accreditation process, facilities must be able to demonstrate that they meet these staffing requirements.

The Aged Care Standards and Accreditation Agency assesses staff development plans. The Agency, as part of its education and training program, is able to assist facilities with staff development planning.

(2) The provision of mental health services is primarily a State and Territory function. Under the National Mental Health Strategy, the Commonwealth publishes an annual review of the progress of reform in all of the Australian mental health system, including those services directed towards older Australians.

Department of Veterans’ Affairs: Residential Aged Care Funding  
(Question No. 2329)

Senator Chris Evans asked the Minister for Veterans’ Affairs, upon notice, on 8 June 2000:
(1) How much funding has the department provided for residential aged care in each of the financial years from 1996-97 to 2000-01.

(2) How much funding has the department provided for community aged care in each of the financial years from 1996-97 to 2000-2001.

(3) What is the projected funding for residential care for each of the financial years 2001-02 to 2003-04.

(4) What is the projected funding for community aged care for each of the financial years 2001-02 to 2003-04.

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

(1) Prior to March 1998, the then Department of Health and Family Services was responsible for nursing home expenditure for the bulk of members of the veteran community. The Department of Veterans’ Affairs has provided the following funding for residential aged Care.

1996-1997 $47.3m
1997-1998 $180m
1998-1999 $367m
1999-2000 $389.403m

Prior to 1998-99, DVA only paid nursing home benefit in respect of a limited group (ie generally this related to admission to a hostel or nursing home because of a war caused disability) defined in the Veterans’ Entitlement Act 1986, Treatment Principles. Subsequently, responsibility for the payment of subsidies for all Gold and White Card holders shifted to DVA. This accounts for the increases in expenditure from 1998-99 onwards. It should be more that this has not resulted in any increased outlay to the Commonwealth but represents a splitting of the total Commonwealth responsibility between two Departments.

In addition, the Department of Veterans’ Affairs paid the daily care fees (formerly the resident contribution) for former prisoners-of-war in nursing homes as follows.

1996-1997 $1.8m
1997-1998 $1.57m
1998-1999 $1.348m
1999-2000 $1.248m

The 2000-2001 Budget provided for an amount of $423.599m for the Department of Veterans’ Affairs for nursing home subsidy and $1.268m for the daily care fees for former prisoners-of-war.

(2) I understand that the Senator’s question in relation to community care relates to funding for Community Aged Care Packages. The Department of Veterans’ Affairs has provided the following funding for community aged care through its assistance with establishment costs for Community Aged Care Packages.

1996-1997 Nil
1997-1998 $0.937
1998-1999 $1.156m
1999-2000 $1.235m

A notional allocation of $1m has been identified for community aged care funding during 2000-2001.

(3) The projected funding for residential care for each of the financial years 2001-02 to 2003-04 is as follows:

2001-2002 $462.651m
2002-2003 $486.012m
(4) No funding has been projected for community aged care for the financial years 2001-02 to 2003-04 as any further funding beyond 2000-01 will be subject to budgetary considerations.

**Endosulfan Monitoring Program**  
(Question No. 2364)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 16 June 2000:

(1) When was the Endosulfan Monitoring Program established.

(2) Has the program been the subject of a review since its establishment; if so: (a) what was the basis for the review; and (b) what were the outcomes of the review.

(3) Are any reviews of the program planned; if so, when are these reviews scheduled to take place.

(4) Have the labelling requirements, or conditions of use, for Endosulfan been varied since 1 January 1997; if so (a) on how many occasions have they been varied; and (b) on each occasion, what was the reason for variation.

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

(1) A program to monitor specifically for Endosulfan residues in cattle at slaughter was first established in the summer of 1996/1997. Since then Endosulfan surveillance programs have been conducted in the summers of 1997/1998, 1998/1999 and 1999/2000. The National Residue Survey has implemented and managed the programs that were conducted under the auspices of SAFEMEAT (previously Residues Management Group), the industry/government partnership with advisory and policy responsibility for the red meat sector.

(2)(a) At the conclusion of each annual program, SAFEMEAT instigated a formal review of the structure, outcome and management of the program. Participants in the review included organisations representing cattle producers (national as well as New South Wales and Queensland), meat processors, livestock agents, the New South Wales, Queensland and Commonwealth Governments, and the cotton industry.

In addition, a SAFEMEAT Technical Group kept the program operations under constant review during the course of each annual testing program. This enabled changes to be made to testing protocols in the light of results, seasonal conditions, pest pressure and Endosulfan usage.

(b) The reviews identified strategies to increase the awareness of beef and cotton producers about the responsible use of Endosulfan in areas of mixed farming, and the management of cattle that had been potentially exposed to contamination. These strategies have been incorporated into targeted extension and education programs.

Lessons learned in relation to the structure and management of each annual program were incorporated into the planning of the program for the following year. Test results and outcomes of field investigations of contamination of cattle were provided to the National Registration Authority for Agricultural and Veterinary Chemicals (NRA) for consideration in their review of Endosulfan. This issue is further elaborated in the answer to question 4 below.

(3) The most recent review of the 1999/2000 Endosulfan monitoring program took place in March 2000 at a meeting in Sydney attended by 51 people representing interested organisations from the beef and cotton industries and government. Arising from this meeting a number of working groups developed a comprehensive program to operate in the coming summer. This program was endorsed by SAFEMEAT and has recently been forwarded to participants of the March Review Meeting and the cotton industry for endorsement.

During its operation, a SAFEMEAT Technical Group will keep the proposed program under review. SAFEMEAT will again organise a comprehensive review at the conclusion of the program in early 2001.
(4) In August 1998, the NRA reported on its review of Endosulfan, undertaken as part of its Existing Chemical Review Program that systematically examines registered agricultural and veterinary chemicals to determine whether they continue to meet current standards for registration. As a consequence, the NRA Board required substantial changes to the then approved Endosulfan labels and additional data in order to satisfy concerns that related to protection of the environment, worker safety and residues in commodities.

The principal label changes scheduled to take effect from 1 July 1999 were:

. Endosulfan be declared a restricted chemical product and use be restricted to Chemcert (or equivalent) accredited personnel and/or licensed operators;
. all growers to keep detailed records of each Endosulfan application;
. all uses, except orchard applications, to be restricted to a maximum of two applications per season unless runoff water is contained on the farm.

The additional data required was for:

. new OH&S data (by 31 December 2000) and residue data (by 31 August 2001) to be submitted if Endosulfan use is to continue;
. proven reduction in surface water contamination by 30 June 2001 if Endosulfan use is to continue.

Subsequent to the Review, in November/December 1998, significant Endosulfan residue problems in beef emerged in cotton growing areas. As a result the NRA Board approved additional label changes. These changes, which also took effect from 1 July 1999, applied only to use on cotton and were in addition to the changes already proposed as a result of the earlier Review. The most significant additional restrictions imposed were:

. an absolute limit of three sprays (or equivalent) of Endosulfan per cotton crop per season;
. Endosulfan to be applied by air only at restricted times during the growing season, depending on the formulation of Endosulfan and district where it was to be used;
. aerial application restricted to crops over a specified height;
. mandatory downwind buffer zones required unless written permission received from neighbour to waive buffer; the buffer width dependent on the formulation and method of application;
. mandatory prior notification of neighbours in all directions surrounding the sprayed area required, with notification distance dependent upon formulation and method of application;
. use of high-volume, large-droplet-placement technology required for all emulsifiable concentrate formulations, whether applied by air or by ground, according to NRA specifications on the label.

The NRA Board agreed that it would re-examine the issue after the 1999/2000 cotton season to determine whether industry complied with the new restrictions and whether the restrictions were adequate to solve the Endosulfan beef residue problem. At its meeting on 28 June 2000, the NRA Board re-evaluated Endosulfan issues and decided to implement further restrictions on the aerial use of the ultra-low-volume (ULV) formulation of Endosulfan on all crops. The most significant additional restrictions imposed were:

. suspension of the registration of ULV Endosulfan on all crops and strict conditions imposed on the use of remaining stocks;
. doubling of the protective downwind buffer zone from the current 1500 to 3000 metres for ULV Endosulfan;
. decrease in the maximum allowable rotational speed of atomisers which generate and dispense ULV Endosulfan so as to increase droplet size and decrease the tendency for the spray to drift.

**Department of Veterans’ Affairs: New Tax System Consultants**

*(Question No. 2386)*

Senator Faulkner asked the Minister for Veterans’ Affairs, upon notice, on 21 June 2000:
(1) How many consultants have been engaged or used by the department, and all agencies in the portfolio, to 31 May 2000, 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 Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1)(a) 10.
(b) Nil.

(2)

<table>
<thead>
<tr>
<th>Company Title</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deloitte Touche Tohmatsu</td>
<td>$319,949</td>
</tr>
<tr>
<td>Deloitte Services Pty Ltd</td>
<td>$127,000</td>
</tr>
<tr>
<td>Quality Software Products (QSP)</td>
<td>$174,000</td>
</tr>
<tr>
<td>ORIMA Research</td>
<td>$13,700</td>
</tr>
<tr>
<td>Tillingarst – Towers Perrin</td>
<td>$5,500</td>
</tr>
<tr>
<td>The Distillery Comp PL</td>
<td>$64,000</td>
</tr>
<tr>
<td>Informatica PL</td>
<td>$27,500</td>
</tr>
<tr>
<td>East End Software PL</td>
<td>$7,100</td>
</tr>
<tr>
<td>System Applications Programs (SAP)</td>
<td>$48,000</td>
</tr>
<tr>
<td>Brightstar, in cooperation with SAP</td>
<td>$15,000</td>
</tr>
<tr>
<td>Total</td>
<td>$801,749</td>
</tr>
</tbody>
</table>

NOTE

* The Department is not in a position to provide final costs of these consultancies, as some works are yet to be completed.

Department of the Environment and Heritage: Missing Computer Equipment

(Question No. 2519)

Senator Faulkner asked the Minister for the Environment and Heritage, upon notice, on 28 June 2000:

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

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

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

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

(5) (a) How many of the documents etc. referred to in (3) have been recovered; and (b) how many documents etc. referred to in (4) have been recovered.
(6) What departmental disciplinary or other actions have been taken in regard to the items referred to in (1) or in relation to the documents etc. referred to in (3) and (4).

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

The following information relates to the department only. No desktop computers, or any other item of computer hardware, were lost or stolen from the possession of any officers of any of the agencies within the portfolio. The details provided below relate to desktop computers, or any other item of computer hardware, other than laptop computers.

(1) Yes.
   (a) None;
   (b) 7 items of computer hardware, including hard drives and monitors were stolen under the following circumstances:
      1 desktop computer, 2 palmtops and 1 memory card were stolen in a forced entry into Departmental premises. The theft was reported to police. Also during the period 1 monitor, 1 hard drive and 1 memory card were stolen but not reported to police because of little chance of recovery.
   (c) $5,980;
   (d) $854;
   (e) Yes.
(2) Yes. (a) 4; (b) 4; (c) None; (d) Not applicable.
(3) 4.
(4) Not aware of any documents containing national security or other security classifications.
(5) (a) None; (b) Not applicable.
(6) Departmental security procedures have been reviewed. Where necessary, blinds have been fitted to ground floor windows which are shut at close of business each day to ensure attractive items of equipment are not in public view. Security patrols are required to report any lapses in policy.

Forestry Tasmania: Tourism Grants
(Question No. 2545)

Senator Brown asked the Minister representing the Minister for Sport and Tourism, upon notice, on 29 June 2000: Tourism, upon notice, on 29 June 2000:

(1) What grants have been made to Forestry Tasmania, in each of the past 3 years, for tourism.
(2) In each case: (a) what is the amount and purpose for the grant; (b) where is the project; and (c) does it involve world or national heritage values or sites.
(3) In the case of Dismal Swamp, what geomorphological features are involved and how are these being guaranteed.
(4) Are the grant application and approval papers for the Dismal Swamp project available; if not, why not.

Senator Minchin—The Minister for Sport and Tourism has provided the following answer to the honourable senator’s question:

(1) 1999-2000 Dismal Swamp Blackwood - Miracles in Mud
    1998-1999 Nil
    1997-1998 Nil
(2)(a) Dismal Swamp Blackwood - Miracles in Mud $90,000
As part of the wider ‘Blackwood experience’, the purpose of the grant is to contribute to the construction of the ‘Swamp Top’ viewing tower, a ‘Sinkhole’ forest boardwalk and a below ground ‘Swamp Box’ so visitors can understand the nature of this speciality timber and its uses.
   (b) 20 km west of Smithton in north west Tasmania.
(c) Part of Dismal Swamp is a Comprehensive Adequate and Representative (CAR) Nature Reserve established under the Tasmanian Regional Forest Agreement. The tourism infrastructure is to be located in an area of production forest outside the nature reserve which is zoned as a recreation area.

(3) According to information provided by Forestry Tasmania in their proposal to the Regional Tourism Program, Dismal Swamp is contained within Australia’s largest polje (giant sinkhole).

In respect of this project, the landform is being protected and interpreted for the information of tourists by the installation of a viewing platform to provide an overview of the feature and the forest; an above high water level boardwalk which will descend from the road and create a loop track in the base of the sinkhole; and a “Swamp box” which will be below ground level and will allow visitors to see the important subterranean ecology of the forest.

During the construction phase and in day to day management of the facility, works will be undertaken in accordance with the Tasmanian Forest Code of Practice and the Circular Head District Weed Eradication Strategy.

(4) Grant applications: No. Proposals are commercial-in-confidence.
Approval papers: No. These are internal working documents of the Department of Industry, Science and Resources.

**Department of the Environment and Heritage: Register of Contracts**

(1) Can an outline be provided of the means by which your department records and manages a register, if any, of contracts which include commercial-in-confidence provisions.

(2) Can a list be provided of all contracts signed since 1 July 1999, which have commercial-in-confidence provisions, and against each contract so signed, please indicate the reasons for commercial-in-confidence provisions.

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

(1) The Department of the Environment and Heritage does not maintain a register of contracts containing commercial-in-confidence provisions.

(2) The Department of the Environment and Heritage has no contracts signed since 1 July 1999 that contain provisions that prevent the release of the contract for commercial-in-confidence reasons.

**Department of the Environment and Heritage: Salaries**

(1) What was the Department’s total outlay on salaries and salary-related costs in the financial years:

(a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

(2) As a dollar amount and as a percentage of the Department’s total outlay on salaries, what was the cost of contracts for outsourced services and functions in the financial years: (a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

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

(1)(a) 1996-97 - $133.653m
(b) 1997-98 - $158.014m
(c) 1998-99 - $169.138m
(d) 1999-00 - $177.926m

(2)(a)1996-97 - $0.140m and 0.1%
(b) 997-98 - $0.129m and 0.1%
Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 9 August 2000:

With reference to the department and each agency in the portfolio, what were the state and city or town location, number of employees and annual salary values of all corporate services as at 30 June 1996 and 30 June 2000, for the following functional areas: (a) human resources; (b) property and office services; (c) financial and accounting services; (d) fleet management; (e) occupational health and safety; (f) workplace and industrial relations; (g) parliamentary communications; (h) payroll; (i) personnel services; (j) printing and photocopying; (k) auditing; (l) executive services; (m) legal and fraud; and (n) any other corporate services (please specify).

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

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) human resources</td>
<td>Canberra, ACT</td>
<td>11.0</td>
<td>$477,000</td>
</tr>
<tr>
<td>(b) property and office services</td>
<td>Canberra, ACT</td>
<td>15.3</td>
<td>$625,471</td>
</tr>
<tr>
<td>(c) financial and accounting services</td>
<td>Canberra, ACT</td>
<td>24.7</td>
<td>$1,320,000</td>
</tr>
<tr>
<td>(d) fleet management</td>
<td>Canberra, ACT</td>
<td>0.4</td>
<td>$16,351</td>
</tr>
<tr>
<td>(e) occupational health and safety</td>
<td>Canberra, ACT</td>
<td>3.0</td>
<td>$178,000</td>
</tr>
<tr>
<td>(f) workplace and industrial relations</td>
<td>Canberra, ACT</td>
<td>4.0</td>
<td>$201,000</td>
</tr>
<tr>
<td>(g) parliamentary communications</td>
<td>Canberra, ACT</td>
<td>18.0</td>
<td>$812,227</td>
</tr>
<tr>
<td>(h) payroll</td>
<td>Canberra, ACT</td>
<td>2.2</td>
<td>$115,211</td>
</tr>
<tr>
<td>(i) personnel services</td>
<td>Canberra, ACT</td>
<td>22.0</td>
<td>$921,000</td>
</tr>
<tr>
<td>(j) printing and photocopying</td>
<td>No dedicated resources</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(k) auditing</td>
<td>Canberra, ACT</td>
<td>5.0</td>
<td>$289,905</td>
</tr>
<tr>
<td>(l) executive services</td>
<td>Canberra, ACT</td>
<td>5.0</td>
<td>$199,757</td>
</tr>
<tr>
<td>(m) legal and fraud</td>
<td>Canberra, ACT</td>
<td>26.25</td>
<td>$1,650,684</td>
</tr>
<tr>
<td>(n) any other corporate services (internal communications; change management; contract management; library; risk assessment; HR and financial systems support; and help desk services)</td>
<td>Canberra, ACT</td>
<td>44.33</td>
<td>$2,234,771</td>
</tr>
</tbody>
</table>

In addition, the following corporate services staff provide all services (a) to (n) in FaCS State Offices.

Canberra, ACT - 2.0 employees - $79,510
Sydney, NSW - 14.0 employees - $555,983
Melbourne, Vic - 13.85 employees - $581,326
Brisbane & Townsville, Qld - 4.5 employees - $203,784
Adelaide, SA - 4.3 employees - $199,434
Perth, WA - 4.0 employees - $171,822
Hobart, Tas - 3.0 employees - $131,885
Darwin, NT - 2.2 employees - $89,858

Social Security Appeals Tribunal
Information could not be provided in respect of 30 June 1996, as most corporate services were provided by the former Department of Social Security. Information for corporate services functions as at 30 June 2000 is shown in the following table.

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) human resources</td>
<td>Melbourne, Vic</td>
<td>0.20</td>
<td>$7,972</td>
</tr>
<tr>
<td>(b) property and office services</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(c) financial and accounting services</td>
<td>Melbourne, Vic</td>
<td>2.70</td>
<td>$107,628</td>
</tr>
<tr>
<td>(d) fleet management</td>
<td>No dedicated resources</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(e) occupational health and safety</td>
<td>Melbourne, Vic</td>
<td>0.20</td>
<td>$7,972</td>
</tr>
<tr>
<td>(f) workplace and industrial relations</td>
<td>Melbourne, Vic</td>
<td>0.20</td>
<td>$7,972</td>
</tr>
<tr>
<td>(g) parliamentary communications</td>
<td>Melbourne, Vic</td>
<td>0.05</td>
<td>$1,993</td>
</tr>
<tr>
<td>(h) payroll</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(i) personnel services</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(j) printing and photocopying</td>
<td>Melbourne, Vic</td>
<td>0.05</td>
<td>$1,993</td>
</tr>
<tr>
<td>(k) auditing</td>
<td>Melbourne, Vic</td>
<td>0.05</td>
<td>$1,993</td>
</tr>
<tr>
<td>(l) executive services</td>
<td>Melbourne, Vic</td>
<td>1.30</td>
<td>$51,821</td>
</tr>
<tr>
<td>(m) legal and fraud</td>
<td>Melbourne, Vic</td>
<td>0.10</td>
<td>$3,986</td>
</tr>
<tr>
<td>(n) any other corporate services</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

Child Support Agency
Information could not be provided in respect of 30 June 1996, as most corporate services were provided by the Australian Taxation Office. Information for corporate services functions as at 30 June 2000 is shown in the following table.

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) human resources</td>
<td>Canberra, ACT</td>
<td>13.0</td>
<td>$671,200</td>
</tr>
<tr>
<td></td>
<td>Brisbane, Qld</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) property and office services</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(c) financial and accounting services</td>
<td>Canberra, ACT</td>
<td>8.0</td>
<td>$381,422</td>
</tr>
<tr>
<td>(d) fleet management</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(e) occupational health and safety</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(f) workplace and industrial relations</td>
<td>Canberra, ACT</td>
<td>3.0</td>
<td>$178,742</td>
</tr>
<tr>
<td>(g) parliamentary communications</td>
<td>Canberra, ACT</td>
<td>5.0</td>
<td>$236,295</td>
</tr>
<tr>
<td>(h) payroll</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(i) personnel services</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Information could not be provided in respect of 30 June 1996, as most corporate services were provided by the former Department of Health and Family Services. Information for corporate services functions as at 30 June 2000 is shown in the following table.

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) human resources</td>
<td>Brisbane, Qld (7.1) Sydney, NSW (2.2) Melbourne, Vic (3.2) Adelaide, SA (1.4) Perth, WA (1.7)</td>
<td>15.6</td>
<td>$626,517</td>
</tr>
<tr>
<td>(b) property and office services</td>
<td>Canberra, ACT</td>
<td>8.0</td>
<td>$335,631</td>
</tr>
<tr>
<td>(c) financial and accounting services</td>
<td>Canberra, ACT (19.1) Brisbane, Qld (3.7) Sydney, NSW (4.9) Melbourne, Vic (2.9) Adelaide, SA (0.8) Perth, WA (0.7)</td>
<td>32.1</td>
<td>$1,125,317</td>
</tr>
<tr>
<td>(d) fleet management</td>
<td>Canberra, ACT</td>
<td>1.0</td>
<td>$45,000</td>
</tr>
<tr>
<td>(e) occupational health and safety</td>
<td>Brisbane, Qld</td>
<td>2.0</td>
<td>$96,984</td>
</tr>
<tr>
<td>(f) workplace and industrial relations</td>
<td>Brisbane, Qld</td>
<td>6.0</td>
<td>$259,257</td>
</tr>
<tr>
<td>(g) parliamentary communications</td>
<td>Canberra, ACT</td>
<td>1.0</td>
<td>$49,000</td>
</tr>
<tr>
<td>(h) payroll</td>
<td>Brisbane, Qld</td>
<td>15.1</td>
<td>$607,115</td>
</tr>
<tr>
<td>(i) personnel services</td>
<td>Brisbane, Qld</td>
<td>6.5</td>
<td>$233,295</td>
</tr>
<tr>
<td>(j) printing and photocopying</td>
<td>No dedicated resources</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(k) auditing</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(l) executive services</td>
<td>Canberra, ACT</td>
<td>2.0</td>
<td>$73,000</td>
</tr>
<tr>
<td>(m) legal and fraud</td>
<td>No dedicated resources</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(n) any other corporate services</td>
<td>Canberra, ACT (4.6) Brisbane, Qld (2.0)</td>
<td>6.6</td>
<td>$216,432</td>
</tr>
</tbody>
</table>

Commonwealth Services Delivery Agency (‘Centrelink’)

CRS Australia

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(j) printing and photocopying</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(k) auditing</td>
<td>Outsourced</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>(l) executive services</td>
<td>Canberra, ACT</td>
<td>3.0</td>
<td>$134,400</td>
</tr>
<tr>
<td>(m) legal and fraud</td>
<td>Canberra, ACT</td>
<td>6.0</td>
<td>$327,145</td>
</tr>
<tr>
<td>(n) any other corporate services - media</td>
<td>Canberra, ACT</td>
<td>1.0</td>
<td>$65,000</td>
</tr>
</tbody>
</table>
As reported in the 1999-2000 financial statements, Centrelink’s total operating expenses for 1999-2000 were $1,683,648,000. For 2000-01, the total operating expenses as per the Portfolio Budget Statements are estimated to be $1,744,235,000. Detailed breakdown of costs by the above items for the organisation would be extremely complex and impose a considerable impact on the organisation’s resources.

### Australian Institute of Family Studies

<table>
<thead>
<tr>
<th>Functional area</th>
<th>Location and State</th>
<th>No. of employees</th>
<th>Annual salary values</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) human resources</td>
<td>Melbourne, Vic</td>
<td>0.50</td>
<td>0.50</td>
</tr>
<tr>
<td>(b) property and office services</td>
<td>Melbourne, Vic</td>
<td>1.10</td>
<td>1.77</td>
</tr>
<tr>
<td>(c) financial and accounting services</td>
<td>Melbourne, Vic</td>
<td>1.88</td>
<td>2.16</td>
</tr>
<tr>
<td>(d) fleet management</td>
<td>Melbourne, Vic</td>
<td>0.01</td>
<td>0.04</td>
</tr>
<tr>
<td>(e) occupational health and safety</td>
<td>Melbourne, Vic</td>
<td>0.08</td>
<td>0.10</td>
</tr>
<tr>
<td>(f) workplace and industrial relations</td>
<td>Melbourne, Vic</td>
<td>0.20</td>
<td>0.20</td>
</tr>
<tr>
<td>(g) parliamentary communications</td>
<td>Melbourne, Vic</td>
<td>0.10</td>
<td>0.12</td>
</tr>
<tr>
<td>(h) payroll</td>
<td>Melbourne, Vic</td>
<td>0.37</td>
<td>0.80</td>
</tr>
<tr>
<td>(i) personnel services</td>
<td>Melbourne, Vic</td>
<td>0.55</td>
<td>0.55</td>
</tr>
<tr>
<td>(j) printing and photocopying</td>
<td>Melbourne, Vic</td>
<td>0.05</td>
<td>0.25</td>
</tr>
<tr>
<td>(k) auditing</td>
<td>Melbourne, Vic</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>(l) executive services</td>
<td>Melbourne, Vic</td>
<td>1.50</td>
<td>1.60</td>
</tr>
<tr>
<td>(m) legal and fraud</td>
<td>Melbourne, Vic</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>(n) any other corporate services</td>
<td>Melbourne, Vic</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

### Department of the Environment and Heritage: Market Testing of Corporate Services

**Question No. 2672**

Senator Faulkner asked the Minister for the Environment and Heritage, upon notice, on 9 August 2000:

1. Has the department and/or any agency in the portfolio, set a timeframe to market test any of its corporate services; if so, which agency, which functions, and what is the timeframe.

2. In relation to each agency which has, or will, move to market test corporate services, what arrangements have been made to consult with effected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

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

(1) Environment Australia has commenced market testing its full range of corporate services. A decision on sourcing of functions is expected to be made progressively, with completion in the first half of 2001.

(2) Environment Australia has a communications strategy in place which outlines the consultative mechanisms for employees and their representatives. The communications strategy is in line with the EA’s Certified Agreement and includes use of the Environment Australia Consultative Committee (EACC), local versions of the EACC and regular communications through branch and work area meetings and updates through the electronic bulletin board.

Australian Antarctic Division

(1) The AAD is conducting an Output Pricing Review which will be completed by the end of 2000. The AAD will commence market testing of its corporate services in 2001 as part of the Government Initiative in Competitive Tendering and Contracting in the Australian Public Sector. Functions to be part of the market testing program are not yet determined, but may include categories of human resources, financial, property, office and other services.

(2) Consultation with employees and their representatives has commenced and is included in the Australian Antarctic Division Certified Agreement 2000-2002, where “the parties agree to work constructively through the Output Pricing Review and in market testing”.

Bureau of Meteorology

(1) The Bureau is undertaking an Output Pricing Review (OPR) exercise which will be completed by the end of 2000. The OPR is to examine what the Bureau produces and to assess the reasonableness of the price of its key outputs. In parallel with the OPR, the Bureau will undertake market testing of its corporate services. At this stage there is no firm timeframe for market testing, but the Bureau would expect to complete the process in the next 12-18 months.

(2) At this early stage in the process the Bureau has already provided staff with as much information as possible. Meetings have been held with managers and staff in the corporate services areas and two information bulletins have been distributed to all staff affected. In addition, there have been discussions with the unions involved. The Bureau remains committed to the process of consultation and will keep staff and their representatives fully informed as the market testing process unfolds.

Great Barrier Reef Marine Park Authority

(1) Great Barrier Reef Marine Park Authority has not established, as yet, a program to market test corporate services functions.

Australian Greenhouse Office

(1) In establishing the AGO in April 1998, the decision was made to have a small strategically focused corporate services area and outsource transactional and non core corporate services. Transactional services were outsourced to Environment Australia through a service agreement and will be market tested in accordance with the Environment Australia market testing timetable. Other non core corporate services have been outsourced through competitive tendering and contracting.

(2) As this framework was implemented from agency establishment, there have been no staff affected by this approach.

Department of Family and Community Services: Market Testing of Corporate Services

(Question No. 2675)

Senator Faulkner asked the Minister for Family and Community Services, upon notice, on 9 August 2000:

(1) Has the department and/or any agency in the portfolio, set a timeframe to market test any of its corporate services; if so, which agency, which functions, and what is the timeframe.
(2) In relation to each agency which has, or will, move to market test corporate services, what arrangements have been made to consult with effected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

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

(1) The Department of Family and Community Services, which also provides corporate services to the Social Security Appeals Tribunal, is currently undertaking work in preparation to market test corporate services activities. It is anticipated that the some activities will be market tested in the current financial year.

The Child Support Agency is currently market testing payroll and HR services provided to them by the Australian Taxation Office and anticipates this process to be completed in October 2000.

CRS (Australia) plans to market test some of its corporate service activities by 31 December 2000. Possible services to be market tested are payroll processing and recruitment, financial operations, records management, facilities and accommodation management.

Centrelink has not set any specific timeframes to market test its corporate services functions. Some elements of Centrelink’s corporate services are already being performed by external contractors, including property management and maintenance, security, some recruitment services, legal and audit services, telephone and mobile voice communications as well as printing, distribution and publishing.

(2) The Department is committed to ensuring communication and consultation with all staff members. The Department is currently establishing the communication protocols and mechanisms with staff and their representatives.

CSA currently purchases corporate services from the Australian Taxation Office and as a result, market testing will not affect any CSA staff.

CRS (Australia) has not yet finalised arrangements to consult affected employees and their representatives. Arrangements are being developed consistent with the CRS Australia Certified Agreement 1999-2002.

As Centrelink’s corporate services functions are identified for market testing, appropriate strategic planning arrangements will be implemented including consultation with all affected employees and their representatives.

Black Sigatoka Disease
(Question No. 2720)

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

(1) When was an outbreak of the plant disease, Black Sigatoka, discovered in North Queensland and who discovered the outbreak.

(2) What action was taken by the Australian Quarantine and Inspection Service and by the Queensland State Government in response to the outbreak of the disease.

(3) What was the cost of dealing with this outbreak of Black Sigatoka, and who met that cost.

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

(1) The outbreak was discovered on 10 July 2000 by Mr Ron Peterson, Principal Plant Pathologist located in Mareeba.

(2) None, the outbreak was not an AQIS issue.

Queensland Department of Primary Industries undertook eradication in accordance with their contingency plans and to date, there have been no further reports of the disease.

(3) The cost has been estimated at $30,000 and was met in total by the Queensland Government.
Aviation: Industry Apprenticeships  
(Question No. 2736)

Senator O’Brien asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 16 August 2000.

(1) How many new apprenticeships in the aviation industry were established in the 1999-2000 financial year and to date in the 2000-2001 financial year.

(2) How many people completed apprenticeships in the aviation industry in the above period.

(3) How many people left apprenticeships in the aviation industry before completing the course in the above period.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

National New Apprenticeships figures are published on a quarterly basis by the National Centre for Vocational Education Research (NCVER), Australia’s principal research and evaluation organisation for the vocational education and training sector in Australia. Because NCVER has not yet produced its figures for 30 June 2000, details for the 1999-2000 financial year and 2000-2001 to date cannot be determined at this time. Using current data available as at 21 August 2000 from the NCVER, the most recent figures are for the twelve month period to 31 March 2000, updated from the NCVER collection 23 – ‘1 July 1994 to 31 March 2000’.

(1) There were 162 New Apprenticeships established during the twelve month period to 31 March 2000. A breakdown of the New Apprenticeships established in the aviation industry follows at Table 1;

Table 1 – New Apprenticeships established in the Aviation Industry

<table>
<thead>
<tr>
<th>Aviation Industry Breakdown</th>
<th>ASCO Code Description(1)</th>
<th>12 Month period to 31 March 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft Maintenance Engineer (Mechanical)</td>
<td>90</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer (Structures)</td>
<td>43</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer (Avionics)</td>
<td>28</td>
<td></td>
</tr>
<tr>
<td>Apprentice Aircraft Maintenance Engineer (Mechanical)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Apprentice Aircraft Maintenance Engineer (Avionics)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>162</td>
<td></td>
</tr>
</tbody>
</table>

(2) 185 people successfully completed New Apprenticeships in the aviation industry during the twelve month period to 31 March 2000. A breakdown of the completed New Apprenticeships in the aviation industry follows at Table 2; and

Table 2 – New Apprenticeships completed in the Aviation Industry

<table>
<thead>
<tr>
<th>Aviation Industry Breakdown</th>
<th>ASCO Code Description(1)</th>
<th>12 Month period to 31 March 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft Maintenance Engineer (Mechanical)</td>
<td>92</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer (Structures)</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer (Avionics)</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Apprentice Aircraft Maintenance Engineer (Mechanical)</td>
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<tr>
<td>Apprentice Aircraft Maintenance Engineer (Avionics)</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>185</td>
<td></td>
</tr>
</tbody>
</table>
(3) 41 people left New Apprenticeships in the aviation industry before completing the course during the twelve month period to 31 March 2000. A breakdown of the New Apprenticeships left before completion in the aviation industry follows at Table 3.

Table 3 – New Apprenticeships left before completed in the Aviation Industry

<table>
<thead>
<tr>
<th>ASCO Code Description (2)</th>
<th>12 Month period to 31 March 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aircraft Maintenance Engineer (Mechanical)</td>
<td>30</td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer (Structures)</td>
<td>9</td>
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<tr>
<td>Aircraft Maintenance Engineer (Avionics)</td>
<td>2</td>
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<tr>
<td>Apprentice Aircraft Maintenance Engineer (Mechanical)</td>
<td>0</td>
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<tr>
<td>Apprentice Aircraft Maintenance Engineer (Avionics)</td>
<td>0</td>
</tr>
<tr>
<td>Aircraft Maintenance Engineer</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>41</td>
</tr>
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Trade: Chilli Imports
(Question No. 2773)

Senator O’Brien asked the Minister representing the Minister for Trade, upon notice, on 21 August 2000:

What was the volume and value of chilli and chilli products, by country, imported into Australia in the 1998-99 and 1999-2000 financial years and to date in the 2000-2001 financial year.

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

The import classification used by Australian Customs does not enable chillis to be separately identified. Chillis and chilli products are included indistinguishably with imports of all products of the genus capsicum and pimento. Sources, values and volumes of these imports are as follows. Data are not yet available for any part of the year 2000-2001.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>AS$’000</td>
<td>Kilograms</td>
</tr>
<tr>
<td>New Zealand</td>
<td>654</td>
<td>166,385</td>
</tr>
<tr>
<td>Chile</td>
<td>1,221</td>
<td>108,000</td>
</tr>
<tr>
<td>India</td>
<td>66</td>
<td>21,914</td>
</tr>
<tr>
<td>USA</td>
<td>421</td>
<td>27,462</td>
</tr>
<tr>
<td>Thailand</td>
<td>78</td>
<td>14,695</td>
</tr>
<tr>
<td>Germany</td>
<td>131</td>
<td>10,305</td>
</tr>
<tr>
<td>China</td>
<td>146</td>
<td>42,336</td>
</tr>
<tr>
<td>Netherlands</td>
<td>180</td>
<td>23,480</td>
</tr>
<tr>
<td>Singapore</td>
<td>38</td>
<td>12,815</td>
</tr>
<tr>
<td>Hungary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Jamaica</td>
<td>41</td>
<td>10,000</td>
</tr>
<tr>
<td>Malawi</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Korea</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>8</td>
<td>1,489</td>
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<tr>
<td>Pakistan</td>
<td>1</td>
<td>400</td>
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</table>