Questions Without Notice—
  Education: Funding ................................................................. 18675
  Economy: Trade Figures ...................................................... 18676
  Education: Funding for Non-government Schools ..................... 18677
  Industry Policy ................................................................. 18678
  Minister for Employment, Workplace Relations and Small Business:
    Telecard ........................................................................ 18679
  Welfare Reform: Mutual Obligation ........................................... 18679
  Minister for Employment, Workplace Relations and Small Business:
    Telecard ........................................................................ 18680
  West Papua: Independence ...................................................... 18681
  Minister for Employment, Workplace Relations and Small Business:
    Telecard ........................................................................ 18682
  Tax Reform: Child-Care Fees .................................................. 18683
  Minister for Employment, Workplace Relations and Small Business:
    Telecard ........................................................................ 18683
  Indigenous Families and Communities Roundtable ...................... 18684
  Department of Finance and Administration: Ministerial and Parliamentary
    Services ........................................................................ 18686
  New Economy .................................................................... 18687

Answers To Questions Without Notice—
  Minister for Employment, Workplace Relations and Small Business:
    Telecard ........................................................................ 18688
  Welfare Reform: Mutual Obligation ........................................... 18693

Petitions—
  Artillery Barracks, Western Australia ........................................... 18694

Notices—
  Presentation ........................................................................ 18694
  Withdrawal ........................................................................ 18696
  Presentation ........................................................................ 18696
  Postponement .................................................................... 18697

Business—
  Days and Hours of Meeting .................................................... 18697

Job Network Monitoring Authority Bill 2000—
  First Reading ....................................................................... 18697
  Second Reading .................................................................... 18697

Logging In National Parks ........................................................ 18700

Aboriginal Deaths in Custody ................................................... 18700

Documents—
  Joint House Department ...................................................... 18700

Health Legislation Amendment Bill (No. 4) 1999,  
Health Insurance (Approved Pathology Specimen Collection Centres) Tax  
Bill 2000—
  In Committee ....................................................................... 18701
  Adoption of Report ................................................................ 18705
  Third Reading ...................................................................... 18708

Financial Sector Legislation Amendment Bill (No. 1) 2000—
  Second Reading .................................................................... 18708
  In Committee ....................................................................... 18731
CONTENTS—continued

Documents—
Australian Electoral Commission............................................................... 18736
Australian Industrial Relations Commission and Australian Industrial
Registry ........................................................................................................ 18740
Adjournment—
Mental Health Issues and the Workplace..................................................... 18741
Paralympic Games....................................................................................... 18743
Perkins, Dr Kumantjayi (Charles) ............................................................... 18745
Banking Industry ......................................................................................... 18747
Documents—
Tabling........................................................................................................ 18749
Tabling........................................................................................................ 18750
Questions on Notice—
Health Services: Program Funding—(Question No. 1862)......................... 18751
Cyprus: Military Occupation—(Question No. 2163).................................... 18752
Inquiry into the Use of Pituitary Derived Hormones in Australia and
Creutzfeldt-Jakob Disease: Report—(Question No. 2198).......................... 18753
Myelodysplasia—(Question No. 2221).......................................................... 18754
Endosulfan: Australian Maximum Residue Level—(Question No. 2293).... 18755
Department of Health and Aged Care: Fringe Benefits Tax Paid—
(Question No. 2314).................................................................................... 18756
Department of the Prime Minister and Cabinet: Public Opinion Research—
(Question No. 2649)................................................................................... 18757
Australian Quarantine and Inspection Service: Imported Ginger—
(Question No. 2718).................................................................................... 18758
Regional Telecommunications Infrastructure Fund: Applications—
(Question No. 2731)................................................................................... 18760
Regional Telecommunications Infrastructure Fund: Applications—
(Question No. 2732)................................................................................... 18760
Regional Telecommunications Infrastructure Fund: Applications—
(Question No. 2733)................................................................................... 18761
Regional Tourism Program: Applications—(Question No. 2734).............. 18761
Centrelink: Rural Land Asset Testing—(Question No. 2752)...................... 18766
Department of Family and Community Services: Grants to Employer
Organisations—(Question No. 2786)............................................................ 18767
Department of Family and Community Services: Grants to Employer
Organisations—(Question No. 2805)............................................................ 18768
Department of Family and Community Services: Grants to Employer
Organisations—(Question No. 2824)............................................................ 18768
Department of Family and Community Services: Grants to Employer
Organisations—(Question No. 2843)............................................................ 18769
Tuesday, 31 October 2000

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

QUESTIONS WITHOUT NOTICE
Education: Funding

Senator McLUCAS (2.01 p.m.)—My question is addressed to Senator Ellison, representing the Minister for Education, Training and Youth Affairs. In his press release of 29 August, Dr Kemp stated:

…if a school serves a wealthy community it will get virtually no extra funds from the Commonwealth.

Does the minister agree with that statement? Is the minister aware of the way in which Geelong College, a category 1 school which charges fees of $10,860 a year, advertises its facilities? It states:

…two magnificent ovals, an all-weather synthetic hockey field, tennis courts, netball, basketball and squash courts. In addition, the new Recreation Centre…features a 25 metre indoor swimming pool (8 lanes to FINA standards)—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Ellison is being asked a question and he needs to hear it.

Senator McLUCAS—The advertisement also refers to:

…a separate diving pool, a fully equipped gymnasium with a weights room and an aerobic studio.

Can the minister explain to the parents of children in needy government and non-government schools why it is necessary to give Geelong College, which already has these fantastic facilities, an extra $2,000 per pupil or more than $2 million per year?

The PRESIDENT—Order! Senator ELLISON—A major review of the ERI index, which was used by the former Labor government, showed that it was an inequitable way to fund non-government schools.

Senator ELLISON—The SES system that has been introduced has been applauded by the non-government sector, from Christian fundamentalist schools to Catholic schools—which, I remind Senator Carr, serve a broad band of lower income areas in the community, as do other non-government schools. The old category 1 schools are not necessarily the wealthiest schools. What we have done is look at the needs of the parents concerned and of the school community. It is not necessarily true to say simply that a certain college is from the old category 1 and is therefore the wealthiest. Through the SES system, we are looking at a much fairer way of targeting funding to non-government schools, and this has been applauded. I think Senator McLucas misses this—

Opposition senators interjecting—

The PRESIDENT—Order! If Labor senators want to debate this issue, there is an appropriate time to do so. Continual shouting during the minister’s answer is disorderly.

Senator ELLISON—I draw Senator Carr’s attention to the graph published on the Internet by the Minister for Education, Training and Youth Affairs last week that details the funding for non-government
schools. All the old category 1 schools—which Labor would say are the wealthiest—are not necessarily so wealthy when you consider the wealth of the school community. The minister has released a graph that explains this.

Senator McLUCAS—Madam President, I ask a supplementary question. Is the minister aware that, according to Minister Kemp’s new school funding system, Geelong Grammar—with an SES score of 111—is still not amongst the 217 wealthiest schools in Australia? Does the minister believe this is a reasonable assessment? Does this result not highlight the skewed outcome that can flow from the government’s insistence on using the SES method, no matter how farcical the assessment?

Senator ELLISON—Whatever additional funding—if any—that is provided to a non-government school is based on the socioeconomic needs of the school community concerned. The formula that has been adopted is a fair one and it has been widely acclaimed across Australia by educational experts and by the non-government education sector in particular. It portrays much more realistically the needs of a school than the old ERI system, which is totally outdated and which is what Labor operated when it was in power.

Economy: Trade Figures

Senator LIGHTFOOT (2.06 p.m.)—My question is directed to the Assistant Treasurer, Senator Kemp. Will the minister inform the Senate of today’s trade figures and outline the strong performance of the Australian economy under the Howard coalition government? Is the minister aware of any alternative policies?

Senator KEMP—I thank Senator Lightfoot for that very important question. Yesterday I was able to report to the Senate that the September quarter CPI figures confirming the impact of the GST on inflation have been considerably less than expected. Of course, that is another area where the Labor Party have been comprehensively wrong.

Senator Cook interjecting—

Senator KEMP—Today, Senator Cook, we have further good news on the economic front—and I know this will send you into fits of depression but, if you would like to listen, I think you might learn something—with the ABS releasing the international trade in goods and services statistics for September. Australia’s trade balance showed a surplus of $677 million in September, the first monthly surplus since November 1997. Obviously a key factor in this result was the Sydney Olympic Games, which boosted service exports for the month. This is a further confirmation of the success of the Olympic Games, highlighting the economic benefit to Australia from increased export earnings. However—and I think this would be of interest to senators—excluding the net impact of the Olympics, the goods and services deficit was $723 million, down from $1.3 billion in August.

Government senators interjecting—

Senator KEMP—An excellent figure, as my colleagues mention. It is no wonder that the Labor Party is so depressed about it.

Senator George Campbell interjecting—

Senator KEMP—in trend terms, Senator George Campbell, we have seen a steady improvement in the trade balance since early 1999. The overwhelming focus of the Howard government in the Treasury portfolio has been to improve the competitiveness of the Australian economy.

Senator George Campbell—Go on, Rod, tell us—

The PRESIDENT—Senator George Campbell, stop shouting.

Senator KEMP—Of course, the new tax system provides an effective tax reduction of around $4 billion to exporters. The trade figures highlight a range of figures, which we have released in recent months, which show the very strong performance of the Australian economy—I have mentioned the low inflation figures, the strong growth of the economy, the falling levels of unemployment and, of course, various figures like the strong boost in retail trade that we have seen recently.

There is a question, of course: what is the alternative policy in relation to the economy? Senator Lightfoot, I thank you for that question. As I have mentioned, the Labor Party
now supports the GST. But in the run-up to the implementation of the GST there was a policy called roll-back. It has come as a surprise to us, as I pointed out in this chamber yesterday, that the ‘r’ word is never mentioned now. Not surprisingly, a survey was taken of the attitude of small business to roll-back. It showed, I think from memory, that some 90 per cent of small business was opposed to roll-back—which, I suggest, would probably be comprehensively the most unpopular policy ever developed by any political party. Of course, one normally thinks that, when you have such poor policy development, Senator Faulkner must be the person responsible for it.

Senator Knowles—Or Senator Cook.

Senator KEMP—Maybe that is unfair. Maybe it was Senator Cook. But the point I am making is that roll-back is their policy and no-one in the Labor Party dares speak its name. No-one in the Labor Party will talk about roll-back. I think it is time that the Labor Party came clean and explained to us all exactly what roll-back means.

Education: Funding for Non-government Schools

Senator GIBBS (2.11 p.m.)—My question is addressed to Senator Ellison, the Minister representing the Minister for Education, Training and Youth Affairs. Is the minister aware that Commonwealth indigenous support funding per indigenous student in universities will have declined by 23 per cent between 1996 and 2002? Is it true that there has been a sharp decline in the rate of growth in indigenous participation in higher education from 26 per cent in 1991 to only four per cent in 1999? Has the government analysed these alarming trends? What action does it propose to take to rectify the situation?

Senator ELLISON—It is opportune that Senator Gibbs raises this at the moment, because we have an indigenous funding bill for education coming before the Senate shortly. Can I say that there are great advances being made by the coalition government with respect to indigenous education. But I hasten to add that still much needs to be done—and I think that that is admitted by everyone: look at school retention rates; look at tertiary education.

But what I do say is that this government has addressed this issue and there have been some great advances made. In fact, we have made a big commitment to improving educational achievements by increasing funding across the education portfolio by almost $100 million more than the funding provided in Labor’s last year in power. So, compared with Labor’s last year in power, there will be total spending of some $380 million in the year 2000-01 compared with $288 million in 1995-96. This funding is for Abstudy; higher education; IEDA, which is the Indigenous Education Direct Assistance program; and of course the Indigenous Education Strategic Initiatives Program.

We have tied spending to outcomes in our education programs by establishing performance targets. No longer will we just throw money at a problem and hope it goes away. What we are looking at is targeting funding to those outcomes—and this is very important in relation to indigenous education. In fact, the year 12 retention rate for indigenous students has risen from 29.2 per cent in 1996 to 34.7 per cent in 1999. This is very good indeed. But, as I said at the outset, there is still much to be done in relation to this, and retention levels are still much lower than those in the wider community. But, nonetheless, we are working on this to achieve advances in that area.

Senator Gibbs also mentioned indigenous students undertaking tertiary study. The figures I have here show that there are just over 8,000—8,001 actually—indigenous students in 1999, a 17.6 per cent increase on the percentage in Labor’s last year. This spells good news for indigenous students around Australia, and I think those figures speak for themselves.

In March this year we also launched the National Indigenous Literacy and Numeracy Strategy, which has significant elements to be implemented in the year 2000-01. The government has tested best practice education techniques to lift indigenous educational achievement in the short term by funding a range of strategic results projects, SRPs, focusing on student retention, literacy and nu-
18678 SENA TE Tuesday, 31 October 2000

meracy, vocational education and training—which is very important for indigenous education—and also some other capital projects. The increased use of such techniques will be encouraged as part of the implementation of that strategy. What I have briefly outlined is this government’s commitment to indigenous education, the improvements that we have made and the challenges that lie ahead. I look forward to the opposition’s support when we come to the indigenous education funding bill which of course will maintain these programs and the good work that they are doing for indigenous students.

Senator GIBBS—Madam President, I ask a supplementary question. Is the minister aware of research conducted by the National Council for Vocational Education Research showing that indigenous students in vocational education have a pass rate of only 44 per cent compared to 60 per cent for all VET students? Can he confirm that indigenous students at Aboriginal community colleges enjoy a pass rate of 61 per cent? Why then has the government reduced funding to indigenous-specific education support programs?

Senator ELLISON—I outlined the programs that this government has introduced in relation to education specifically and, in passing, to the vocational education sector. Senator Gibbs mentioned Aboriginal communities. I can say that in 1998 we introduced, over a two-year period, intensive English as a second language assistance for indigenous language speaking students from non-English speaking background communities who were commencing in primary school for the first time. That assisted indigenous students in communities who had English as a second language to further their education in their primary years, and this will show results in both secondary education and tertiary and vocational education. It is an excellent program which will show results in those later years.

Industry Policy

Senator BRANDIS (2.17 p.m.)—My question without notice is directed to the Minister for Industry, Science and Resources, Senator Minchin. Will the minister advise the Senate what the government is doing to provide an effective industry policy that promotes strong, sustainable growth in Australia’s manufacturing sector? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Brandis for his very good question. Last Friday was a very interesting day in the life of Australian manufacturing. In Melbourne we had the AMWU Secretary, Doug Cameron, making one of his typical doom-and-gloom speeches about Australian manufacturing. It is no wonder he is such a good friend of Senator Faulkner. In fact, he spent most of his time attacking Senator Cook’s free trade policy. He also had some very gloomy prognostications about Australian manufacturing. At the same time, I was up in Gippsland celebrating a great Australian manufacturing success story. I was handing to a company called Gippsland Aeronautics their CASA type certificate for the totally new commercial aircraft that they are manufacturing in Gippsland. It is an eight-seater commercial aircraft, and it is manufactured and produced with an Australian work force in Gippsland. It is a classic example of what modern Australian manufacturing is all about—which Mr Cameron knows nothing about. It is innovative, it is export oriented and it is internationally competitive, with orders for this aircraft coming from all over the world. This company in Gippsland is going to take its work force from 50 to 200 over the next couple of years, producing these great Australian-made aircraft. This of course is in complete contrast with the picture painted by poor old gloom-and-doom Doug.

Gippsland Aeronautics itself I think reflects the very healthy state of Australian manufacturing. In the last 12 months we have had an extra 76,500 people employed in manufacturing. Total employment now is almost 1.2 million people, the highest it has been for 10 years. Manufacturing output in Australia grew by 3.1 per cent in the last financial year. Manufacturing exports went up by nearly 18 per cent in the last financial year to $32 billion, led of course by the very successful Australian car industry which is growing its exports exponentially. Our policies in relation to manufacturing industry are very much aimed at building an internation-
ally competitive manufacturing industry. That was what the GST policy, the new tax policy, was all about. Manufacturing was the big winner from tax reform—the policy that this lot opposite voted against. They voted for manufacturing to retain the wholesale sales tax. As I said before, the car industry is a classic example of what happened under those opposite. The car industry—just one industry—paid nearly a quarter of the wholesale sales tax. Under the GST it will pay only three per cent of the GST. That is the contrast between what those opposite did to manufacturing and what we are doing to help manufacturing.

Reform of the labour market has been absolutely critical to the success of Australian manufacturing, and Peter Reith is to be applauded for his success in enabling Australian manufacturing to be internationally competitive. We are also supporting industries such as the car industry and the TCF industry with special support packages. Madam President, you have to ask yourself: where are Labor on manufacturing? We know they voted to keep the wholesale sales tax on manufacturing—the worst tax in the world for manufacturing. Now their promise to manufacturing is to re-regulate the labour market—

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator CONROY (2.21 p.m.)—My question is to Senator Ellison, the Special Minister of State. Did the minister or his office at any time during the period 30 August 1999 to 8 May 2000 inform either the Prime Minister’s office or the Prime Minister’s department of the irregularities relating to Mr Reith’s telecard account?

Senator ELLISON—Prior to May this year, I had no contact with the Prime Minister or the Prime Minister’s office in relation to the Reith telecard matter. I have checked with my staff, and they have no knowledge of any contact with the PM or the PMO prior to May this year in relation to that matter.

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

Senator ELLISON—I thought I had answered the question, but I will check again to see whether there is anything that I need to get back to the Senate on.

Welfare Reform: Mutual Obligation

Senator BARTLETT (2.23 p.m.)—My question is to the Minister for Family and Community Services, Senator Newman. Minister, is it the case that Centrelink is currently compelling people in receipt of payments such as partner allowance to attend interviews under threat of that payment being cancelled? Is it also the case that recipients are being questioned about issues such as volunteering, membership of community organisations, self-employment goals and other issues which clearly relate to mutual obligation and which have nothing to do with their entitlements such as partner allowance? Is the government extending mutual obligation principles and implementing its welfare reform agenda without having released a response to the McClure welfare reform report, let alone put legislation before the parliament?

Senator NEWMAN—I thank the senator for his question. I made a statement a couple of months ago about a pilot program in which people on the parenting payment, both partnered and single, were invited to come to the Centrelink office for an interview. The existing social security law does enable the
government of the day to require somebody's attendance for an interview. Some people were invited to come and some were compelled to come, because it was a pilot program to evaluate the effectiveness of an interview that was by invitation compared with one that was by compulsion. If that is what you are talking about—and I imagine it is—it was quite fascinating that, amongst the women who were compelled to come and the social workers who conducted these interviews, there were people who did not like the idea of compulsion but in fact the women who were required to come found it a valuable experience and gained a lot from it. I understand that the social workers also changed their views about the value of compulsion. There was a significant change in attitude of people who perhaps did not have a lot of confidence in their ability to do things beyond their caring role when the time came.

If that is what the senator is talking about, yes, that was a pilot program. It has been very interesting for us in the research into developing programs that might be appropriate under the reforms to welfare but, as you said, the government have not yet responded to the welfare reform report. The Prime Minister and I have both made it very clear publicly that that will be done before the end of this year, and I do not think there is much else that I can add to that at this stage. This was an information exercise on what assistance is available for parents, helping them to explore what goals they might have for their future when their caring responsibilities are diminished and having them think about what their future is going to be and what they want it to be. It was a pretty positive exercise, from the reports I have had. If that is the issue that you have raised, that is the answer I can give you.

Senator BARTLETT—Madam President, I have a supplementary question. I thank the minister for her answer. Could the minister indicate whether any people have had their payments cut off for not attending any of these interviews and what those numbers are? Could she also indicate what happens to the data that is collected at interviews such as this? Will it be used as part of any future determinations in relation to social security entitlements? How do such moves fit in with the description you gave the last time I asked you about welfare reform—that this is an opportunity for 'an expansion of people’s opportunities, not a focus on sanctions'?

Senator NEWMAN—As to the latter part of the question, I have just answered that in my answer to the first question. It is something which I see as giving people greater opportunities and expanding their horizons as to what their future will be when their caring responsibilities have lessened. If you look at what most women in the country with children at school are doing these days, they are working either part time or full time as the children get older. I would not want to see people becoming long-term welfare dependents when they had capacities which would enable them to take a more fulfilling role in society. It is not all that fulfilling to wave your children off each morning and have nothing much in your life between then and when they come home. I would want to enhance the opportunities for women in that position. I myself spent a few years at home and know what it means to have a lack of confidence in going back into my profession. (Time expired)

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator FAULKNER (2.28 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. Given that the minister claimed yesterday that the inquiry by Telstra on 17 July 1998 related to only two phone calls on the Reith telecard account, how does the minister explain his department’s advice to him on 8 September 1999 that the Telstra fraud investigator had rung the department ‘to alert them to the high volume of calls being made against the telecard’? Can the minister confirm that the public servant who took the call from Telstra on 17 July 1998 made a one-page handwritten note for file which he passed on to a more senior officer? Will the minister undertake to table this file note in order to demonstrate that he did not mislead the Senate yesterday?
Senator Lightfoot—When were you notified about the car accident involving Trish Crossin’s son?

The PRESIDENT—Order! Senator Lightfoot, stop interjecting.

Senator Faulkner—Read the Australian newspaper!

Government senators interjecting—

The PRESIDENT—Order! This is supposed to be question time, and Senator Ellison has been asked a question.

Senator ELLISON—While I am at it, I will touch on Senator Ray’s question from yesterday too. The advice I have received from the department in relation to that document dated 8 September last year is that the excessive usage was incorrect—that it did relate to two calls made on a particular day. Senator Ray asked yesterday whether the secretary to the department knew about it. He did not, I am advised. I am advised that the inquiry did not go far up the chain, so to speak, and that, in particular, one has to look at the history of it—as I reminded the chamber yesterday—when there were directions in place from the previous Labor government. Those instructions were that itemised accounts of senators and members should not be scrutinised. In fact, there was a directive in relation to itemised telephone accounts in Senator Bolkus’s day, when he was the previous minister, and that was reinforced under the previous Labor government. I have taken this matter up with the department and that is the advice that I have received.

Senator FAULKNER—Madam President, I ask a supplementary question. I note that the minister is attempting to answer questions asked of him yesterday. I ask the minister: could you confirm that the public servant who took the call from Telstra on 17 July 1998 made a one-page handwritten note for file which he passed on to a more senior officer? Again, I urge the minister to give an undertaking to table the file note in order to explain what certainly appears to be a major inconsistency between his statement yesterday and the ministerial briefing of 8 September 1999. Minister, does the file note exist? Will you table it?

Senator ELLISON—I have already answered this question, but I will take the matter up with the department and see if there is anything I need to get back to Senator Faulkner on.

Senator Robert Ray—What about Reith and Jull and Causley?

Senator Kemp—What about you?

The PRESIDENT—Order! We will proceed with question time when the Senate comes to order.

Senator Ian Macdonald—What did you do with Colston in the early days?

The PRESIDENT—Order! Senator Macdonald, stop speaking across the chamber.

West Papua: Independence

Senator BROWN (2.33 p.m.)—My question is to the Minister representing the Minister for Foreign Affairs, Senator Hill. I refer to the West Papuan peace plan released here in the parliament building today by John Koknak, who is the Supreme Commander of the Free Papua Movement, the OPM. It calls for the hosting of an open dialogue between Indonesia and the West Papuan leaders, leading to a genuine vote of self-determination by the 1.8 million West Papuans and a transition to independence. I ask: will the Australian government, as a good neighbour to both Indonesia and West Papua, foster this peace plan and act in whatever way to remEDIATE the growing tension between West Papuans and Jakarta?

Senator HILL—We certainly see ourselves as a good neighbour, but we cannot accept the proposal that has been outlined by Senator Brown. We cannot accept it, simply because it is inconsistent with Australia’s foreign policy. As the Prime Minister said the other day, we have always taken the view that Irian Jaya is an integral part of the Indonesian republic. We have not changed that position and there is no reason to suggest that we will in future. At the recent forum, when this subject was on the agenda, we insisted that discussion of Irian Jaya be on the basis that Indonesia retains sovereignty over Irian Jaya. As Senator Brown knows, we have nevertheless called for a peaceful reso-
olution of differences in Irian Jaya, and we make that call upon all parties.

Senator BROWN—Madam President, I ask a supplementary question. I ask the minister why the government persists on calling West Papua Irian Jaya when nobody else in the world, including Indonesian President Wahid, does. He formally changed that name on the last day of last year. I secondly ask: what is the government going to do, as a good neighbour, to mediate in the growing tension between Jakarta and West Papua? Is it indeed foreign policy to be opposed to people anywhere in their aspiration for democracy and self-determination?

Senator HILL—The problem is that Senator Brown is asking of us something that is inconsistent with the policy that Australia has maintained for a long time. As Senator Brown knows, the UN organised Act of Free Choice was accepted by the United Nations and Irian Jaya—or West Papua, if that is what Senator Brown would prefer—was declared part of Indonesia. Whilst that remains the policy of the Australian government—and there is no intention to change it on the part of this government—what he asks for would be inconsistent.

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator ROBERT RAY (2.36 p.m.)—My question is to Senator Ellison, the Special Minister of State. Does the minister recall that the former Minister for Administrative Services Mr Jull was sacked in 1997 as—in the words of Mr Howard—‘because of the magnitude of the adjustment that was made it ought to have been disclosed at the time’? In view of this precedent, why did the minister fail to inform the Prime Minister when he became aware of the full extent of the fraudulent misuse of Mr Reith’s telecard on 8 and 23 September 1999? Didn’t the minister understand the need to keep the Prime Minister informed on such a matter? What is the difference between your behaviour and Mr Jull’s?

Senator ELLISON—I have already answered the question in relation to the status of those two documents mentioned by Senator Ray. What we have is preliminary documents in relation to an investigation which was embarked on or about 30 August last year. Those documents reveal that there was an extensive amount of work to do, and they were by no means conclusive. What has transpired since shows that. In fact, the first document said that the matter should go to the internal audit unit, which it did. It mentioned the possibility of subsequent referral to the police, which happened. When you have an investigation of that sort, it is proper that the department handle it, which it did. The department had a protocol, which I mentioned yesterday, which had been set down by my predecessor, Senator Minchin, in consultation with the Attorney-General. In that situation it was not appropriate to advise the Prime Minister until the investigation had been concluded, when there had been a full inquiry into the matter. That, of course, had involved the setting up of a special departmental committee, which I have also mentioned, which was part of the protocol.

The other aspects of Senator Ray’s question are best addressed to the Prime Minister. For my part, that is how I viewed it: this investigation was best handled by the department. Of course, you have only to look at the practice in relation to the police to see that, when matters are referred for investigation, they do not publicise their investigations to the world at large. I can say that this was a serious matter and it was treated as such.

Senator Ian Macdonald—Good answer!

Senator ROBERT RAY—I am sure Mr Jull will think it was a great answer, and he will want his job back. Madam President, I ask a supplementary question. Both yesterday and today, Minister, you have referred to protocols established by your predecessor. Have these protocols ever been published and, if they have not, will you table them in this parliament?

Senator ELLISON—I released a summary to the 7.30 Report.

Senator Robert Ray—That’s not this chamber.

Senator ELLISON—Hang on! Madam President, I will undertake to table a copy of that protocol in this chamber. I have pro-
vided a summary of it to the 7.30 Report. There is no secret in that.

Tax Reform: Child-Care Fees

Senator KNOWLES (2.40 p.m.)—My question without notice is directed to the Minister for Family and Community Services, Senator Newman. Given that the Howard government has a strong record of supporting Australian families, and given that the Labor opposition has continually stated that the cost of child care has increased under the Howard government, will the minister advise the Senate of recent tax reforms that have significantly reduced the cost of child care?

Senator NEWMAN—I thank Senator Knowles for the question. I can see that I am not likely to get a question of that kind from the Labor opposition, who trade in misinformation on issues to do with child care. I am really delighted, thanks to Senator Knowles, to have the opportunity to point out that recently published CPI figures show a significant reduction in the cost of child care. According to Bureau of Statistics figures, child-care costs for families have dropped by 15 per cent since 1 July this year. The government’s strong commitment to child care is demonstrated by an allocation of an unprecedented $5.6 billion over the four years to 2003-04, including $900 million in additional funding with a more generous child-care benefit. That continues the allocations to funding for child care over the last four years, which has shown an increase in each year over that of the Labor government when it lost office.

Our government has also kept child-care costs down by ensuring child-care fees are free of GST while allowing child-care services to claim—contrary to what the Labor Party would tell people—tax credits for GST that is paid on their inputs. The introduction of the simpler and more generous child-care benefit on 1 July this year as part of tax reform has resulted in more families now paying substantially less for child care than under the old, and sometimes confusing, system we inherited from Labor. Under child-care benefit, government assistance for child care has increased significantly, especially for families on low and middle incomes. Low income families can now receive up to $122 a week for one child, $255 per week for two children and $398 per week for three children in care. That is good news for families and will help them balance their work, community and family commitments.

This means that families are now paying less out of their own pockets for child care— and, of course, they have more money in those pockets from the tax cuts. A family with an annual income of $30,000 and one child in full-time approved care costing $169 per week used to pay a gap fee of $61.30 a week. Under child-care benefit they now pay only $50.46 per week—a saving of $10.84 per week out of their child-care costs. Further, a family with an annual income of $50,000 and two children in full-time approved care costing $139 per week used to pay a gap fee of $75 per week. Under child-care benefit they now pay only $58.92 per week—a saving of $16.08 a week.

Since we came to government in 1996, there has been more funding provided by government each year for child care. Child care in Australia is now more affordable. There are more child-care places provided in more centres and there are more flexible and innovative services for people, for instance, in the country or who are shift workers. Thanks to a stronger economy there are now more women able to get jobs—412,500 women since 1996. That is a growth of over 11.5 per cent in jobs for women since we came into government. Of those jobs, 210,200 are full time; 202,300 are part time. I would remind senators that for many years women have wanted more access to part-time work so they can balance their work and family needs. This is a good news story on which the opposition clearly has gone to ground.

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator COOK (2.44 p.m.)—My question without notice is to Senator Vanstone, the Minister for Justice. I refer the minister to reports that it has been confirmed that Ms Odgers did in fact inform the AFP immediately after her first interview in May this year that Dr Song Lim had received a phone call from a woman in a government depart-
ment warning her to cease using Mr Reith’s telecard, contrary to what the DPP and the Solicitor-General were told, and that Ms Odgers has produced bank statements which prove that she did indeed pay rent to Dr Song Lim, again contrary to the information that was made available to both the DPP and the Solicitor-General. Has this information been confirmed and released by the AFP, by Ms Odgers or by someone on her behalf, or is it just press speculation?

Senator VANSTONE—Senator, in listening to your question it immediately occurs to me that you have based your question on some assumptions that I understand to be incorrect. I am not sure that they are of any particular consequence, but I do take the opportunity to remind you that you cannot rely in any instance—and, in particular, in relation to this matter—on what you read in the paper. I have said before that people who comment on operational matters do so at risk, because, if they are relying on what they have read in the paper, they are relying in many cases on a lot of bunkum. As to the details of the matter, I have read some of the press reports you have read. You are aware that the AFP has taken the matter back to further investigate some aspects. I do not have a report from them on that.

Senator Forshaw—Why not?

Senator VANSTONE—‘Why not?’ says some smarty pants. Guess what? What do you reckon? Let’s go through it again for the bright spark in the class who must have felt he had won the lottery when he won a seat in this place. Your backside on a seat in here, taking money every month, makes you the luckiest man in the country for your contribution. Anyway, back to Senator Cook’s question. It must have been like winning the lotto getting put in here. Just sit here and act like a dunce and a smarty pants and get paid for it. You must be the luckiest bloke. Go and buy some lotto tickets!

The PRESIDENT—Senator Vanstone! I draw your attention to the question.

Senator VANSTONE—Sorry, Madam President. Senator Cook, one of your learned colleagues interjects: ‘Why’s that?’ It is because I have not received the report yet—that is why. I assume, therefore, that the AFP have not completed their investigation. I have made this point of a number of occasions: when they have completed something, if it is something I ought to know about—and I assume in this case it would be—they will let me know.

Honourable senators interjecting—

The PRESIDENT—Order! We are waiting to proceed with question time. Senators on both sides will come to order so we can proceed.

Senator Faulkner—You’ve been told not to behave like that.

Senator Vanstone interjecting—

The PRESIDENT—Senator Vanstone, Senator Cook wishes to ask a supplementary question.

Senator COOK—Madam President, I do have a supplementary question, as it happens. I remind the minister that my last question was: has this information been confirmed and released by the AFP, by Ms Odgers or by someone on her behalf or is it just press speculation? And, has the minister been informed when the AFP are likely to complete their reopened investigation, and will Paul Reith be reinterviewed as part of that investigation?

Senator VANSTONE—I do not know how many times I have to explain in this place that operational matters are handled by the Federal Police. They do not come and ask me and I do not go and ask them who they are going to interview, when are they going to do this by and when are they going to do that by. I get a general indication and, when the matter is complete, I get a report. I am not in a position to answer your questions, because I simply do not have the information—nor should I have it.

Indigenous Families and Communities Roundtable

Senator WOODLEY (2.49 p.m.)—My question is addressed to the Minister for Aboriginal and Torres Strait Islander Affairs, Senator Herron. Would the minister advise the Senate if the churches’ representative on his recent Indigenous Families and Communities Roundtable was the Rev. Greg Jordan
Senator HERRON—There is a fundamental flaw in the question: there were no ‘representatives’ at the roundtable—none at all, Senator Woodley. There were people who were there because of their expertise in, and knowledge about, various matters. I refer to the Courier-Mail’s Michael Madigan, who summed it up pretty well, I thought, when he wrote on 24 October:

Almost every problem confronting Australian Aborigines had a face and a voice at yesterday’s roundtable.

Reconciliation, apologies and treaties may have captured the nation’s imagination for the past decade but yesterday the bread and butter issues of crime, housing, welfare-driven poverty and domestic violence were given powerful mouth pieces and, by all accounts, dominated proceedings.

That was what the roundtable was all about—discussing issues of concern. And health played an important part in that: mental health, primary health and environmental health are all interrelated with those issues of concern, and the message came across that those issues need to be addressed in a holistic way.

I am aware of comments from some organisations that were not represented there, but determining membership of the roundtable was a difficult task. There are many prominent commentators, practitioners and organisations with interest and expertise in the areas of indigenous community capacity building. Many organisations and peak bodies already have other well-established opportunities and avenues for making their views known to government. Participants were invited on the basis of their personal and professional expertise or standing in the indigenous and non-indigenous communities. The roundtable also sought to involve key people—such as Mr Noel Pearson—who have publicly advocated particular approaches to the issues faced by indigenous communities. So, while some of the roundtable participants may be members of peak bodies, they were not invited in their capacity as peak body representatives. Senator Newman and I were keen to establish a roundtable which complemented the existing avenues of advice and which had a small number of participants to allow for open and informal discussion—and that is what occurred.

The ongoing work of the roundtable will also present many opportunities for input from organisations. Roundtable participants nominated a working group of the roundtable’s representatives to provide ongoing advice to government on the Stronger Families and Communities Strategy and to pursue work arising from the roundtable. This working group may seek input and advice from a range of peak bodies and organisations with an interest in community capacity building.

The people that were there were quite outstanding. They were people of expertise and ability, and Father Jordan was one. We could have gone to many others. In fact, there were many organisations, as Senator Woodley should be aware, which could have been represented, and there are many outstanding people. But Father Jordan had particular expertise in education, for example—one of his many attributes. As Senator Woodley said, he is also the rector of St Leo’s College at the University of Queensland and has a long history of an interest in education within the Jesuit order, and it was important that somebody of that ilk should be there.

The following people were there, for example: the chairperson of the Council for Aboriginal Reconciliation, Evelyn Scott; Mr Joseph Elu, the chairman of the Aboriginal and Torres Strait Commercial Development Corporation; Dr Margaret Valadian, the University of Wollongong; Commissioner Eric Wynne, ATSIC commissioner for Western Australia; Mr David Liddiard, chief executive officer of the National Aboriginal Sports Corporation. I could go on: Mr Joseph Ross, chairman of the Bunuba community of Fitzroy Crossing. There was Mr Tom Slockee, chairperson of the National Organisation of Aboriginal Housing. There were other people there with enormous expertise right across the board. And, as Mr Michael
Madigan said, there was practically no avenue that was not covered by the representation of the people who attended. *(Time expired)*

**Senator WOODLEY**—Madam President, I ask a supplementary question. I know Father Jordan personally. But to the minister: you did not answer the question, as usual, but have you seen the letter from the Catholic Commission for Justice, Development and Peace which criticised the minister’s failure to use the expertise of a whole host of church indigenous bodies which in fact you could have used, which include the Bishops Committee for Aborigines, or the National Aboriginal and Torres Strait Islander Catholic Council, or the National Council of Churches’ Aboriginal and Islander Commission, or the Uniting Aboriginal and Islander Christian Congress, or the National Aboriginal and Torres Strait Islander Anglican Council—all of which have members who have the kind of expertise which you needed? Why did the minister not choose a representative from these bodies? Has the minister seen the criticism in the letter from the Catholic bishops?

**Senator HERRON**—Senator Woodley did not listen to the answer that I gave him previously. They were not representatives. If we had gone into representation we would have had a bigger body than is in the Senate here. With due respect to the Senate, I think what we were about was having a smaller group of people with great knowledge and expertise so that we would get something constructive out of it. That is what it was all about. We got a very constructive group of people. We can approach any person or body from hereon in, but the idea of the exercise is to get a positive outcome that will benefit the indigenous people of this country and not get caught up in a lot of rhetoric and representation from organisations who believe that they have expertise in a particular field.

**Department of Finance and Administration: Ministerial and Parliamentary Services**

**Senator CHRIS EVANS** (2.55 p.m.)—My question is directed to Senator Ellison, the Special Minister of State. What action has the minister taken to follow up the allegation made by former minister David Jull on the AM program on 22 October when he blamed DOFA public servants for not properly processing health insurance payments for one of his staff? Has the minister sought the facts of this case from his department? Has he received any report on the matter, and can he inform the Senate of just where the maladministration occurred in this matter?

**Senator ELLISON**—I have taken the matter up with the department, and I understand that they had in fact discussed the matter with the staff member in question, and the matter has been resolved satisfactorily. In all of these instances the department seeks to address the concerns of members and senators, and I think there are a good many senators sitting across there who have enjoyed the assistance of the ministerial and parliamentary services section of the Department of Finance and Administration.

Honourable senators interjecting—

**The PRESIDENT**—Order! There is far too much conversation in the chamber.

**Senator ELLISON**—I hear the opposition making all sorts of interjections. As I understand it, there has been contact between the department and the staff member, and the matter has been resolved. If there is anything other than that I will get back to the Senate.

**Senator CHRIS EVANS**—Madam President, I ask a supplementary question. I thank the minister for his answer. It just was not clear to me what he meant when he said that it was resolved satisfactorily. Can the minister advise whether the department was at fault, or is he satisfied the department had acted appropriately? Has he taken the opportunity to defend the reputation of the department, given the suggestion that was made by Mr Jull?

**Senator ELLISON**—Madam President, I thought I was doing that yesterday when I was outlining the significant tasks that the department has to perform and the fact that the department has acted with due diligence. In fact when it discovers problems it acts to remedy those problems. I have just a few moments ago said that the department is there to assist members and senators, and I would welcome any comments from those
across the chamber who would say otherwise, because I really have not had them knocking on my door complaining about the service they have received.

New Economy

Senator MASON (2.58 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. What is the government doing to assist Australia’s continued development as a new economy? How will this ensure that Australia continues to be recognised as a leader in information, communications and technology research and development? Is the minister aware of any alternative policy approaches, and what would be the impact if these were implemented?

Senator Cook—And what are you doing about technology advice?

Senator ALSTON—We have actually got plenty of advice, but none of it has come from your side of the chamber.

Senator Cook—That’s a joke. You abolished our programs.

Senator ALSTON—We will come to your approach in a moment, but let us just start on a high moral ground.

The PRESIDENT—Senator Cook and Senator Alston, come to order!

Senator ALSTON—Yes, Madam President.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Hill and Senator Cook! Senator Mason’s question is to Senator Alston, and he has the call to answer it.

Senator ALSTON—The answer to Senator Mason’s very important question is ‘plenty’—we are doing heaps in this area. In particular, we are very committed to ensuring that there is an environment in which innovation can flourish and in which good ideas are not only generated but able to be commercialised. Of course this is a legacy that we inherited from that crowd over there who have never had the slightest interest in reducing the capital gains tax regime, making the system more competitive and trying to change the culture in universities and elsewhere. So we are already well down the track. We are certainly not complacent; we understand there are some very important challenges out there. The whole of the rest of the world is wanting to get in and play into this space and we want to be out there, up among the leaders.

That is why we introduced the incubator scheme, which of course was opposed absolutely vehemently by this lot over here. They had not the slightest interest in not just incubators but a whole range of programs designed to ensure that we have the right platform for IT through a competitive telecommunications regime. For example, Senator Minchin, Dr Kemp and Mr Moore only last week joined in putting $9 million towards a quantum computing research program, which is a tremendously important initiative that Australia should be supporting. It would not have got to first base under Labor. They would have said, ‘High-end elitism, let’s not bother.’

Let us look at what the alternative approach is. It is essentially that knowledge notion. Remember that—the two-word slogan that was launched in Hobart some months back? We were told with great flourish that they had appointed some bloke, who had unfortunately been sidelined for about a decade—dumped as the Minister for Science, sent to coventry, not taken seriously, unloaded as President of the ALP and then, as a consolation prize, appointed to some mickey mouse task force. I was not surprised to read that in four months that task force still has not met.

Who is this poor unfortunate that has the poisoned chalice of chairing this task force? Poor old Barry Jones. Let us just look at what was written about this recently in the Australian. When Senator Lundy, who aspires to be the shadow minister—but of course there still isn’t one: we do not have a shadow minister for IT on the other side of the chamber—was asked:

... whether she wishes her own party had listened to a young Barry Jones bristle with enthusiasm about the importance of science to Australia’s future, Lundy says: “Yeah, I do. Barry was before his time.”

Is Barry still ahead of his time?
“In today’s political arena, it would appear so. But events around the world already prove he was absolutely correct,” Lundy says.

Efforts to contact Barry Jones for this column failed. In trying to track him down, an assistant said that perhaps I could write a letter and send it to his post office box.

Could I send an email? No. A letter. This is where the high-tech revolution stops. They have appointed a task force, headed by someone they took no notice of for 10 years; they have not had a meeting in four months; the guy cannot be contacted except by snail mail; and they do not have a shadow minister for IT—they are not the slightest bit interested in this area. The only reinvention, the only innovation, we have got is the roll-back of roll-back. Great stuff, but it will not get you very far in 12 months time, I can tell you. So there you are, sitting there like little ducks waiting to be knocked off.

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

3.03 p.m.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Minister for Employment, Workplace Relations and Small Business: Telecard

Senator ELLISON (Western Australia—Special Minister of State) (3.03 p.m.)—I undertook to table a document in relation to protocol that I mentioned in an answer to a question by Senator Ray. I table that document.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.03 p.m.)—I move:

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

When the Minister for Administrative Services, Mr Jull, was sacked on 24 September 1997 because of the botched repayment of $8,000 in TA by the former transport minister, John Sharp, the Prime Minister stated in parliament:

... I believe ... the magnitude of the adjustment that was made ought to have been disclosed at the time and ... given the magnitude of the adjustment, there should have been a pursuit of a more detailed formal explanation for the reason for the discrepancy.

The public is not only entitled to the reality of honesty and probity but must also not be left in any doubt in relation to perceptions.

Mr Jull was sacked for not telling the Prime Minister about the fraud—about the repayment—and for not pursuing the matter properly and promptly. That was Mr Jull’s crime, and for that he lost his position in the ministry. He was sacked for causing public doubt and concern about the integrity of the system of the administration of politicians’ entitlements.

The truth of the matter is that Senator Ellison has done precisely the same thing as Minister Jull. Some nine months of DOFA inquiry later we still have this minister dissembling in the Senate over the telecard affair. You have to ask yourself the following question: why is Senator Ellison still in the ministry when he has committed the same breaches as Mr Jull? The truth is: on his own account, his department was recommending police intervention in September 1999, but he did nothing. He claims he told no-one—an extraordinary claim that almost beggars belief, but I suppose we have to accept it. At least, in the end, David Jull asterisked the repayment on a tabled document. If Senator Ellison and Mr Reith had got away with their attempt at a cover-up, the $950 repayment would never have been revealed. A statement has been made that this revelation has been the result of questions that were asked when we defined it down—that is, that the repayment would have become public because of my questions into telecard accounts in the Senate estimates committee. Of course that is not right, and that was exposed yesterday.

The truth of the matter is that, if the Canberra Times had not exposed the Reith affair, we would all still be in the dark. The police investigation would not be known about; perhaps there would not even have been any involvement from the DPP and the Solicitor-General and, if there had, it certainly would
not have been public knowledge. This whole matter would have been hidden from view. It is no wonder that Mr Reith has now decided on the political tactic of offering up Senator Ellison as the sacrificial goat on this matter. His bungling over the Reith affair has made him as culpable as Mr Reith. Mr Reith scrambles around and decides the new political tactic is to blame Senator Ellison. Stick the blame on to Senator Ellison over here in the Senate and perhaps that might mean less pressure on Mr Reith. He has deliberately set out to burn Senator Ellison by revealing the call on 22 February and asking what had happened with the telecard matter nearly six months after he had asked Senator Ellison to have the matter investigated. He has now implicated Senator Ellison quite successfully, and Senator Ellison has proved again today in one of the worst performances we have ever seen from a minister in this chamber that he is completely unable to defend his ministerial actions, or non-actions. He stands condemned.

(Time expired)

Senator Hill (South Australia—Minister for the Environment and Heritage) (3.09 p.m.)—I will make a contribution. It is a confusing debate, I have to say. All I can suggest is that it demonstrates that the Labor Party has decided to let the Reith matter rest. At least that is a positive move. I take that to mean that it believes that a penalty of $48,000, or a little over, is enough. The mistake that Reith—Mr Reith—made—

Senator Mackay—Mr Reith.

Senator Hill—I corrected myself. Senator—which he acknowledged, has cost him a great deal, and no doubt a lesson has been learnt. It has taken us some weeks to get to that point, but at least we have now got to that point and we can move on. I interpret it that way because there were a couple of questions today that did not relate to Mr Reith; they related to Senator Ellison.

Senator Cook—It is a convenient interpretation for your own purposes.

Senator Hill—that was the attack that was made by Senator Faulkner when he debated the subject in the Senate today. He said to us, ‘Our target today is Senator Ellison.’ I can only interpret that as meaning Labor has now let the Reith matter conclude. I think most Australians will be pleased that it has now got to that stage, and perhaps the political debate can move on to matters of substance. But no—of course Labor cannot do that because it has no matters of substance. So what has Senator Faulkner sought today? He has sought to somehow or other move the attack on to Senator Ellison. What is his criticism of Senator Ellison? Senator Ellison, when he was advised of the problem, had it investigated in accordance with the guidelines, at arms-length by the proper authority. He did exactly what a minister in his portfolio should do. So any attempt to discredit Senator Ellison out of this debate is obviously doomed to failure. Senator Ellison carried out his ministerial responsibilities in this matter perfectly. As a result of the administration working properly, matters were investigated, and they have got to the stage of where we are today, as I said, with the Reith matter being concluded.

Let the real debate in Australian politics commence. But of course it cannot because the Labor Party is unable to debate policies. The Labor Party is unable to present itself as an alternative government because it has no policies. It has been in opposition for four years, and it cannot put to this Senate one policy. It cannot stand up and say, ‘This is what we stand for on education,’ or, ‘This is what we stand for on innovation.’ Senator Cook once had an innovation policy, but goodness only knows what the Labor Party now has on that subject matter. It has no health policy. It took three years to decide that it would endorse the coalition’s policy in relation to private health care. It took three years for the Labor Party to do that, but does it have an alternative? No, of course it does not have an alternative. The people of Australia are not being presented with an alternative. Take my portfolio area. Does Labor have an environment policy? Of course it does not have an environment policy. Four years in opposition and it does not have one policy to present as an alternative.

We nearly got one, and it was called rollback. This was the imitation of a tax policy because, when the Australian Labor Party decided to endorse the goods and services
tax, it had to vary its product slightly. So its variation was roll-back. It was going to roll it back a little bit, but it was never prepared to say how far it would roll it back or how it would fund the difference. Everyone knew that it would have to fund the difference by putting up income taxes or by borrowing more and pushing up interest rates—what it used to do when it was last in government.

Roll-back, particularly after the goods and services tax was accepted by the Australian people so well, became a liability to the Labor Party. When was the last time we heard mention of roll-back? If it has not got roll-back, it has got nothing. It tried to introduce a little tax policy, but it did not work. It had to pull back, and now after four years of opposition it presents to the Australian people absolutely nothing. No wonder we have this desperate, baseless, shallow, weak attack on Senator Ellison today because the Labor Party has no alternative subject to debate.

(Time expired)

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate)  (3.14 p.m.)—Students of proper constitutional behaviour may think that, when a department is under sustained attack, the responsible minister will step forward and defend it and, at the very least, quickly investigate any allegations that have been made and report, and students of constitutional behaviour would have been right up until now. Things are different, however, under the Howard government. Senator Ellison, the Special Minister of State, has become the invisible man when his department has come under a sustained attack from his colleagues during what is now known as the Reith telecard affair. But Senator Ellison is not only invisible to his department; Senator Ellison is also invisible when it comes to the media. He is so invisible that last night we learned on the 7.30 Report that he has been invited to attend and appear on that program six times to discuss these issues, and six times he has declined. There is an old saying in politics: if you don’t appear in the media, you don’t exist. One can only postulate that this is the new cute line in ministerial accountability. When serious issues are raised against your department, don’t comment, don’t answer questions if you can questions if you can avoid it, don’t appear in the media and don’t exist.

There are allegations here that need answering. What did Senator Ellison’s colleagues—the former minister, David Jull; the National Party pretender, Ian Causley; and the telecard villain, Peter Reith—say? In Mr Causley’s case he just gave the department a general spray, claiming in so many words it was incompetent. Is it? If it is, does the minister take responsibility for that incompetence? If it is not, why is the charge left hanging? Why are public servants expected to think their minister allows this criticism of their behaviour and does not defend them? Mr Jull, who was Senator Ellison’s predecessor bar one, was an insider and he made criticisms of the department. He knows what happens in this department. Therefore, his allegations have to be allegations that bear, in these circumstances, much more weight and substance because he is a former minister. Last week Mr Jull told an AM interviewer, Alexandra Kirk, that bureaucrats in the department are at fault and Kirk came back at him. Let me quote her:

But how is it that, for example, after merging with the Department of Finance after the travel rorts affair, that was supposed to inject into the department the rigour of the finance department? What did David Jull say? He said:

I don’t know the workings of the finance department. My suggestion would be that maybe we’ve got the same personnel in there and maybe there should be some changes in the administration.

In other words, they ought to have sacked a few more people than they actually did. But of course Kirk was right. After the travel rorts affair, the department undertook wide-ranging redundancies and lost its departmental head. It was merged with the Department of Finance so it, we were told, would be more efficient. It also got a new minister. After the travel rorts affair, some of us thought, ‘Well, in this case, some of the politicians messed it up so the Public Service gets it in the neck.’ But what a stinging rebuke from Mr Jull to Senator Ellison. After all the blood-letting and after all the departmental scapegoating, there are still public servants in his department, alleges a former minister, who are incompetent. Well, Senator
Ellison, are there? Where is your answer? Have you put down the criticism? If Mr Jull is right, what are you doing about it? Why don’t you say something?

That brings me to Mr Reith, the man who did not say anything about his telecard from August last year to May this year when he knew it was being abused. Mr Reith was reported in the *Sydney Morning Herald* on 14 October, and I will quote from the article:

Reith’s pat “defence” is that he never knew the bills were rolling in, and he’s stuck the boot into other colleagues and questioned the Government’s competence and integrity to help save himself. “When they [the Finance Department] revealed all the details to me of the 11,000 phone calls... I said to them, ‘Well, if an account for a million dollars had come in, would you have paid it?’ And they said, ‘Yes we would have paid it.’ And I said, ‘Would you have told me?’ And they said they wouldn’t have. Now, I don’t think that’s reasonable.”

He then went on to attack the department. It is Senator Ellison’s job to defend this department. Senator Ellison, is it true what Mr Reith says? If so, what is being done to correct it? We know that this is a cover-up, and it is about time the minister stepped forward and did the honourable thing and explained what his department has been doing. In his absence, if he cannot do that, then let’s hear from Dr Boxall, the new head of this department. *(Time expired)*

**Senator KNOWLES (Western Australia)**

(3.19 p.m.)—Isn’t it fascinating? We have just had the last assault on Senator Ellison from Senator Cook, the senator who asked the Minister for Justice and Customs today not once but twice to comment on operational matters. This goes to show just how bright Senator Cook really is in this matter. The Labor Party have launched into this constant personal assault and personal vilification. We have just moved from Mr Reith and on to Senator Vanstone and on to Senator Ellison, and then we will move on to the next one the next day. As Senator Hill said, where is the policy? Policy is not coming out of the Labor Party. Everything is driven by personality, yet the Labor Party will not control their own. Why won’t they control their own? What has been done about certain motor vehicles being used by certain people on the Labor Party side? Absolutely nothing. How many people have repaid certain amounts of money in connection with certain motor vehicles? Not one cent has been repaid. If certain senators are interested to find out how to get personal loans for substantial amounts of money, I am sure Mr Reith could tell them. So why do the Labor Party not start to focus upon their own, instead of now shifting their assault and petty attack to Senator Ellison? Senator Ellison, I might add, has not only done what the Labor Party did not do and refused to do, but he has enhanced protocols that were put in place by Senator Minchin; and somehow or other the Labor Party have forgotten that Senator Minchin was the minister for administrative services between Mr Jull and Senator Ellison. But of course those on the Labor Party side do not even bother to remember that because that might actually give some continuity and fact to the debate. The fact of the matter is that the protocols were set down by Senator Minchin and they have been tabled here today.

**Senator Robert Ray**—No, they haven’t. They have not been tabled today.

**Senator KNOWLES**—Senator Ray interjects that the protocols have not been tabled. Senator Ellison informed me just before he left the chamber that he has tabled the protocols today and he was quite happy to do so. The fact of the matter is that, when possible irregularities relating to the use of Mr Reith’s telecard were found on 30 August 1999, the department informed Mr Reith and the matter was referred to the departmental internal audit unit for preliminary investigation. To listen to the Labor Party humbug on this issue, one would suspect that there had been no such investigation. But it was perfectly proper and in accordance with the fraud control policy of the Commonwealth that such a matter be investigated in the first instance by the departmental internal audit unit. The department did this before—and I emphasise the word ‘before’—it informed the Special Minister of State, Senator Ellison. In fact, the first reference by Ministerial and Parliamentary Services was predicated on the assumption that the Australian Federal
But, once again, as I have already mentioned, Senator Cook does not understand the way in which the Federal Police does investigations. In fact, he does not understand the way anyone does investigations, it appears. Nor does Senator Forshaw, because Senator Forshaw, having sat through four minutes of Senator Vanstone’s answer, then asked why she was unable to comment on the investigative process and operational matters. The investigation was particularly time consuming and complex. Yet here the Labor Party are still saying that Senator Ellison, having followed all the protocols, having followed all the procedures, is wrong. How pathetic when day after day goes by and they have not controlled, nor questioned, nor sought any answers in any way, shape or form from any of their own. They know that there are moneys outstanding. They know that circumstances have been disclosed recently that really do need answers. (Time expired)

Senator ROBERT RAY (Victoria) (3.24 p.m.)—Senator Ellison had a great opportunity this afternoon to answer Senator Evans’ question. Mr Jull went on the AM program and lambasted the MAPS section of DOFA. He made claims that they had bungled one of his staff’s medical insurance deductions. We hear today, ‘Oh, the matter is solved.’ We understand it is solved because the mistake was not the department’s. Why couldn’t Senator Ellison bring himself in here today to say, ‘My department was innocent of this?’ Why couldn’t he utter those words? He was asked twice to do so, but he would not defend his department. Senator Ellison comes in here and boasts about the reforms made to the administration of parliamentary entitlements. He cites tightened procedures and a more transparent reporting system. I acknowledge that has occurred. But everyone knows these reforms are as a direct response to the exposure of people rorting their entitlements. This is not a proactive government in terms of these reforms; this is a reactive government. Every time the genie gets out of the bottle they put the cork in it afterwards.

I acknowledge, year by year over the last 20 or 30 years, improvements and progresses made by all sorts of governments, but for this one to boast about it when they are only reacting to scandal is absolute hypocrisy at its worst. When scrutiny is applied they bellow that we are not on the big national issues, because they hate scrutiny. When misuse of MPs’ entitlements is exposed they attack the public servants who administer those particular entitlements. They take their vengeance on the public servants, terrifying them to the point that they cannot do their job. Yet these very public servants were the ones who in 1997, on their own initiative, recommended and executed a draft paper on reform of parliamentary entitlements. They did not seek ministerial approval; this was an initiative out of the department. Mr Sam Szrypek was the one delegated to do the task because he was in the department but not in the MAPS division. He produced a report recommending the overhaul of parliamentary entitlements, scrutiny and transparency. What happened to that report? The government still to this day refuse to release that report. It went to ministers, it went to the Prime Minister, and it got deliberately buried—and there is evidence on the record that it got deliberately buried—before the Sharp, McGauran and other incidents occurred. So this government had their opportunity to respond to a thoughtful report, recommending changes to scrutiny of parliamentary entitlements, and they buried it out of cowardice. They said, ‘This won’t go down well in the party room.’ They junked this particular proposal.

The former head of the MAPS division, who left a few months ago, actually proposed that MPs sign off their phone accounts. That proposal was rejected. I do not know who rejected it. I have to put that on the record. But that very distinguished public servant, who had a great record in Finance and has gone on to another very high office in this land, recommended that MPs sign off their phone accounts. Guess what? No action was taken. I do not know to whom he made the recommendation. I do not know whether it went to ministerial level or not. But what is never acknowledged by the coalition is that it was the Labor government that first brought
in transparency of ministerial expenses—TA, overseas travel and Comcar use were all published. Guess what? When we came into office in 1983 none of that was published, and who was a prominent cabinet minister for the previous six years? None other than Mr John Howard, our current Prime Minister. He did nothing when he was in cabinet to bring in transparency, to bring in proper scrutiny; he just sat there, and none of this material was out there publicly. Progress has been made in the last 15 to 20 years in relation to these issues, but there is no doubt, given the events of the last three weeks, that more progress needs to be made, more scrutiny needs to be applied and more transparency needs to exist. But it will not happen with this government unless they are forced to do it. (Time expired)

Question resolved in the affirmative.

Welfare Reform: Mutual Obligation
Senator BARTLETT (Queensland) (3.30 p.m.)—I move:

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

This is an important issue, and the minister’s answer gave some indication of why that is so. The matter concerns people who receive partner allowance. The example that was drawn to my attention involved a person who received partner allowance and whose wife received a disability pension. This person was compelled to attend a Centrelink interview on the threat that his payment would be cancelled. At that interview, which was supposedly about qualification for partner allowance, he was asked whether he did voluntary work, whether he belonged to clubs and societies, what his goals were and whether he intended to become self-supporting, and other issues such as that.

The Australian Democrats certainly do not have a problem with people receiving assistance in the form of new opportunities or being pointed in different life directions—whether in terms of employment or something else—but we are concerned when people are compelled to attend interviews and answer questions that have nothing to do with their eligibility for payment and must do so on pain of losing that payment. That is a significant shift in focus. The fact that such changes can be made—whether as a consequence of pilot projects or anything else—without legislative change simply on government direction is concerning.

I hope the minister will return to the Senate with answers to the two queries that I raised in my supplementary question, to which she did not respond. I asked whether anybody had been breached under this pilot program and, if so, how many; and what happened with the data that was collected. Does it stay on people’s files? Can it be used to determine their future eligibility if the government implements changes in eligibility for payments, such as the partner allowance, that introduce the form of mutual obligation that this government has made so much noise about?

Many people have drawn an interesting parallel with Mr Reith and the telecard affair—which other senators debated before I rose to speak—and the difference in approach. In that instance, an overpayment—if I may put it like that—was identified and raised but there was a lack of compulsion on the person responsible for that overpayment to pay it back. That approach has been compared with the treatment of people who receive social security. It is a very telling comparison—which is why so many people have made it in recent weeks. Such people’s entire incomes depend on their being compelled to attend interviews and to answer questions that have nothing to do with the nature of their payment. In that situation, their entire income is potentially at risk. Yet in the other example, when there was obviously a significant breach of the rules, the minister in question had to be dragged kicking and screaming to repay and even to give a clear account of what happened. Try doing that when Social Security makes an overpayment claim against you.

People are required to give full information about the source of the money in their accounts or their other activities. They must answer all those questions or their payments will be put at risk and fines and overpayments can be raised against them. The ele-
ments of compulsion and sanction are aspects of social security policy that the Democrats have great concerns about. It is a distortion of the concept of mutual obligation that the government likes to talk about. When we consider Centrelink and social security issues, we must remember that, in many cases, we are talking about people who do not have a lot of money and whose sole source of income may be their payment, their pension or their allowance. People in those circumstances can get incredibly worried if they think that pension or payment is at risk.

I received correspondence from a constituent—an age pensioner—who was sent a letter by Centrelink saying that they had to claim a foreign pension from Germany within the next 42 days and that, if they did not, their existing Australian payment might be suspended or cancelled. This was a consequence of legislative change to encourage people to access their entitlements to overseas pensions—which is a good idea. However, it is framed in an insensitive way: people are threatened that, if they do not act, they will lose their payment. In this case, the person concerned is not entitled to a German pension. Yet they received a letter saying that, if they did not claim something they knew they were not able to claim, they would lose their payment. People naturally get very distressed about such things—even more so when they are elderly, the age pension is their sole source of income and they receive such threatening letters. Sensitivity towards welfare recipients must be paramount and it is something to which the Democrats will always give priority.

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

by Senator Lightfoot (from 35 citizens).

Petition received.

NOTICES

Presentation

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

That the Environment, Communications, Information Technology and the Arts References Committee be authorised to hold a public meeting during the sitting of the Senate on 7 November 2000, from 6:30 pm to 8 pm, to take evidence for the committee’s inquiry into telecommunications and electro-magnetic emissions.

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

That the time for the presentation of reports of the Foreign Affairs, Defence and Trade References Committee be extended as follows:

(a) economic, social and political conditions in East Timor—to 7 December 2000; and

(b) examination of developments in contemporary Japan and the implications for Australia—to the last sitting day in February 2001.

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

That the Senate—

(a) notes that Aboriginal Tourism Australia (ATA):

(i) was formed by Indigenous tourism operators following the national Indigenous tourism operators forum in Darwin in 1995, and

(ii) has as a key objective to do all things necessary to advance the development of Indigenous tourism and enhance economic development opportunities for Aborigines and Torres Strait Islanders in the tourism industry;

(b) recognises ATA as the peak body representing Indigenous tourism in Australia and therefore as a valuable source of product and policy advice to government and industry on this issue;

(c) commends ATA on its commitment to promoting Indigenous tourism operators who embrace the principles of product authenticity and cultural integrity, and
who encourage respect and consideration of Indigenous customs, practices and spiritual beliefs and values through tourism;

(d) acknowledges that, for many Indigenous communities, cultural tourism could help to provide a greater degree of economic independence and assist in the protection and revitalisation of Indigenous culture and identity; and

(e) calls on the Government to commit adequate resources to assist:
(i) ATA to act as a pivotal support network to existing and potential Indigenous tourism operators, and
(ii) ATA and the Tourism Council of Australia to fully implement the resolutions agreed at the Indigenous Tourism Summit 2000.

Senator Allison to move, on the next day of sitting:
That the Senate
(a) notes:
(i) the Federal Government’s abolition of the $5.5 million Advanced English for Migrants Program (AEMP), effective January 2002,
(ii) that this Technical and Further Education (TAFE) program provides unemployed migrants and refugees with English for Specific Purposes and English for Further Studies to support other TAFE studies,
(iii) that the AEMP will be amalgamated with the Language Literacy and Numeracy Training (LLANT) Program but without additional funding, and that migrants and refugees formerly studying at TAFE are expected to take up places in LLANT,
(iv) that the tendering out of LLANT Program places to private, public and community organisations has led to a decline in accessibility and efficiency, with some English courses now only available through distance education, and
(v) that without this worthwhile and valuable program, the opportunities for migrants and refugees to become self-supporting through the use of skills they have brought with them from their countries of origin will be eroded; and
(b) urges the Federal Government to reverse this decision, on the basis that it will in the long run cost the community more if increasing numbers of migrants and refugees are not able to access English language instruction, particularly industry-specific language training.

Senator Faulkner to move, on the next day of sitting:
That the following bill be introduced: A Bill for an Act to establish the Office of Auditor of Parliamentary Allowances and Entitlements, and for related purposes. Auditor of Parliamentary Allowances and Entitlements Bill 2000.

Senator Herron, Senator Bolkus and Senator Ridgeway to move, on the next day of sitting:
That the Senate—
(a) expresses its sincere condolences to the family of the late Dr Kumantjayi Perkins who passed away on 18 October 2000;
(b) recognises Dr Perkins as a respected Aboriginal leader at the forefront of indigenous affairs and politics for more than 30 years;
(c) acknowledges Dr Perkins’ significant contribution in promoting broad community recognition of the interests and rights of indigenous Australians; and
(d) acknowledges the deep sadness in indigenous and broader Australian communities caused by his passing.

Senator Carr to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) that the Vice-Chancellor of the Australian National University (ANU), Professor Terrell, has referred in his October 2000 report, Plan for Growth, to the unique statutory charter of the ANU, which is characterised by its national role in teaching, postgraduate study and research;
(ii) that the Commonwealth Parliament provides in excess of $150 million per annum to the ANU,
(iii) that the alleged funding shortfall for the maintenance of the operation of the Noel Butlin Archives is $150 000 per annum, and
(iv) the explicit national mission of the ANU in research, scholarship and teaching;

(b) asks the university to justify its proposal to cut funding to the archives, with the result that they will be effectively inaccessible to the public; and

(c) calls upon the ANU to uphold its responsibility to administer and maintain the Noel Butlin Archives Centre as Australia's most important archives of business and labour records and a unique repository of information on the history of Australian working life.

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

That the Senate, noting the charter of the Australian Broadcasting Corporation (ABC) as Australia's national broadcaster:

(a) calls on the Board of the ABC to:

(i) maintain its commitment to news and current affairs programming, and

(ii) resist any political interference by the Government in its decision-making processes and deliberations; and

(b) calls on the Managing Director of the ABC, Mr Shier, to provide to the Environment, Communications, Information Technology and the Arts Legislation Committee for its estimates hearings:

(i) a complete and detailed account of his organisational restructure, and

(ii) a detailed account of his budgetary reallocations within the ABC.

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


Withdrawal

Senator CALVERT (Tasmania) (3.36 p.m.)—On behalf of Senator Coonan, pursuant to notice given on the last day of sitting on behalf of the Regulations and Ordinances Committee, I now withdraw business of the Senate notices of motion Nos 1, 3 and 6 standing in her name for 10 sitting days after today.

Presentation

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.36 p.m.)—I give notice that, on the next day of sitting, I shall move:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the National Crime Authority Amendment Bill 2000 (No. 2), allowing it to be considered during this period of sittings.

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

Leave granted.

The statement read as follows—

NATIONAL CRIME AUTHORITY AMENDMENT BILL 2000 (No. 2)

Purpose of the Bill

The purpose of the Bill is to address concerns about the constitutional validity of the National Crime Authority (NCA) legislative scheme in the light of the High Court's decision in R v Hughes (2000) 171 ALR 155.

The Hughes decision raised questions about the capacity of a Commonwealth authority (such as the NCA) to perform functions or exercise powers under State laws when the function or power conferred on the Commonwealth authority is coupled with a duty, particularly a duty that has the potential to affect the rights of individuals. The Court decided that where both a power and a duty are conferred on the Commonwealth authority pursuant to a Commonwealth/State legislative scheme, an appropriate Commonwealth head of power must support the conferral of that power and duty.

It is proposed to amend the National Crime Authority Act 1984 to address the issues raised in the Hughes decision. The proposed amendments will expand the circumstances in which the NCA derives its powers, functions and duties from Commonwealth legislation, and address the conferral of powers and functions under State legislation.

Reasons for Urgency

The actions of the NCA pursuant to State legislation are placed in doubt following the Hughes decision and are vulnerable to challenge. Urgent legislative action is required to ensure, to the greatest extent possible, the continued validity of
the NCA scheme. State legislation to validate past actions of the NCA pursuant to State legislation is also required and is being addressed.

(Circulated by authority of the Minister for Justice and Customs)

Senator Brown to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) the high level of community anger being generated by the Government’s new funding formula for primary and secondary schools which will see some elite private schools granted a massive Commonwealth funding increase, and
(ii) the call by the Australian Education Union and the Australian Council of State Schools Organisations for the Federal Government to pass a ‘schools funding continuity and stability bill’; and
(b) supports such a bill, which would give the same level of Commonwealth funding for private and public schools for the year 2001 as they have for the year 2000.

Senator Faulkner to move, on the next day of sitting:
That there be laid on the table by the Special Minister of State (Senator Ellison), no later than immediately after motions to take note of answers on 2 November 2000, a copy of the one-page handwritten file note prepared by the officer of the Department of Finance and Administration who took the telephone call from a Telstra officer on 17 July 1998 expressing concern about usage of the Commonwealth Telecard issued to the Minister for Employment, Workplace Relations and Small Business (Mr Reith).

Senator Harris to move, on the next day of sitting:
That the Senate—
(a) notes the failure of the Minister representing the Minister for Transport and Regional Services (Senator Ian Macdonald) to comply with the order of the Senate of 5 October 2000 for the production of documents relating to heavy truck specifications; and
(b) orders that:
(i) the documents referred to in paragraph (a) be laid on the table by no later than immediately after question time on 2 November 2000,
(ii) at the same time, the Minister make a statement to the Senate giving an explanation for his failure to comply with the order of 5 October 2000, and
(iii) a motion may be moved without notice to take note of the Minister’s statement.

Postponement
Items of business were postponed as follows:
General business notice of motion no. 732 standing in the name of Senator Murray for today, relating to the auditing of parliamentarians’ allowances, expenditures and entitlements, postponed till 1 November 2000.
General business notice of motion no. 733 standing in the name of Senator Allison for today, relating to the establishment of a committee to examine federal parliamentarians’ salaries, conditions, benefits and entitlements, postponed till 1 November 2000.

BUSINESS
Days and Hours of Meeting
Motion (by Senator Ian Campbell) agreed to:
That on Wednesday, 1 November 2000, the Senate adjourn at 7 pm without any question being put.

JOB NETWORK MONITORING AUTHORITY BILL 2000
First Reading
Motion (by Senator Jacinta Collins) agreed to:
That the following bill be introduced: a Bill for an Act to establish an authority to monitor the operations of the Job Network, and for related purposes.
Motion (by Senator Jacinta Collins) agreed to:
That the bill may proceed without formalities and be now read a first time.

Bill read a first time.

Second Reading
Senator JACINTA COLLINS (Victoria) (3.41 p.m.)—I table the explanatory memorandum relating to the bill and move:
That this bill be now read a second time.
I seek leave to have the second reading speech incorporated in Hansard.

Leave granted.

The speech read as follows—
Madam President, I am presenting today a new Private Members Bill that has as its aim the establishment of the Job Network Monitoring Authority.

When preparation for the implementation of the Job Network framework was initially proposed by this Government in 1996 and when operations began in 1998, it was all done outside of Parliament. Parliamentary debate and opportunities for amendment - i.e. the normal levels of scrutiny, accountability and transparency that large changes of this nature should go through - were bypassed. The Government’s refusal to allow the Parliament, as distinct from its department, to examine the Job Network, and the radical $3 billion dollar experiment that it represents, needs to be remedied.

The secretiveness that surrounded the Job Network’s establishment has also continued in its operation. Using the same organisation that established the Job Network, i.e. the Department, to also monitor its effectiveness is just not acceptable in an age of greater accountability of the executive and its actions.

Of course, the problem of having the same organisation establish, monitor and create policy, as well as let $3 billion contracts, is not new. In fact, economists have been studying ‘capture theory’ as they call it for some time.

We only have to look at the Public Sector IT outsourcing debacle. This has cost taxpayers millions, and shows this Government’s failure to monitor its large outsourcing initiatives in any meaningful way. This Government has let its ideology of ‘private good, public bad’ cloud its responsibilities of ensuring that when contracts are handed out en masse there is a careful and ongoing, independent analysis and monitoring of the process. Such analysis is vital to secure for the taxpayer value for money and minimum quality standards. It is also vital to ensure that the public has confidence that there is no cover up. It should be noted that it took the Auditor General to uncover the massive losses in the outsourcing program. Details of the loss of taxpayers money of this magnitude should have been open to public scrutiny well before the Auditor General’s report.

We also know through feedback from job seekers about Job Network providers, as well as analysis from labour market researchers, that there are structural flaws in the way that the system of contracts and associated payments is administered. These structural flaws are making it difficult for even the most community spirited Job Network providers, of which there are a large number, to do their job effectively.

Let us not forget that the Job Network is a radical experiment on the unemployed of Australia and an ideological obsession in making this experiment a purely market driven one. As the Auditor General has pointed out, however, this market is one that is artificial; it is one that has been created from scratch and it is one where the rules are created and enforced purely by DEWRSB.

An artificial market like this one is where you would least expect a blind obsession with doing everything on a purely tendered basis to work. This purely tendered basis is however the methodology that is currently applied to the Job Network. The current Minister for Employment Services has admitted as much when he recently flagged the idea of not tendering the entirety of the Job Network in the next round. The structural flaws in the design also include the fact that every extra dollar that is kept as a profit by a provider means that one less dollar is spent on training the unemployed. These are flaws that can best be exposed through an independent Monitoring Authority as proposed in this Bill.

When Labor began case management of the long-term unemployed it recognised that it was important for a separate body to monitor and evaluate the system to be created. To this end the Employment Services Regulatory Authority was established. It was at arms length from Government and had wide ranging powers to oversee the tendering out of the long-term unemployed to case managers.

Whilst this legislation has some similarities to that which established ESRA, it is not the same. All of the powers once held by ESRA have now been absorbed by DEWRSB. This Bill does not seek to transfer them all back to the Job Network Monitoring Authority.

Instead it effectively seeks to monitor DEWRSB in its role as the administrator of $3 billion worth of Job Network contracts. The Monitoring Authority will have no direct role in the tender process.

Madam President, I would like to now take the Senate through some of the problems that we know about in the Job Network and how the proposed Monitoring Authority would be able to address these.
Parking of unemployed
Wherever you have a system operating purely on a limited capacity in terms of the number of unemployed that you can have on your books for assistance at any one time - then there are incentives built into the system to deal with the easiest cases first at the expense of harder cases.

Currently, it is possible to help the easier cases first so as to get a payment and leave the harder clients till later or not help them at all. Providers may do this because they are not allocated money to assist every job seeker; they pick and chose who they help. Another job seeker will be walking through their door straight away and this person may be easier to help than some of their existing clients.

It is often reported that if you are a mature age job seeker, or if you are someone who requires a little bit of money to be spent on you, then there is a significant chance that you will be ‘parked’. That is, your details will be filed and your resume shredded after three months. No follow up phone call, no provision of training - nothing. Labor would argue the design of the system encourages this.

One of the first tasks of the Job Network Monitoring Authority will be to conduct an urgent and independent review of the payment system.

Training
Perhaps the most critical flaw with the current structure is the lack of guaranteed training. Now it is true that Job Network providers are allocated a portion of their money under their contracts for training purposes. Allocating this money, however, is no guarantee that any of it will actually be spent on training the unemployed.

Given the large feedback that has been received from the unemployed about the lack of training provided in the Job Network and similar concerns from staff working for Job Network providers, it is clear that this aspect of the Job Network is not being monitored at all. In fact, this was confirmed by answers from the Minister for Employment Services to questions on notice put by the Member for Dixon, Ms Kernot, that state in response to a query about the amount of training done that:

“Job Network members are not required to account for expenditure on various forms of assistance to clients. The department cannot, therefore, report on expenditure on accredited training within Job Network”

Such reporting should be required. How else will it be known whether Job Network providers are in fact providing the training that they are paid to undertake.

The provision of quality training is the key to sustainable employment.

The Job Network Monitoring Authority will be vital in making sure that Job Network providers deliver the training required.

Breaches
As can be imagined, the Opposition rightly acts as a lightening rod for people who are dissatisfied with their treatment under the Job Network. Many of these people are dissatisfied because they have had a breach unfairly recommended against them by a Job Network provider.

What appears to be happening is that unemployed people are being breached for minor misdemeanours with no checking to ensure that there is not a legitimate excuse. The misdemeanour is passed on to Centrelink who apply a penalty in respect of the breach, again without a checking process.

The first time that the individual knows about it is when their payment does not arrive. What is just as bad is that when the unemployed individual goes to appeal against their breach and offers a legitimate excuse they are confronted with the fact that DEWRSB asks as part of their business agreement with Centrelink that:

“at least 60% of all possible breach notifications actioned are applied, and at least 75% of these are maintained.”

Madam President, we should know more about the incidence of breaching by providers.

Mission Australia claimed last week that the withholding of payments as a consequence of these breaches is contributing to the upturn in homelessness and pleas for assistance.

The role here of the Job Network Monitoring Authority will be to investigate Job Network providers that are applying high levels of breaches and take action to ensure that the provider is only making breach recommendations where there is no reasonable explanation.

Poor reporting
Another important role of the Job Network Monitoring Authority will be its ability to provide some measure of how well the Job Network is performing. To date, all we have had are what can only be described as ‘dodgy’ assertions from the Minister for Employment Services, desperate to prove that ‘my system is better than yours’.

There has not yet been published a net impact analysis of the Job Network programs. This would be the best way to analyse their level of
effectiveness. Such studies should be undertaken and published immediately.

It must be noted that the first independent and thorough analysis of the Job Network will come not from the Government, not from the Department but from the Organization for Economic Cooperation and Development. Whilst I’m sure that the OECD will come up with some interesting findings, this will only be a once off occurrence, not ongoing review.

What is needed is ongoing monitoring of the Department’s administration of the Job Network. Problems need to be identified, publicly discussed and solutions worked out, not just once by an international organisation, which only has access to what the Department shows it, but by a formal domestic authority that has access to its own store of knowledge and expertise concerning the Job Network.

This Monitoring Authority will provide job seekers, Job Network providers and the general public with an objective analysis of how things are really faring and provide the basis for constructive reform.

**Conclusion**

I call upon the Government to pass this Bill and establish the Job Network Monitoring Authority. If the Job Network is running as smoothly and as transparently as the Government claims then the Minister for Employment Services should have no hesitation in offering his full support for this Bill. The Authority should have been set up at the same time as the Job Network back in 1996. It’s time to remedy the situation.

Debate (on motion by Senator Calvert) adjourned.

**LOGGING IN NATIONAL PARKS**

Motion (by Senator Brown) agreed to:

That the Senate—

(a) condemns the Federal Government for pursuing a policy of logging in national parks and, in particular, the comments of the Minister for Forestry and Conservation (Mr Tuckey) in Shoalhaven in October 2000 that, ‘We're reducing resource opportunities by locking forests in national parks’, ‘I have been told by an academic botanist that forests have to have disturbance, either cut them down or burn them down. But we may as well get some economic gain in the process…’, and that ‘we can’t lock our forests away like a Rembrandt painting forever’; and

(b) strongly asserts that the nation’s national parks must be kept secure from logging, including woodchipping.

**ABORIGINAL DEATHS IN CUSTODY**

Motion (by Senator Ridgeway) agreed to:

That the Senate—

(a) reaffirms cross-party support for the full implementation of the recommendations of the 1991 Royal Commission into Aboriginal Deaths in Custody;

(b) calls for the establishment of a National Aboriginal Deaths in Custody Investigation Team to vigorously investigate and report on all indigenous deaths in custody;

(c) embraces the model of restorative justice so that all indigenous communities can share in the responsibility for the criminal justice system in ways that are culturally appropriate and empowering;

(d) reaffirms its commitment to eliminate indigenous disadvantage with the recognition that this will only ever be achieved through empowerment, self-determination and reconciliation; and

(e) calls on the Government to:

(i) renew its commitments made at the 1997 Ministerial Summit on Aboriginal Deaths in Custody, which included the development and implementation of Aboriginal justice plans and multi-lateral agreements between the various levels of government and communities, and

(ii) invite the Northern Territory Government to join all other Australian governments in committing to the objectives contained in the 1997 Ministerial Summit Communique.

**DOCUMENTS**

**Joint House Department**

The DEPUTY PRESIDENT—In accordance with the provisions of the Parliamentary Service Act 1999, I present the annual report of the Joint House Department for 1999-2000.
HEALTH LEGISLATION AMENDMENT BILL (No. 4) 1999

HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN COLLECTION CENTRES) TAX BILL 2000

In Committee

Consideration resumed from 30 October.

HEALTH LEGISLATION AMENDMENT BILL (No. 4) 1999

The CHAIRMAN—Order! The committee is considering Democrat amendments Nos 1 and 2 on sheet 1960 moved by Senator Lee. These amendments are to divide the bill in accordance with the instruction by the Senate. The question is that those amendments be agreed to.

Senator CHRIS EVANS (Western Australia) (3.43 p.m.)—I would ask for your clarification. I know that we are continuing from last night; I am just not sure technically what is before the chair.

The CHAIRMAN—Technically, we are considering Democrat amendments Nos 1 and 2 on sheet 1960. These amendments are being moved pursuant to the instruction of the Senate to the committee to divide the bill, which was debated last night. The question is that the amendments be agreed to.

Question resolved in the affirmative.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.45 p.m.)—I table a supplementary explanatory memorandum relating to the government amendments to be moved to the bill. The memorandum was circulated in the chamber on 7 June 2000. I seek leave to move government amendments (1), (3), (4) and (6) to (12) on sheet DU229 together.

Leave granted.

Senator TAMBLING—I move:

1. Clause 2, page 1 (line 10), omit "Items", substitute "Subject to subsection (2A), items".
2. Clause 2, page 1 (lines 11 and 12), omit "1 July 2000", substitute "a day to be fixed by Proclamation".
3. Clause 2, page 1 (after line 12), after subclause (2), insert:
   (2A) If the items referred to in subsection (2) do not commence under that subsection within the period of 6 months beginning on the day on which this Act receives the Royal Assent, they commence on the first day after the end of that period.
4. Clause 4, page 2 (line 30), omit "1 July 2000", substitute "the approved collection centre regime commencement".
5. Clause 4, page 2 (line 32), omit "1 July 2000", substitute "the approved collection centre regime commencement".
6. Clause 4, page 2 (line 34), omit "1 July 2000", substitute "that commencement".
7. Clause 4, page 3 (line 1), omit "1 July 2000", substitute "the approved collection centre regime commencement".
8. Clause 4, page 3 (line 3), omit "1 July 2000", substitute "that commencement".
9. Clause 4, page 3 (lines 6 and 7), omit "1 July 2000", substitute "the approved collection centre regime commencement".
10. Clause 4, page 3 (line 9), at the end of the clause, add:
   (7) In this section: 
   approved collection centre regime commencement means the day on which the items referred to in subsection 2(2) commence.

Amendments agreed to.

Amendment (by Senator Tambling) agreed to:

5. Clause 4, page 2 (line 17), omit “subsection 6(1)”, substitute “subsection 3(1)”.

Senator CHRIS EVANS (Western Australia) (3.46 p.m.)—I move opposition amendment (1) on sheet 1786 revised:

1. Page 3 (after line 9), after clause 4, insert:

5 Reports on operation of Act

(1) As soon as practicable after the end of each financial year ending on or after 30 June 2001, the Minister must cause to be prepared a written report on the following:

(a) the number of:
   (i) public pathology collection centres; and
   (ii) private pathology collection centres; in each State by statistical local areas;
(b) the number of public or private pathology collection centres that have commenced or ceased operations in non-metropolitan areas in the preceding financial year;

(c) any action taken by the Minister in the preceding financial year to ensure that access to pathology services in non-metropolitan areas is not reduced overall.

(2) The Minister must cause to be laid before each House of the Parliament a report prepared under subsection (1) within 7 sitting days of that House after he or she received the report.

(3) In this section:

statistical local area means an area defined in the Australian Standard Geographical Classification 1999 published by the Australian Bureau of Statistics (publication number 1216.0 of 1999).

This opposition amendment tackles the problem of a shrinking public sector and loss of rural services by establishing a reporting mechanism. The problem of ensuring that there are sufficient collection centres in rural areas has been acknowledged in the past and is reflected in the three to one provision that entitles large providers to open more rural centres. The fact is that this bonus allocation has not been utilised to the necessary extent. The general pattern of recent mergers in the industry has seen a dramatic loss in the total number of centres. In the cities this has had beneficial effects as the industry has stabilised compared with wilder earlier days. But in rural Australia the pendulum has swung too far and the public system, which has provided the backbone of services, will now be under real pressure. We may not just see collection centres close; we may also see the closure of vital small laboratories in local and regional hospitals that provide timely and effective services.

As a first step to get this problem into the light of day, the opposition is moving an amendment to require annual public reporting of the number of collection centres in each local statistical zone. The minister will be required to report on the trends in closures of centres in non-metropolitan areas and the action taken to ensure that access is not reduced. The report should include advice on the action taken by the minister to ensure that access to pathology services in non-metropolitan areas has not been reduced. At the government’s request, this subsection has had the word ‘overall’ added to the end of the sentence to make clear that the purpose of the report is to get an overview of the broader trends and not to report on each and every closure of a facility. The object of this amendment, which I understand is supported by the government, is to ensure some transparency and to enable monitoring of the impact of the new rules and whether there is any reduction in access to services. We think this amendment is an important measure to enable the public to judge the impact of the legislation and the effectiveness of the government’s rural health policies. I understand that the wording of the amendment has been discussed at some length among various advisers, and I hope that the government will support this amendment in its final form.

Senator HARRIS (Queensland) (3.48 p.m.)—I ask Senator Tambling whether there is anything, either in the bill or in the act, that would designate what a rural and remote area is. The reason for putting this question to Senator Tambling is that there will be effects relating to the bill. I ask whether an area such as the Atherton Tableland, which is 60 kilometres west of Cairns, and which is decidedly rural, actually qualifies as rural and remote area is. The reason for putting this question to Senator Tambling is that there will be effects relating to the bill. I ask whether an area such as the Atherton Tableland, which is 60 kilometres west of Cairns, and which is decidedly rural, actually qualifies as rural and remote, or will there be two assessments—will there be rural and remote, or does it have to be remote and a rural area? If the minister could clarify that for the chamber, I would appreciate it.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.50 p.m.)—It is difficult to understand the context in which Senator Harris is bringing this question, given that he has not participated in the earlier debates in this area. My understanding from the question that he has put to me is that he is seeking to ascertain the definition with regard to Atherton and the Atherton Tableland area. I am advised that that area is under the definition of rural and remote metropolitan areas in the classification 4-5.

While the government are happy to agree to the proposed amendment to report once a
year on collection centres, in prior discussions with the opposition we have outlined the limited value of the information requested as a measure of access to pathology services for the following reasons. Funding for pathology services occurs through many streams, including Medicare, Australian health care agreements, health fund program grants in rural and remote areas, Department of Veterans’ Affairs funding, et cetera. Data on public pathology providers—that is, public proprietors, laboratories, pathologists and collection centres—is available if they provide private pathology under Medicare, otherwise they fall under the jurisdiction of the states. Data can be provided on the numbers of openings and closures of collection centres that provide private pathology under Medicare.

From experience with the movement of collection centres under the LCC scheme, the amount of movement is high and reflects business decisions by APAs. Specimens for testing are collected in multiple settings—including doctors’ surgeries, nursing homes, laboratories and hospitals—and by patients. Collection centres are another facility within which specimens are collected. Businesses independently make decisions to open or close collection centres or utilise other methods of collecting specimens—that is, collections from doctors’ surgeries, nursing homes, laboratories and hospitals, et cetera. In all other respects the government, as Senator Evans indicated, is pleased to support the amendment that has been put forward by the opposition.

Amendment agreed to.

The CHAIRMAN—I understand the next two opposition amendments, Nos 2 and 3 on revised sheet 1786, actually relate to the part of the bill which has been excised. It is therefore not appropriate to move them.

Senator CHRIS EVANS (Western Australia) (3.52 p.m.)—by leave—I move opposition amendments Nos 4 and 5:

(4) Schedule 1, item 32, page 9 (after line 25), after subsection (4), insert:

(4A) Approval Principles determined by the Minister under subsection (4) must promote fair competition and the entry of new providers.

(5) Schedule 1, item 32, page 10 (after line 9), at the end of section 23DNBA, add:

(7) In this section

new provider means a person who, or entity that, does not have an ownership or management relationship with the holder of an existing approval for an eligible collection centre.

These seek to amend item 32 of schedule 1. These reflect our concern that the government has given too much incentive to existing private pathology providers. We think it risks creating an anticompetitive situation where a few large operators are protected from new entrants by virtue of the new system for calculating the entitlements to licence numbers for collection centres. If licences are issued only on the basis of turnover, it will be impossible for niche operators to grow where they have proved themselves to be efficient service providers. This bill will effectively close the door on new competition in the private sector, and it will stifle growth in the public sector. There is already a large degree of concentration in the industry, and it is time to allow more competition to ensure that there is no scope for the major companies to slide away from the most cost-effective patterns of operating.

Under the proposed rules, a new entrant will be limited to two licences at most. They will then have to fight for additional licences solely on the grounds of turnover. This puts them in an impossible situation, as they have no network to build volume and they are competing against much larger groups for whom an extra licence can be gained by the equivalent of an extra day or two’s turnover. This problem should be overcome by rewriting the ministerial guidelines to ensure that new entrants are encouraged rather than frozen out. The overall caps can be maintained in a situation where the major players will have to work hard to maintain their market share by being cost effective and offering customer service that matches the best that the new providers can come up with. I am somewhat surprised that the government has not embraced this amendment, as one would expect it to support fair competition. It will be interesting to see how the minister’s guidelines end up impacting on new
entrants and to see the flow-on effect, particularly on rural services. I hope the government might reconsider. I also hope that the Democrats will support the interests of small operators to avoid the dominance of a few large providers of pathology services creating an imbalance in that market.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.55 p.m.)—The government are happy to agree to the proposed amendments to ensure that the principles determined by the minister promote fair competition and the entry of new providers. The government are also happy to agree to ensure that ‘new provider’ is adequately defined. This is compatible with our policy intention and has already been reflected in the draft principles.

Amendments agreed to.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.55 p.m.)—by leave—I move government amendments Nos 2 and 13 on sheet DU229:

(2) Clause 2, page 1 (line 11), after “46,”, insert “46A,”.

(13) Schedule 1, page 13 (after line 20), after item 46, insert:

46A Paragraph 23DO(2H)(b)
Omit “licence”, substitute “approval”.

These amendments correct a minor drafting error, replacing a reference to a licence with a reference to an approval.

Senator HARRIS (Queensland) (3.56 p.m.)—I seek Senator Tambling’s indulgence and would like to ask a question relating to the licence fees. Will public sector pathology centres—that is, those who are established in public hospitals—be required to pay the $1,000 licence fee?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.56 p.m.)—I can confirm that the public and private facilities have been brought into line under this new tax arrangement.

Senator HARRIS (Queensland) (3.57 p.m.)—Do I take it that Senator Tambling is saying that the public sector pathology centres established within public hospitals will be required to pay the $1,000 licence fee?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.57 p.m.)—I am advised that this is an issue which I should take on notice for the senator. My understanding is that there is intent to have these things appropriately dealt with, but I do not have that information readily available. I will take the question on notice.

Amendments agreed to.

Bill, as amended, agreed to.

HEALTH LEGISLATION AMENDMENT (MINIMUM PROFICIENCY REQUIREMENTS FOR MEDICAL PRACTITIONERS) BILL 2000

Bill—by leave—taken as a whole, and agreed to.

HEALTH INSURANCE (APPROVED PATHOLOGY SPECIMEN COLLECTION CENTRES) TAX BILL 2000

The bill.

Senator HARRIS (Queensland) (3.59 p.m.)—Through you, Madam Chairman, I will ask the indulgence of the Parliamentary Secretary to the Minister for Health and Aged Care. Can the parliamentary secretary advise the committee, taking into consideration the depreciation of the Australian dollar together with the increased cost of health care and the increased use of pathology in our modern health system, and bearing in mind that a lot of the equipment that is used in the collection of specimens and in the laboratories comes from overseas, whether the five per cent cap that the government is implementing—and I seek your indulgence, Parliamentary Secretary, if the cap is in the previous bill, but I would still like to ask this—is realisable? In other words, is the government confident that it can cap it at that figure?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (4.00 p.m.)—Senator Harris had the opportunity to address these matters several weeks ago when the department sought to consult his office on all of these issues in detail. I am somewhat per-
plexed that these matters were not addressed at that particular time, in a second reading speech or in the committee stage of the legislation. Whilst the issues that Senator Harris of One Nation is now raising have a much broader picture than those envisaged by the scope of the legislation, I am advised that the understanding is that this legislation will not affect the delivery of pathology services at this particular time.

Bill agreed to.

Health Legislation Amendment Bill (No. 4) 1999 reported with amendments; Health Legislation Amendment (Minimum Proficiency Requirements for Medical Practitioners) Bill 2000 reported without amendments; Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 reported without requests.

Adoption of Report

The ACTING DEPUTY PRESIDENT (Senator Murphy) (4.02 p.m.)—Order! The Chairman of Committees, Senator West, reports that the committee:

(1) Has considered the Health Legislation Amendment Bill (No. 4) 1999 and:
(a) pursuant to the instruction of the Senate, has divided the bill into two bills, the Health Legislation Amendment Bill (No. 4) 1999 and the Health Legislation Amendment (Minimum Proficiency Requirements for Medical Practitioners) Bill 2000,
(b) has amended the Health Legislation Amendment Bill (No. 4) 1999, and
(c) has amended the Health Legislation Amendment (Minimum Proficiency Requirements for Medical Practitioners) Bill 2000 to add enacting words and provisions for titles and commencement.

(2) Has also considered the Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 2000 and has agreed to it without requests.

Motion (by Senator Tambling) proposed:

That the report from the committee be adopted.

Amendment (by Senator Lees) proposed:

At the end of the motion, add:

“and that further consideration of the Health Legislation Amendment (Minimum Proficiency Requirements for Medical Practitioners) Bill 2000 be postponed until the first day of sitting in June 2001.

Senator CHRIS EVANS (Western Australia) (4.03 p.m.)—In the tradition of health legislation, I am going to move an amendment to the amendment. I move:

At the end of the amendment, add:

“and that there be laid on the table by the Minister representing the Minister for Health and Aged Care, on or before 31 May 2001, a further report on the operation of sections 3GA, 3GC and 19AA of the Health Insurance Act 1973 since the preparation of the report required by section 19AD of that Act”.

As I expressed earlier in the debate, the opposition did not see the point of splitting the bill, but now the Senate has done so, we should clarify the process that will occur from here for those that have a close interest in this issue. My understanding of what we have arrived at today is that the Senate is not of a mind to remove the sunset clause at this time, because the government has not adequately explained what it intends doing in the future about the training of young doctors. The opposition continue to argue that the government must sit down with the young doctors and discuss their grievances. As senators would be aware, the government has in recent times introduced a fairly controversial form of bonded scholarships, announced a range of new rural clinic schools, announced a board to manage postgraduate training programs and—I understand from last night—made a number of undertakings to the Australian Democrats in a late letter dated 30 May 2000, which I still have not seen and which I would again urge the government or the Democrats to table so that everyone has the full information and so that we have a complete set of the Wooldridge letters. The details on each of these measures remain sketchy and controversial.
Retaining the sunset clause, in our view, maintains the pressure on the government to produce some coherent strategy to tackle the problem of the shortage of rural doctors, which all parties in the Senate consider to be a priority. Labor's concern is that, by splitting the bill, we will end up with this matter being shoved off the agenda. The effect of the Democrat amendment just moved by Senator Lees is to ensure that the bill comes back next June for the sunset clause to be debated and that is, from our view at least, a second best option. The issue is whether the Senate will be any better off at that time in coming to a decision about the future of the sunset clause. If the situation is as it is today, I suspect the answer to that will be no.

The facts of the situation facing young doctors were to be reported back to the parliament by the report required under section 19AD of the Health Insurance Act. This report was prepared by Dr Ron Phillips and was tabled in December 1999. Unfortunately, many of the issues which Dr Phillips considered were not answered in his report, and he proposed a series of additional processes to sort out what needed to be done. In our view, given the range of programs being planned or partly implemented, it would be appropriate for the government to again report to the parliament before the new bill dealing with the removal of the sunset clause is considered. Basically, we ought to have the full information and a proper assessment before we have that debate again.

One of the complaints Senator Lees quite properly made is that there was not a clear picture on some of those issues. We are trying to ensure that, when the bill does come back, we have an informed debate, we have the value of that report having been presented to the parliament and we have parties with an interest in the matter having had a chance to comment on that report. When the bill comes back before the Senate it will then be an informed debate. That will overcome some of the concerns raised about the position we find ourselves in this time. The opposition is proposing to add to the motion moved by Senator Lees to require a further report from the government on the three relevant sections of the Health Insurance Act—3GA, 3GC and 19AA. This report will give the Senate the up-to-date overview of the situation regarding the training of young doctors and report on the various matters which were recommended as needing further action in Dr Phillips's 1999 report. We are proposing that the deadline for that report be 31 May, which will be 18 months after the initial report and will enable the debate on the removal of the sunset clause to proceed in June next year in an informed manner, as proposed by the Democrats, and with all interested parties having been able to assess the report, make comments and feed into the process. While we were not enamoured of the first decision to split this bill, we think our amendment makes that a better process and it makes sure that Senator Lees's suggestion to bring it on in June next year will result in a more informed debate and will allow us to reach a proper conclusion then. We think it adds to the Democrat amendment, and I commend the amendment to the Senate.

Senator LEES (South Australia—Leader of the Australian Democrats) (4.08 p.m.)—This has just arrived on my desk and I am not quite sure what the opposition is trying to achieve. Obviously, we need information or we do not proceed. When we get back to this section of the bill in June, all of us will be looking at the various bits and pieces that are still missing but, in the debate yesterday, we went through what those missing things specifically were, and a lot of this is being monitored elsewhere. We still have the Medical Training Review Panel, and that panel will be overseeing where the vacancies are, if there are any vacancies. We now have another look at post-graduate training being organised. Perhaps Senator Tambling could answer the only question I had yesterday relating to this. It relates to making sure that funding is actually there to have a close look at issues relating to the availability of various training places, particularly in the situation I raised yesterday where some training places will not be filled because of the extraordinary working hours and the rather unbelievable ways in which these particular specialties organise their training program for junior doctors. The doctors are simply voting with their feet. I am not sure whether this late
amendment is going to achieve anything. Presumably, what you are asking for, Senator Evans, is that the minister collates the other reports that are already under way. Specifically, how do you see this all fitting together, particularly with the Medical Training Review Panel?

Senator CHRIS EVANS (Western Australia) (4.10 p.m.)—by leave—Certainly, it is a way of collating some information that might be gathered through other sources. In terms of our amendment being late, to be fair to us the bill was split only a few minutes ago and we are only trying to respond to the emerging political situation. Secondly, some of the detail you referred to—in terms of what the minister will be doing about monitoring things—is contained in a letter you received from the minister, which we are not privy to. It is not a public document, as I understand it. Some of the things you may be reassured about I am not reassured about because I have not seen it.

The key point is that the Phillips report said that there needed to be more work done on a range of those issues before we could come to a final conclusion. We want to see that work done. I think that goes beyond the scope of what the Medical Training Review Panel is dealing with. Our amendment says that the minister should lay a further report on the operations of those sections of the act on the table in the Senate. Yes, the minister is tasked to compile information specified in the motion and provide that to the Senate as the basis for that discussion. It is really just informing the debate. It would be useful to the Senate, and it would be useful to the other parties involved outside the Senate—who are not privy to some of the discussions—that that information is collated and made available. It is purely about a decision to inform the debate and fit in with your timetable. It certainly does not derail anything you are trying to do, but it does give us the chance to make sure we have full information when we have that debate. It also means, importantly, that parties outside the Senate have been given that information prior to us tackling the issue. As I say, our amendment is about a more informed debate—something which I am sure the Democrats always encourage. Isn't that right, Senator Ridgeway? Therefore, it is worthy of support. It adds to the intention of the Democrat motion, which is to have an informed debate in June about the operations of this measure.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (4.13 p.m.)—We have before us a Democrat amendment which the government is inclined to support—and it can understand the issues and the tenets that have been put forward—and an amendment by Senator Evans on behalf of the opposition which adds further words to the original amendment, which the government is not inclined to support. The Evans amendment was presented to us only a few moments ago and it is rather complex and detailed, and there has been no prior discussion between officers on this matter with regard to the information sought.

With regard to the amendment proposed by Senator Lees in which she indicates that she would like this matter deferred until the first day of sitting in June next year, I indicate that it would be the government’s intention to deal with this matter expeditiously. Perhaps, if we are able to fit in with the government program, we may be able to deal with it at an earlier date than that of June next year. I hope that that would be acceptable. In the context of that, we would certainly be negotiating on all of the detail that Senator Lees has indicated she would require to be considered at that particular time and on any further debate with regard to the sunset clause. The issues that are canvassed in Senator Evans’s amendment would get picked up in the consideration of the detail that would be embraced in any discussion of the matters required by or agreed to with the Democrats. I can indicate that the government is inclined to support Senator Lees’s amendment but not that proposed by Senator Evans.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—I will put the question on the amendment as moved by Senator Chris Evans, because it is an amendment to Senator Lees’s amendment. The question is
that the amendment moved by Senator Evans be agreed to.

Question resolved in the negative.

The ACTING DEPUTY PRESIDENT—I now propose to put the question relating to the amendment moved by Senator Lees. The question is that that amendment be agreed to.

Question resolved in the affirmative.

The ACTING DEPUTY PRESIDENT—The question now is that the amended motion be agreed to.

Question resolved in the affirmative.

Third Reading

Health Legislation Amendment Bill (No. 4) 1999 and Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 1999 (on motion by Senator Tambling) read a third time.

FINANCIAL SECTOR LEGISLATION AMENDMENT BILL (No. 1) 2000

Second Reading

Debate resumed from 26 June, on motion by Senator Ellison:

Senator CONROY (Victoria) (4.16 p.m.)—The Financial Sector Legislation Amendment Bill (No. 1) 2000 seeks to build on the government’s legislation flowing from the 1997 Wallis report into the financial sector, largely supported by Labor. The bill contains a number of measures, the main ones aimed to: alter the prudential regulation of authorised deposit taking institutions; rationalise and consolidate the Commonwealth’s unclaimed moneys provisions; simplify and modernise service provisions in the Reserve Bank Act 1959; and alter superannuation laws by strengthening the enforcement provisions in the Superannuation Industry (Supervision) Act 1993. The bill was referred to the Senate Economics Legislation Committee, which reported on its inquiries on 30 August. The bill was also referred to the Senate Select Committee on Superannuation and Financial Services, which examined clauses in the bill in respect of the Superannuation Industry (Supervision) Act 1993.

I want to discuss briefly the main changes covered in this bill. I will firstly deal with proposed changes to authorised deposit taking institutions, ADIs. The bill proposes a number of changes to the Banking Act 1959 that will affect the regulation of ADIs. These include: permitting conditions to be placed on approvals for mergers, acquisitions or restructures of ADIs under section 63 of the Banking Act 1959; providing APRA with the power to act pre-emptively to stop undesirable activities rather than simply acting to impose punishment after damage has occurred; broadening the definition of information that APRA can require from ADIs under sections 13 and 62 of the Banking Act to include documents; providing APRA with the power to impose directions if APRA considers that an ADI is likely to breach a prudential regulation or standard or if the ADI is conducting its affairs in an improper or financially unsound manner; and ensuring that APRA has the power to appoint itself to investigate the affairs of an ADI so that APRA is able to conduct its own investigations under the Banking Act.

I would like to focus on the proposed powers in this bill to allow the Treasurer to attach conditions when consenting to the merger or reconstruction of an ADI. When introducing this bill in the House of Representatives, the Minister for Financial Services and Regulation noted that the Treasurer’s proposed new powers to attach conditions to a merger of an ADI were designed to allow more mergers to proceed more quickly. The minister for financial services stated:

In particular, this bill grants the Treasurer, or delegate, power to attach conditions to his or her consent for an ADI to reconstruct or demutualise. This will ensure that any undertakings made by an applicant are enforceable and may facilitate a greater number of applications receiving consent. I am concerned that the government’s priority is to make banking mergers easier rather than to address community concerns about bank mergers and banking services.

When inquiring into this bill, the Senate Economics Legislation Committee received submissions from the Australian Consumers Association and the Finance Sector Union who were concerned about the impact of
bank mergers on banking services and the community. The Consumers Association stated to the committee that they were concerned that past bank mergers have reduced the level of competition in the banking industry. In particular, they cited the merger of Westpac and the Bank of Melbourne in 1997. Prior to its merger with Westpac, the Bank of Melbourne was regarded as an aggressive competitor in Victoria, marketing itself as ‘cutting the cost of banking’. In 1997, the Australian Consumers Association conducted a bank satisfaction survey in which the Bank of Melbourne topped the list for best regional bank, with 48 per cent of customers reporting that they were ‘very satisfied’ with the bank. They obviously had nothing to do with the Trust Bank of Tasmania! Following the merger with Westpac, the Consumer Association’s 1999 bank satisfaction survey revealed that only 14 per cent of customers were very satisfied with the bank. In 1999, their survey revealed that an astounding 71 per cent of Bank of Melbourne customers believed that fees and charges were worse or a lot worse since the merger.

This significant turnaround in community attitudes to the Bank of Melbourne following the merger was despite the fact that the ACCC accepted a series of undertakings from Westpac management that were intended to protect competition. Westpac’s undertakings to the ACCC included that 100 Bank of Melbourne branches were to be opened from 9 a.m. to 12 noon on Saturday, and that 100 Bank of Melbourne branches were to open for a minimum of eight hours from Monday to Friday; no pre-existing customer who has had a minimum of $400 in a Bank of Melbourne account will be charged account keeping fees or transaction fees where the minimum balance is over $400; and the CEO of the Bank of Melbourne will have authority to make decisions in respect of interest rates and fees, management of branches, marketing and credit decisions.

Westpac undertakings have now expired. However, given that the ACCC also accepted a series of undertakings when it agreed to the merger of the Commonwealth Bank and Colonial, it is appropriate to examine whether the ACCC’s Westpac undertakings were successful in maintaining competition in Victoria. The conclusion, unfortunately, is that the ACCC’s undertakings have not been successful in maintaining competition. And Mr Hank Spier admitted, just before he finished as the CEO of the ACCC, that yes, he was disappointed that despite the time lapse and the expiry of those undertakings’ deadline there had been no keeping of those commitments, and he expressed his disappointment at the outcome of the ACCC’s supervision—or lack of—after the expiry. Indeed, a survey by Channel 9’s A Current Affair demonstrated that a Bank of Melbourne passbook account that was opened in January 1998 with $50 had a debit balance of $1.04 three years later.

The Commonwealth Bank merger has been heavily criticised by media commentators for its impact on competition. In reference to the merger, Kenneth Davidson from the Age newspaper stated on 1 June of this year:

The agreement is a fig leaf designed to hide the fact that the takeover of Colonial is intended to reduce competition, not enhance services or reduce costs for customers, who still overwhelmingly want the banks to provide over-the-counter services.

The Commonwealth Bank gave an undertaking to the ACCC 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 the Commonwealth Bank customers residing in metropolitan New South Wales. Despite this undertaking, the Commonwealth Bank recently announced that it would increase its giroPost transaction fees from $2 to $3. The fee increase was announced on the day of the opening ceremony of the Olympic Games. There was no press release; instead, the announcement appeared in the back pages of daily newspapers. How cynical can you get. The day Australians started to watch the opening ceremony of the Olympics, and the Commonwealth Bank slips out an announcement slugging customers for, in some cases, a 100 per cent increase in fees.
The Labor Party has raised concerns with the ACCC that the Commonwealth Bank may have breached its undertakings by increasing these fees. I am concerned that the Commonwealth Bank’s decision to increase its giroPost transaction fees breaches the intent of the undertakings that the bank provided to the ACCC when it sought approval to buy Colonial. Given that giroPost is predominantly used by rural and regional communities—which the Commonwealth Bank is aware of—I question the bank’s commitment to provide its services to rural communities on an equivalent or more favourable basis if it has increased a fee which disproportionately hits rural customers. With my colleague Sue Mackay I have written to the ACCC to express my concern that by increasing giroPost fees the Commonwealth Bank has breached the intent of the undertakings that it provided to the ACCC.

In a media report a couple of Sundays ago in the Sun-Herald a source at the ACCC described this as a prima facie breach of those undertakings and they are seeking urgent consultations with the Commonwealth Bank to address this matter. We had the Commonwealth Bank’s profits announced as recently as last Thursday, and Mr Murray made it absolutely clear up-front that there will be more Commonwealth Bank branch closures. He got himself an extra huge swag of options, increased his salary package substantially and at the same time announced a record profit while stating that there will be more bank branch closures. The cynicism of the banks knows no bounds.

There has been great community concern that the Treasurer and the ACCC have failed to adequately consult communities when making a decision on whether to approve the merger of an ADI. Consumer groups have expressed concern that under the current process of approving a merger the ACCC does not consult with all groups affected by the merger. The Financial Services Consumer Policy Centre were concerned that when the Commonwealth Bank merged with Colonial the ACCC did not consult consumer groups in Tasmania, despite the fact that the merger had major competition implications for Tasmanian customers. As if Tasmanian consumers were not getting a raw enough deal—and my colleague Acting Deputy President Murphy has made this point on a number of occasions—they were not even consulted about their views on this issue. Louise Petschler from the Consumers Association told the Senate Economics Legislation Committee inquiry into the bill that she was concerned that the voice of consumers was not being heard. She stated:

... we are not at the point now where we need to worry about the fact that someone should have a bigger voice than someone else. Our concern is that we do not get the opportunity to put that voice forward at the stage where mergers are being approved.

They do not want the only say; they just want a say. Currently the Treasurer is not required to consult when making a decision to approve or reject the merger or reconstruction of an ADI. Labor believes that the bill offers an opportunity to harmonise provisions in the Banking Act. The bill also provides parliament with a chance to debate the impact of banking mergers on the provision of banking services and allow consideration of the issues that the Treasurer should consider when consenting to the merger or reconstruction of an ADI. This government talks the talk on social obligations and banking services but not does not walk the walk when it comes to actually delivering.

Senator McGauran over on the other side of the chamber knows, because he has been visiting his new office in Benalla, that the banks are not interested, they are pushing their customers out of the door, they do not want to see your face, they simply want you to be a number on a computer. That is the banks’ endgame. They have made it clear in the last week. Mr Murray knows and states quite categorically that they want to close more branches. Closing more branches means they are trying to push their customers out the door. Senator McGauran, you know this. You should be standing up for your electors. You should be fronting the Prime Minister in your party room—like some had the courage to do today on petrol—and saying, ‘John Howard, we don’t want—

Senator McGauran—How would you know?
**Senator CONROY**—We know what happened, Senator McGauran. You just have to pick up the paper tomorrow and you will read all about it. But your name will not be linked to it, will it? We want you to stand up on behalf of your Benalla voters and say, ‘Prime Minister, John Howard, you cannot let this go on; you cannot let Australia go down the US path.’ We cannot have, as we have in the US, 12 million families with no bank account; we cannot go down that path, Senator McGauran. I am looking to you to stand up, like Fran Bailey tried to do today on petrol, and lead the push in the coalition party room.

**Senator Ian Campbell**—Mr Acting Deputy President, on a point of order: I think the honourable senator opposite should be asked to address his remarks through you, as you are in the chair at the moment. Senator McGauran is certainly not in the chair. Senator Conroy seems to be addressing his remarks to the opposition whip, and that is entirely out of order.

**The ACTING DEPUTY PRESIDENT (Senator Murphy)**—I am sure Senator Conroy is aware of the standing orders, and he should address his remarks through the chair.

**Senator CONROY**—It is simply more of the government talking the talk, but when it comes to the hard facts, when it comes to dealing with the banks, all they want to do is put their hand out to their banking mates, take their donations and do nothing to bring the banks to heel. That sort of response from Senator Ian Campbell is typical of this government—not wanting to deal with banks but wanting to protect backbenchers and the fact that they will not stand up on behalf of ordinary Benalla voters or, in terms of some other senators in the chamber at the moment, regional and rural voters.

**Senator Heffernan interjecting**—

**Senator CONROY**—Senator Heffernan is a big champion of the regional and rural, but when it comes to standing up to those banks there is not a word—there is not a word in the party room about standing up on behalf of regional voters and their concerns. We will talk the talk, but we are not walking the walk—that is all that matters to the government on this bill. This is about whether or not the government will just cave in to the banking interests in this country or whether they are prepared to talk the talk and walk the walk.

Labor senators questioned Treasury officials during the Senate Economics Legislation Committee inquiry into this bill as to the issues the Treasurer should consider when consenting to the merger of an ADI. Treasury officials responded that the Financial Sector (Shareholdings) Act requires the Treasurer to consider the national interest when allowing a financial sector company to go above the 15 per cent ownership limit of another financial sector company. Treasury advised that, while the national interest is not defined in legislation, a number of common facts are usually considered. These include prudential considerations, competition policy issues and other issues relevant to the national interest, which could include employment effects, regional effects, benefits to consumers and industry groups of greater efficiencies and productivity, and benefits in creating stronger institutions or greater diversity of product lines.

The power is there in this bill for the Treasurer to make the banks share the profits around. If they are going to push you out of their branches, if they are going to make you pay more across the counter and if they are going to put up their fees and charges on almost all their other accounts, here is the position in this bill for the Treasurer to ensure that the profits banks are making by going down this merger path are shared around so that the banks are made to give some profits back to their customers. I would have thought, given that the purpose of this bill is to harmonise provisions in the Banking Act, the government would have taken the opportunity to introduce into the Banking Act a national interest test, which is currently contained in the Financial Sector (Shareholdings) Act. Labor have worked closely with the Democrats on this issue of a national interest test for banking mergers to develop an amendment to this bill which we will be supporting.

Let me make a few comments on other areas of the bill. Labor is supportive of the
measures in the bill designed to give the Treasurer the power to delegate the unclaimed moneys provisions in the Banking Act to other portfolio agencies in addition to the Department of the Treasury. There are currently various unclaimed moneys functions managed by different agencies across the Treasury portfolio, including provisions in the Life Insurance Act 1995 and the Corporations Law. The amendments in the bill will allow for these unclaimed moneys to be administered by the one agency, which we understand will be the Australian Securities and Investments Commission.

The bill proposes changes to the Reserve Bank Act 1959 which will have the effect of inserting a new definition of ‘staff members of the Reserve Bank Service’ to replace various definitions of ‘officer’, amending provisions in relation to appointment of staff which allow the bank to appoint such staff as the bank considers necessary for the performance of its functions on terms and conditions of employment to be determined by the bank and deleting section 71, which currently allows the bank to lend to staff for the purpose of housing.

In concluding I would like to make reference to a previous debate that Senator Ridgeway participated in on banks and banking policy. I know Senator Ridgeway took the opportunity to make a few points on behalf of the Democrats and this is my first opportunity to respond. Senator Ridgeway made the point that the Labor Party have form. It is the Labor Party who went down this path in the first place. I simply make the point that the banks have gone too far. What we have seen in this country is the banks exploiting their position. We have always stood ready, Senator Ridgeway—hopefully with Democrat support—to act if that exploitation is shown to be pushing customers out the door. Now we see in the ACCC report that banks have been guilty of price fixing.

We stand ready to act; we stand ready to move on the social charter. We call on you to join the campaign on the social charter and we call on the government senators in this chamber—Senator McGauran and Senator Heffernan—to stand up and join the campaign on the social charter so that we can see banks brought to heel and brought to the table. We urge all senators in this chamber to join the campaign on the social charter. We have ideas and I am sure that the government have ideas. I welcome the Democrat ideas. Pensioners groups, consumer groups and unions all have ideas about what the social charter should mean. We welcome the debate and we offer the opportunity for all to join that debate. (Time expired)

Senator RIDGEWAY (New South Wales) (4.37 p.m.)—I also rise to talk on the Financial Sector Legislation Amendment Bill (No. 1) 2000, acknowledging that it is a bill that is a continuation of the government’s financial sector reform agenda that seeks to implement its response to the 1997 Wallis inquiry into the financial system. Senator Allison will speak about the superannuation industry. I note Senator Conroy’s comments, and certainly this has been the subject of various inquiries and urgency motions, adjournment speeches and so on. I am glad to hear his idea of a campaign. It is one that has been pursued by the Democrats for many years now, and I am glad to see that he has picked that up as part of perhaps his new-found quest in political life.

The Australian Democrats of course welcome the government’s recognition of the need to apply greater scrutiny to the merger of banks in Australia, and this is a matter where we have made our position very clear. It is an issue that the Australian public feels equally strongly about. I think it inspires the spectrum of emotions in terms of what it is that people regard as being important in terms of service delivery by banks and particularly in relation to this bill. The Democrats are of the view that there are insufficient opportunities for consumer and community input and participation in bank merger approvals and the consequences of those things. At present there is no opportunity or guarantee that merger approvals will be considered in terms of a broad public interest test. Yet we have a situation in Australia where, in the 18 years spanning 1979 to 1997, Australia’s financial sector experienced some 17 bank mergers and takeovers—an extraordinary number. Another
feature of Australia’s banking and financial services over the last decade has been bank branch closures.

Perhaps the people most affected by this phenomenon—as you, Mr Acting Deputy President Murphy, would appreciate—live in Tasmania, where there have been an alarming 35 bank closures in the space of five years. This shrinkage in the accessibility of banking and financial services has also heavily impacted upon rural communities across Australia. Recent figures that were compiled by the Reserve Bank of Australia for the period from 1993 to 1996 suggest that for that same period perhaps as many as one in three major bank branches in rural communities had closed. It is of concern when we address bills of this sort that, for people living in rural Australia, the impact of bank closures is not just on the number of transactions people make in certain places. Closing a bank branch means job losses. It also means changes to the way that people shop and do business in their communities. It means changes to the way that people interact and socialise, particularly when they come to town, or whether they come to town at all. Despite bank claims to the contrary, new methods of banking service delivery, such as EFTPOS, phone and Internet banking and ATMs, are simply not meeting the banking needs of consumers. This is something that is being expressed by people right across the board. This is especially the case for the elderly and the disabled, for whom a bank closure means the added inconvenience and expense of travelling to a more distant location if they want to deposit cheques, undertake some sort of financial transaction and the like.

The Australian Democrats have long subjected banks and the financial services sector to close scrutiny and have applied equally close scrutiny to relevant government policies over time. Yet while the combined profits of the four major banks in the last financial year clearly indicate that banks are having little difficulty in meeting their needs when it comes to profitability, the number of complaints coming from consumers makes it equally clear that the banks are simply not meeting the needs of their customers. A recent survey undertaken by the Australian Consumers Association reported in the summer issue of *Consuming Interest* also backs up claims of widespread dissatisfaction amongst bank customers. Of the more than 5,000 people that were surveyed, 76 per cent said they believed that consumers would be worse off if the big banks merged. In addition, 31 per cent of those respondents said that they had been affected by a merger involving their financial institution, and of those customers banking with a particular institution that had been taken over, 55 per cent—more than half of them—said that they were worse off in regard to fees and charges than they were before. Another 26 per cent said that staff knowledge and the client–customer relationship were worse since the takeover and those living in rural areas have been particularly hard hit.

The widespread nature of these concerns is echoed in the 1998-99 report of the Australian Banking Industry Ombudsman. In that report he noted that many of the more than 2,000 complaints registered in the one-year period related to increased bank fees and bank closures. Sadly, the ombudsman noted that it appeared likely that this level of complaint would continue to increase unless steps were taken by banks to more effectively manage their relationship with their customers.

The Australian Democrats have long held the view that community service obligations should operate in the banking sector. Banks have a special role in our society, and they fulfil an important and essential service. In past years banks have enjoyed preferential regulatory treatment, and we therefore concur with recent comments by the ACA, which argued that consumers would benefit from mechanisms which ensured minimum protections in financial services based on the premise that access to banking services is a requirement for all consumers in our society.

If the government is sincere in its public acknowledgment that banks do provide essential services and therefore should bear the associated social obligations, then the government should be prepared to do whatever it takes to balance the needs of the community against the profit motivations of the banks.
Most of the major banks are on the public record as saying they acknowledge that they have important social obligations. Only yesterday, Mr John McFarlane, the Chief Executive of ANZ, was quoted in the Financial Review as saying that he and many of his ANZ colleagues ‘believe that we have very direct responsibilities to the communities in which we operate, and we should exercise [those] with very great care’.

The Australian Bankers Association recently indicated that they take the view that there is no social obligation on the banking sector, although I note the letter recently written by Mr Geoff Oughton, the acting CEO of the ABA, trying to clarify what they were saying at a recent inquiry about that issue. The opposing views of the government, the community and the Australian Bankers Association need to be reconciled by legislative change which ensures that banks are bound by reasonable obligations which result in all Australians having access to affordable banking services. By the term ‘reasonable obligations’, I understand the following: that in trying to define what this community service obligation is, the bottom line must be about bank fees, and where there is profitability, the banks must make a commitment to pass on benefits by reducing fees to their customers; that there are community partnerships that look at banks meeting their triple bottom line in terms of meeting their social responsibility to communities, particularly schools and hospitals; that where there are commercial ATMs in place, they are done on a commercial basis but having regard to the profile of particular communities and the viability for smaller business holders who operate in that same locale; and, last but not least, that notification of bank closures is given. In relation to the closure of bank branches, it is not unreasonable to suggest four months notice, and in rural communities, particularly where there is only a single branch, it is not unreasonable to think there might be six months notice so that communities have an opportunity to make plans about what services will be provided.

Just providing that the Treasurer can now place conditions on the approval of reconstructions and amalgamations of banking institutions and withdraw that approval where breaches occur is a good first step, but it can hardly be called a home run when you consider the angst and anxiety amongst consumers. Following recent representations by the Finance Sector Union and the Australian Consumers Association to the Senate Economics Legislation Committee, the Democrats are now calling on the government to support our proposed amendment to require greater public consultation about potential bank mergers and acquisitions and a guarantee to all Australians that their concerns in this regard will be taken into account by the Treasurer before he makes a decision on such matters. In view of the level of public outrage that bank mergers and acquisitions continue to trigger in communities across the country and the Treasurer’s intention to attach conditions to any approval that he might give, it seems only sensible that the government should be guided by the views expressed by the broader community who will be impacted upon by his decisions. In the year 2000, it is simply not good enough for the Treasurer to sit behind closed doors and draw up his list of terms and conditions which govern bank mergers and acquisitions; the Treasurer’s deliberations should be guided by the views expressed by those individuals, organisations and communities who will be impacted upon by any decision that is taken.

Similarly, the Treasurer should be required to be accountable to the broader community by responding to the concerns raised with him when he announces his decision in relation to any merger or acquisition. If, in the light of any representations that are made to him, the Treasurer cannot publicly demonstrate that any proposed changes to the structure of the finance sector will be in the national interest, he should not authorise or approve the said merger or acquisition. This requirement would bring the Banking Act into line with similar provisions contained in the Financial Sector (Shareholdings) Act, which requires the approval of the Treasurer when an entity is proposing to acquire more than a 15 per cent stake in a financial sector company. So we are not talking about
something new; the precedent is already there.

Associated with the Democrats’ call for greater public involvement in the regulation of the financial sector is the need for the Treasurer to publish any conditions imposed on a merger or acquisition. This would enable everyone to understand a number of points: one, why the Treasurer believed that the merger or acquisition would be in the public interest; two, what concerns had been brought to the Treasurer’s attention through the process of public consultation; three, the reasons why there was a need for certain conditions or restrictions to be applied for any merger or acquisition; and, four, what areas the public should monitor to ensure that the terms and conditions set down by the Treasurer are met by the institution involved.

The Democrats have consistently raised concerns about the impact of the banking industry on consumers and, in particular, on rural communities and businesses generally. The issue of accessing banking services has received a great deal of attention over the past few years and is still outstanding. Over that period, bank fees and charges have increased, jobs have been cut, branches have closed and bank profits have soared, along with community dissatisfaction with service delivery. It is with these community concerns in mind that Senator Conroy, will change to some extent the Banking Act, the Reserve Bank Act, the legislation dealing with superannuation plus some other legislation. It will bring into play more regulation than was there before. This is a typical event that happens these days where it is necessary for parliament to move in to regulate the private sector. It is becoming more and more clear that competition alone is not the regulator of industry that many theorists say it is. But in that context I would like to quote from a book—I have quoted from this book before—by Adolf Berle and Gardiner Means called The modern corporation and private property. The first edition appeared in 1932. Mr Acting Deputy President Murphy, I do not think you were then present. But you were when the revised edition came out, which was prepared by the authors in 1967. It is from that edition that I quote. I think it is just a very interesting quote. On page 308, Berle and Means say:

Finally, when Adam Smith championed competition as the great regulator of industry, he had in mind units so small that fixed capital and overhead costs played a role so insignificant that costs were in large measure determinate and so numerous that no single unit held an important position in the market. Today competition in markets dominated by a few great enterprises has come to be more often either cut-throat and destructive or so inactive as to make monopoly or duopoly conditions prevail. Competition between a small number of units each involving an organization so complex that costs have become indeterminate does not satisfy the condition assumed by earlier economists, nor does it appear likely to be as effective a regulator of industry and of profits as they had assumed.

I think that is very true. So this legislation is an example of where, more and more, parliament has to move in to regulate enterprises. The Telstra act—which I think you had much to do with, Mr Acting Deputy President Murphy—is another example of what has been said here. In this book there is also a discussion of the growth of power,
different power groups in the world, and how there is need for society, in light of that growth, to bring in laws. At the risk of perhaps sounding a bit stilted, it is worth reading again from the book. The authors deal with concentrations of power, and they say:

Such a great concentration of power and such a diversity of interest raise the long-fought issue of power and its regulation—of interest and its protection. A constant warfare has existed between the individuals wielding power, in whatever form, and the subjects of that power. Just as there is a continuous desire for power, so also there is a continuous desire to make that power the servant of the bulk of individuals it affects. The long struggles for the reform of the Catholic Church and for the development of constitutional law in the states are phases of this phenomenon. Absolute power is useful in building the organization. More slow, but equally sure is the development of social pressure demanding that the power shall be used for the benefit of all concerned. This pressure, constant in ecclesiastical and political history, is already making its appearance in many guises in the economic field.

Senator Conroy, who preceded me in this debate, asked the Bankers Association in Adelaide: do the banks—and business corporations in general I suppose he meant—have any social obligations? The answer was no. I think the sort of approach contained in that answer brings us to great difficulty in society today. There is a need for people to have more of a say in the laws by which big business and, in particular, the banks operate. I am glad to see that Senator Ridgeway has brought forward an amendment which says:

The Treasurer must not make a decision whether to consent to an ADI—

ADI is short for authorised deposit taking institutions, according to the Banking Act, and therefore includes the banks—entering into an arrangement or agreement, or effecting a reconstruction ... unless the Treasurer has first:

(a) caused for public submissions on the proposal to be called for through a process of national advertising; and

(b) given the public a reasonable period in which to make submissions on the proposal.

Mr Acting Deputy President, that is a good thing because, as you have put eloquently on many occasions in this chamber, banks do have an effect on our everyday lives and do affect citizens in the same way as churches and political institutions do. It is proper that just as rules and regulations are made for the political process so they should be made for the economic processes and be made from the point of view of the social impacts that they have. There is too much readiness these days to say, ‘It all has to be worked out in terms of the economy. You have to look at the return to the shareholders.’ We learnt all these sorts of things in basic concepts when we first went to law school, as Senator Forshaw will remember. These concepts have been around for years and I think they must give way to new ways of thinking, and this legislation—in particular, the amendments that have been put forward by Senator Conroy and by Senator Ridgeway—deserves mention.

Mr Acting Deputy President, no doubt you would remember how the banks, the post office, the railway station and the police station for that matter were all part of a township in the old days. I have now got to the point where I want the old days back. They were not as romantic as I now think they were. But there was a time when the local bank manager and the local teller would be part of the community, and they would go to the church and to the balls that were held—

Senator Heffernan—I remember that too.

Senator COONEY—I hope you have some sort of love for that time.

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order!

Senator COONEY—Through you, Mr Acting Deputy President.

The ACTING DEPUTY PRESIDENT—Interjections are not acceptable under standing orders.

Senator COONEY—We remember those days and we romanticise about them. But it recalls a time when bank staff were very much part of the community. During the depression of the 1930s, I venture to suggest that many banks saw people through very difficult times, and they were loved for it. Until quite recently, banks were respected institutions to which people attached a lot of
credibility. Unfortunately, that respect has now gone because the things that used to motivate banks, such as social obligations, have disappeared.

This bill should be passed, but with amendments. In a sense, the banks play too big a part in the economy of this nation. The National Australia Bank, the Commonwealth Bank of Australia, Westpac Banking Corporation and the Australia and New Zealand Banking Group Ltd are among the biggest companies in this country. However, if we look at the big overseas companies, we will see that banks are not among them. From that fact, I conclude that the banks produce nothing. They serve a useful purpose in making money available to would-be entrepreneurs and they protect the money of those who want to save. In the old days the banks used to help pensioners and those with small deposits, but that is becoming less and less likely. They performed—and still perform—a very useful social function and they give proper returns to their shareholders.

However, Australian banks do not produce things in the same way as the top European companies. I referred to the magazine produced this Monday by the Australian newspaper on the subject of Europe. It set out the largest European companies. Vodafone, United Kingdom topped the list; followed by Royal Dutch/Shell, the Netherlands and the United Kingdom; BP Amoco, United Kingdom; Nokia, Finland, and so on. All of these companies produce things that we can use to make our lives better and the banks underpin their manufacturing functions. In Australia the banks have reached the point where they dominate too much, and something must be done. I do not think this legislation will achieve that aim, but it purports to bring more rules and regulations into play. The second reading speech states:

They are good and proper ambitions for the government to have and we will see whether it can achieve those goals. It will certainly not do so through this legislation. I do not suppose the government makes that claim, but it purports that this legislation helps it to achieve this purpose and I am not sure that it does.

We must have integrity in the financial system and a reputation that that integrity exists. The same magazine published by the Australian refers to the latest survey conducted by Transparency International. It produces worldwide rankings, awarding a score to indicate whether a country has a good reputation and is above corruption. The top-ranking country—it scored 10 on the scale—was Finland, which makes Nokia. Denmark came next, followed by Sweden and so on—the Nordic countries scored highly. Australia came 13th with 8.3; New Zealand scored 9.4; Canada, 9.2; and Singapore, 9.1.

Singapore is a place where financial transactions are much in evidence, and we as a country are competing against places like Singapore. It is important that our structure—the regulations that we have in place here—is such that our reputation is going to be at least as high as Singapore’s. If we are not as corruption free as other countries, it seems unlikely that we will attract great financial centres here. Unless people see us as corruption free, we will have some problems and those problems will persist. Let us make it clear: 8.3 is a good score; to be 13th in the world is very good indeed. But this is a situation where we are up against some very heavy competition indeed, and we need to do something about it.

I think in the end what is needed in the banking sector is a culture and an ethic which returns to the culture and the ethic the banking sector had in the 1930s, 1940s and 1950s and so on, when they did see themselves as people providing services to the community. Mr Acting Deputy President Lightfoot, with the career that you have pursued in Western Australia and with the conditions that exist in the towns of Western Australia, you would understand the importance of the banking industry in these towns. There has been a turning away from the cul-
ture and the ethic that the banks used to have. We will perhaps talk more about that when we come to look at the amendments.

But, overall, we are only going to get integrity into the system if there is a change in the culture and the ethics of the banking community. Then, when a person is asked a year or so from now, ‘Have the banks got any social obligations?’ the answer will be, ‘Yes, of course they have.’ In the meantime, we have to persist with regulating the banks in the way that this bill introduced by the government does. We have to try to get the banks to do, by regulation, what they should be in any event doing by their own culture and ethical approach.

Senator ALLISON (Victoria) (5.10 p.m.)—I rise tonight on the Financial Sector Legislation Amendment Bill (No. 1) 2000 just to comment on aspects which relate to superannuation as the Democrat spokesperson for that portfolio. Part 2 of schedule 3 of this bill includes a number of amendments which will impose strict liability in the event of contravention of a number of provisions of the Superannuation Industry (Supervision) Act 1993. Whilst there are other aspects of this bill which relate to superannuation, I will this evening confine my comments to those amendments related to strict liability.

The traditional rule is that the prosecution in a criminal trial bears the onus of proving the defendant’s guilt beyond a reasonable doubt. In the adversarial legal system, private individuals accused of criminal offences must defend their personal liberty or property against the state and the vast resources it commands. It has always been considered crucial that certain safeguards, such as the presumption of innocence, be in place to protect the accused.

The current legislative abrogation of individual rights is taking place slowly over many years through technical statutory changes to common law safeguards and has thus avoided attracting a great deal of public attention. In the view of the Democrats, it is vital that such changes be the subject of scrutiny wherever they are proposed. Onus of proof reversals appear in a large number of statutes dealing with a diverse range of activities. Government departments often seek to have such provisions incorporated into legislation on the basis that they are supported by public interest considerations that should take precedence over common law protections afforded to individuals. For example, it might be said that the evidence required is peculiarly within the knowledge of the accused person or too difficult or expensive for the prosecution to otherwise obtain.

A similar desire for administrative efficiency often motivates the creation of strict liability provisions in defiance of fundamental common law principles. Strict liability involves the imposition of a penalty or punishment for an act or omission in respect of which the Crown need not establish any recklessness or blameworthy intent. Such provisions are most common in relation to issues of public health and safety. For example, a dairy farmer might be held strictly liable for the presence of certain harmful bacteria in his or her product, irrespective of whether its presence is the result of recklessness or an improper intent.

Strict liability is a highly effective means of ensuring that all care is taken in such matters. However, it creates a wide net that can catch many innocent people. For example, a dairy farmer might be held strictly liable for the presence of certain harmful bacteria in his or her product, irrespective of whether its presence is the result of recklessness or an improper intent.

At this stage the Democrats will not be opposing the amendments in this bill that impose strict liability. But I warn the government that, from this point on, we will be taking a much more critical approach to legislation which imposes strict liability or places the onus of proof on the defendant. It is not the case that we will necessarily be imposing provisions that have one of these effects, but we will be scrutinising them much more closely and requiring that they be...
justified by overriding public policy rather than administrative expedience.

Senator HOGG (Queensland) (5.14 p.m.)—I rise in this debate this afternoon on the Financial Sector Legislation Amendment Bill (No. 1) 2000, having listened to Senator Conroy and Senator Ridgeway. Senator Conroy spoke about the cynicism towards banks. That is borne out nowhere more than in my own state. Recently I was in Gladstone and they complained there about the closure of the Commonwealth Bank branch at Boyne Island. I have also had complaints in respect of my own strip shopping centre in Brisbane, where all the banks have now pulled out—the ANZ, Commonwealth and Westpac.

With the Commonwealth exhorting people to go and use the facilities of Australia Post through giroPost, people in my area have now found that the transaction fee has gone from $2 to $3. That is a real disincentive to use the post office at all. When you look at a place like Kin Kin—which is a rural area south of Gympie, just west of the highway, in Queensland—where they not only have no banks but have also lost their post office, you find that they are bereft of facilities. I recently received an email complaining that the only opportunity they have is to go to a place such as Cooroy, and that is terribly inconvenient indeed.

When the local Commonwealth Bank closed in my area, I wrote to the local area manager and complained. I complained that the Commonwealth Bank concentrated purely on the commercial imperative of banking and overlooked completely the issue of any community service obligation that it might and should have, given the very privileged position that I believe banks have occupied in Australia over a long period of time.

More recently, the cynicism towards banks has been even more confirmed in my own mind. Having lost the Westpac branch which was close to my office, I set about going to the local service station which had a Westpac ATM. That was a logical thing for me to do. It meant that I did not have to pay a transaction fee. I have availed myself of this on a regular basis over the last two years. However, last Friday I made my visit to the ATM at the local service station and I was surprised that the ATM had a new look about it. When I looked at the ATM, I thought, ‘Well, this is just an upgrade by the bank.’ There was no indication that the ATM had changed hands. There was a flash sign over it saying ‘ATM’ but not indicating which bank had possession of that ATM. It led one to the presumption that it had not changed hands, because there was nothing to indicate that it had changed hands.

I proceeded to make my transaction and, upon the conclusion of my transaction, I looked at the transaction slip to find that it was no longer a Westpac ATM but now a National Australia Bank ATM. Regardless of my own personal choice, I was now going to be slugged with a transaction fee. It came to my attention as I looked around further that littering the area there were more of these almost anonymous ATMs, with no indication as to what bank they belonged to, so that the unsuspecting consumer would be hit by this sneaky transaction fee. It is a sneaky charge that the banks have taken it upon themselves to levy—inordinately, in my view—on customers accessing money from the ATM system. That reinforces the contempt and the cynicism that people have for the banking system. As this bill is before the chamber today, it is an opportune time to record those few facts and my complete disgust with the subterfuge, in effect, that was undertaken in changing the ATM from a Westpac ATM to a NAB ATM without any consultation or without giving any notice to the public whatsoever.

Having said that, I want to focus more on the other aspect of this bill, and that is superannuation. Superannuation is a very important issue—I believe one of the most important issues that we address in this parliament because what it offers and has offered many people is security in employment and their right to enjoy a reasonable retirement. Only since the mid-1980s have we seen superannuation extended to many people in the work force; prior to that it was a right for a privileged few. With the operation of the SGC, superannuation has become far more available to the average person in the work force. This has built up an industry in itself. We
have had numerous changes to the legislation since this government has been in power and we have had some more changes placed before us on this occasion to strengthen the policing powers in particular of the regulators of superannuation.

It is interesting that this bill was referred to the Senate Select Committee on Superannuation and Financial Services. I am a member of that Senate select committee, as you are, Mr Acting Deputy President Lightfoot. It is a very important committee. As the witnesses came before the committee when it met in Sydney on 11 July this year to take evidence, it soon became obvious that there had been little or no consultation on this bill whatsoever. Of course, that was one of the things that concerned me greatly. I tried to get to the bottom of why there had been no consultation. I wondered what the criteria were for consultation on this legislation. I asked, I suppose a little smartly in one sense, whether or not the people appearing before us were supporters of a particular football club. I thought that might have been a criterion. What were the criteria that were in place to decide whether one was consulted on this legislation? Of course there were none whatsoever, and that became patently obvious. One of the things given prominence in chapter 2 of the committee’s report dated August 2000 is the fact that there was a lack of consultation. That was tagged as one of the most significant issues raised during the inquiry.

There were organisations appearing before the committee from the superannuation trustees as well as service provider organisations from the super trustees, such as the Association of Superannuation Funds of Australia, ASFA; the Australian Institute of Superannuation Trustees, AIST; the Small Independent Superannuation Funds Association, SISFA; the Industry Funds Forum; and the Corporate Super Association. The service providers were the Institute of Actuaries of Australia and the Institute of Chartered Accountants in Australia. So there were quite a range of organisations that had had no consultation whatsoever about the legislation which will stiffen some of the penalties and allow APRA and ASIC to act in a more forthright way.

The fact that there was no consultation is very concerning indeed. At point 2.8 on page 6, the report notes a comment by SISFA. It says:

… it is extremely disappointing that it was introduced without any industry consultation or without the presentation of any evidence to highlight the insufficiencies in the current regime. Industry consultation should take place to discuss any of the problems, if any, being encountered by the regulators and to discuss appropriate solutions.

Further on, at point 2.10, the report says:

The Corporate Super Association also expressed its preference for consultation to have occurred prior to the Bill’s introduction, describing the Bill as ‘bolt out of the blue’.

The report goes on to note, though, that, subsequent to that being a matter of contention at the committee’s inquiry on that day, there was some industry consultation done. However, it is interesting to note the response of the regulators. That is summed up at point 2.18, which I think shows that they were a bit high-handed. It says:

All policy officials and most regulators agreed that there had been no consultation with industry prior to the introduction of the Bill ...

The report goes on:

... there was no real need for consultation.

At point 2.19, the report says:

APRA advised that, as the legislation was being developed by Treasury, it believed that it was Treasury’s responsibility to conduct appropriate consultations. APRA also advised that, like Treasury, it saw no real need for consultation because of the specialised and technical nature of the proposed amendments.

Senator Sherry—The left arm did not know what the right arm was doing.

Senator HOGG—That is right. As Senator Sherry said, the left hand did not know what the right hand was doing. This was completely unforgivable. Here we were with a number of witnesses totally put out by the fact that there had been no consultation on the proposed changes and the legislation. For Treasury and APRA to merely say that there was no real need for consultation is just completely unforgivable. When those sorts of comments are made, one sees that cyni-
cism can breed very quickly in organisations such as the service providers and in the organisations representing the superannuation trustees. I think that should have taught those officials that it is always good practice to consult, as the Labor members on the committee surmised in an addendum to the report of the committee. They said that, on matters such as this, there should be consultation and there should never be a presumption that there is no need to consult whatsoever.

As I said, the Labor senators did take the time to put an addendum to the report highlighting a number of issues, including the government’s failure to consult and the case for change. In looking at the issue of the case for change, the Labor senators’ statement acknowledged:

... the evidence ... suggests that the current system works well.

The Labor senators’ statement indicated:

... APRA strongly argued that the legislative changes in this bill would have assisted it in taking action against some five or six trustees representing around 50-200 fund members and some $0.5-$10 million were under risk.

One wonders whether one is taking a sledgehammer to crack a small nut in passing this piece of legislation. But superannuation is the most important thing for people in their retirement and, as the Labor senators said, governments should always make protecting the interests of fund members a top priority. With that in mind, the Labor senators acknowledged that the proposals of the government in this piece of legislation, whilst not necessarily needed, were welcome if they were going to protect the rights of individuals to their superannuation, but the Labor senators also said that there was a real need for this to be monitored over a period of time to ensure that none of the practices were abused by the regulators as a result of this legislation.

The last item that I want to address briefly is another item in the Labor senators’ addendum, which went to the issue of the preservation of the representative super trustee system. One of the bits of evidence that came before us on the committee was that the new legislation may well deter people who are members of funds from becoming trustees. Whilst we acknowledged in our addendum statement that this was not necessarily going to be the case—because the evidence of ASIC, APRA, Attorney-General’s and Treasury said that it was not the intention to persecute those people who take on the important role of a member trustee, and we accept that—we nonetheless accept in good faith some of the evidence that was given to us suggesting that people may well shy away from the threat of the penalties in this legislation for failing to comply with the filing of documents and with other pieces of the legislation. We felt nonetheless that we would see, arising from this, goodwill on the part of the government and on the part of the agencies to ensure that people are still encouraged, are still not threatened by the legislation and are still, therefore, able to become trustees of funds. The fact that there are member trustees on these funds has protected the lifelong superannuation interests of many of the people in these funds, and it would be a shame if, as a result of this legislation, we found that people were deterred from becoming trustees.

In the event that a trustee is now going to be prosecuted under the new liability provisions—and the liability has changed from being a fault liability to a strict liability—we understand that a defence is available that should provide trustees with a legitimate way of avoiding prosecution. We understand, though—and we say in our statements—that the new liability provisions should be closely monitored by the parliament. We also say in our report that the trustee system should remain a cornerstone of the superannuation system and provide ordinary fund members with much confidence and opportunity. It would be a shame if, as a result of this piece of legislation, ordinary people were not prepared to participate in the running and the governing of their funds. As we said in our report, this has been one of the highlights of a system developed in Australia as a result of the initiatives of the Labor government in the early stages of the advent of broad superannuation being available to people in the work force, and that has to remain one of the cornerstones, otherwise we will see superannuation fall into the hands of those who want to
prey on the funds that are available to workers in their retirement.

Senator SHERRY (Tasmania) (5.33 p.m.)—The Financial Sector Legislation Amendment Bill (No. 1) 2000 contains four broad measures: it alters the credential regulation of authorised deposit taking institutions, it rationalises and consolidates the Commonwealth unclaimed money provisions, it simplifies and modernises service provisions in the Reserve Bank Act 1959, and it alters superannuation laws by strengthening the enforcement provisions of the Superannuation Industry (Supervision) Act 1993—commonly known as the SI(S) Act—and facilitating the application of the Commonwealth’s criminal code to certain offences in the Superannuation Industry (Supervision) Act. It is this latter series of changes that I want to make some specific observations about, and it is these provisions that were referred to the Senate Select Committee on Superannuation and Financial Services, of which I am deputy chair.

There was a very fine contribution from my colleague Senator Conroy about the role of banks in the context of the proposed sections in the legislation that deal with banking law in this country. Senator Conroy, who will be handling this legislation, will be moving an amendment relating to a fit and proper person test for persons who apply for bank licences. It is an important issue and Senator Conroy raised a number of other important matters relating to the very, very poor—indeed, appalling—conduct and practices of some banking institutions in this country.

To return to the superannuation provisions, the proposed amendments change the regulatory framework in the following specific areas: amendments to facilitate the application of the criminal code to certain offences; conversion of fault liability offences to strict liability, or two-tier, offences; a new power to enable regulators to disqualify persons who are judged not fit and proper from managing superannuation savings in certain circumstances; power to allow regulators to accept enforceable undertakings from a superannuation fund trustee; extension of the time limit in which prosecutions may be commenced; removal of immunity from prosecution in relation to certain evidence; measures to prevent persons holding themselves out to be auditors or actuaries without the requisite qualifications; and, finally, measures requiring former trustees to assist acting trustees. In considering the Senate select committee’s report on this legislation, it is important to highlight the unanimous conclusions of—and some criticisms made by—the committee, and I do note in passing that the membership of the committee includes Senator Allison, Senator McGurran, Senator Lightfoot and my colleague Senator Hogg. With respect to the unanimous observations of the Senate committee, the committee points out on page 21 of its report:

... it is good practice to consult with stakeholders likely to be affected. In the view of the Committee, some of the industry’s uncertainties and fears of the proposed legislation may have been avoided if consultation had occurred at an earlier stage.

The Committee notes the absence of such consultation prior to the introduction of the Bill and considers that it is regrettable that such consultation did not occur.

This is a reference to the approach of Treasury and APRA. It is very clear from the evidence that, as my colleague Senator Hogg has described, the two important arms of government bureaucracy and regulatory enforcement did not know what the other was doing, and this is very regrettable. Should the fault be sheeted home to the two regulatory authorities—Treasury and APRA? I do not blame those two organisations. This government has developed an unfortunate tendency to blame the bureaucracy, the public servants. But who is the political master? It is the minister responsible for ensuring that consultation takes place—none other than the Assistant Treasurer, Senator Kemp. Need I say more? We often hear from Senator Kemp, the Assistant Treasurer, in this place and during the estimates hearings that he is consultative and that government is consultative. It is the Assistant Treasurer’s responsibility to ensure that organisations such as APRA and Treasury undertake the critical consultation in those areas affected by the changes we are considering in this legislation. I do not blame the public servants,
APRA and Treasury; the responsibility lies with Senator Kemp, the Assistant Treasurer. He has policy direction in this area. Need I say more?

Putting aside those criticisms, Labor senators have a number of other concerns about the legislation. APRA did argue for the legislative changes in this bill. They did point out that, if the proposed changes were in fact law, there would be five or six trustees representing around 50 to 200 fund members with assets of some $0.5 million to $10 million that were apparently under risk; and that the changes could have meant more effective supervision, regulation and possible prosecution. The information provided by APRA was not as detailed as the committee would have liked. We were not easily able to compare the information provided to us by APRA but, even in the context of the $450 billion in savings in superannuation, the modest sums of $0.5 million to $10 million under risk are important. They are important to those individuals whose money is at risk, even though the amounts of money are quite small compared with total superannuation savings.

We also point out in our report that, if governments are required to outlay funds for retirement income support, it is important that there is effective supervision in this area. Governments should always make protecting the interests of fund members the top priority. Obviously, the continued growth of superannuation, albeit at a much slower pace than would have occurred under Labor’s co-contribution policy and without the dreaded surcharge tax, will require even greater vigilance against theft, fraud or bad risk management practices. Regarding theft and fraud, it was the Labor government—and I understand this is unique in the world—that introduced provisions to ensure 100 per cent protection against theft and fraud. I note in passing that it was this Liberal government that attempted some months ago to reduce the 100 per cent protection in the event of theft and fraud down to 80 per cent. At times you really have to question the bona fides of the government’s approach in this area.

The current system of superannuation we have in this country is regarded as world’s best practice. It attracts a great deal of international attention and it is a system where an ordinary fund member can become a member of the trustee board and directly influence the decisions of the fund. This is a very important cornerstone of Australia’s superannuation system. If there are changes that are to be made that do impose a greater regulatory burden on trustees, they do have to be examined critically. On balance, the changes that are proposed in this legislation are worthy of support. They will enhance the protective provisions and they will enhance and improve the onus on trustees. I do not think they are over the top in the sense of being draconian. These changes that are being introduced are apparently being introduced right across the financial system—I certainly hope that we are going to see these changes introduced right through the financial system. There is the issue of compliance cost, and there will be an increased compliance burden. It is hard to quantify, but we have to weigh up the cost of the additional compliance against the enhanced protections that will result from the amendments that will be passed.

Before I conclude, and while I am speaking on the issue of superannuation, there are two issues that I want to touch on briefly. Firstly, I have had a matter referred to me by the member for Braddon, Mr Sidebottom. He is the new Labor member for Braddon and a very effective representative on behalf of his constituents. He has drawn to my attention an issue relating to the superannuation guarantee entitlements of car salespersons who work under the vehicle industry repair service and retail federal award. Apparently, in this industry car salespersons receive a basic award payment under the provisions of the award, but a significant part of their taxable income is made up of commissions on the sale of motor vehicles. Close to 50 per cent of the income of car salespersons is derived from commissions. If we look at the vehicle industry repair service and retail federal award, the particular clause which outlines the base on which superannuation contributions is calculated, clause 51(a)(iv), is silent in defining ordinary time earnings for the purposes of superannuation payments. Apparently, many employers—at least up until
now—have been in the practice of including commissions for the purposes of superannuation contribution. But, according to some advice by the Tasmanian Chamber of Commerce and Industry, they believe this is not correct and that employers have ceased paying superannuation guarantee contributions in respect of car salespersons’ commissions.

The particular clause in the award is silent on this matter. I have written to the tax office today about this matter. There are representatives of the Assistant Treasurer, Senator Kemp, in the Senate chamber, and I ask them to follow through on this issue so that the matter of the payments that car salespeople should—in my view—fairly receive can be resolved as quickly as possible. It also raises the issue of whether, given that some superannuation payments have been made in respect of commissions, the employer can take the money back from the superannuation fund. That is a second, and I think important, issue. I have my doubts that that can occur. That is the first issue I wanted to raise. The second issue—again referred to me by Mr Sidebottom, the Labor member for Braddon—relates to the hardship provisions.

Senator Murphy interjecting—

Senator SHERRY—Yes, go Sid! He is a very effective representative on behalf of his constituents, as was illustrated at the last election when, of the seats that we won, Braddon had the largest swing to Labor in the country.

Senator Ian Campbell interjecting—

Senator SHERRY—We will see what happens at the next election. My tip, Senator Campbell, is that Mr Sidebottom will increase his vote, but we will see. I notice you have not even got an application for endorsement yet in the seat of Braddon. But, to return to the hardship provisions, this government introduced very specific hardship provisions for superannuation, and it laid out a series of clearly defined definitions for hardship application. Through Mr Sidebottom I have had correspondence from a dairy farmer on the north-west coast of Tasmania. The farmer has been receiving farm household support payments—known as restart income support payments—for over 26 weeks. As the minister’s advisers would know, the hardship provisions under the act and the regulations refer to receipt of social security payments for more than 26 weeks as being one of the criteria for application for access to superannuation benefits in the event of hardship. Senator McGauran from the National Party should, I think, take particular interest in this. We know that the National Party have not been representing the interests of rural and regional Australia. It is interesting to observe that farmers are referring this to a Labor member, not a National Party member.

Senator O’Brien interjecting—

Senator SHERRY—that is right, you would not find one in Tasmania—the poor old National Party. No, I will not remind Senator McGauran about his part in the triumphant performance of the National Party in Tasmania.

Senator O’Brien—Two per cent, I think.

Senator SHERRY—Two per cent? I think they struggled to get two per cent, Senator O’Brien. But, anyway, the important thing is that this dairy farmer wishes to access part of their superannuation under the hardship provisions. We all know of the struggle that many dairy farmers have at the present time because of the consequences of the deregulation of the dairy industry—which, I might say, the National Party supported. I am not sure about Queensland, but certainly Senator McGauran in Victoria supported the deregulation of the dairy industry. Apparently, in the definition of social security payments under the SIS regulations, the restart income support payment is not an eligible payment for the purposes of access to superannuation.

I have not yet written to Senator Kemp about this matter. His advisers are here, and I urge them to have a close look at this matter very urgently, because I do not think that the dairy farmer that I am referring to would be standing alone; I am sure there are other dairy farmers, and other farmers, who are in receipt of restart income support payments and who have been excluded by the Liberal government’s hardship provisions from accessing part of their superannuation. I am
sure there are other farmers in this country who should—in terms of fairness, equity and balance, if we are to have these rules—be able to access their superannuation payments. From my research, the restart income support payments have, by not being included in the definitions, effectively excluded farmers in these very dire circumstances.

The Labor Party is supporting the legislation. There are a number of important amendments. As I said earlier, my colleague Senator Conroy is moving an amendment in respect of fit and proper persons in regard to banking licences, and there are some other Labor amendments that go to ensuring that the provisions the government is seeking to impose on superannuation trustees are in fact imposed and replicated right through the financial system. We do not want a situation where there is increased imposition on superannuation trustees that is not also applied to other players in the financial system. That would be unfair. If there is to be improved regulation—which Labor believes is important to ensure safety, security and general protection—then it should apply right through the financial system.

To conclude, I do not blame Treasury and APRA for the lack of consultation. We know lack of consultation was a problem. I would urge Senator Kemp, the Assistant Treasurer, who is ultimately responsible in these areas, to lift his game. If he is fair dinkum about consultation, the minister as the person who is responsible should not blame the bureaucrats—there is enough of that going on at the moment, should not blame the public servants, should not blame Treasury and APRA. They are hard-working, dedicated and committed officials. The buck stops with the minister on this matter, and he has just got to improve his game when it comes to consultation on these sorts of superannuation changes.

Senator MURPHY (Tasmania) (5.53 p.m.)—I just want to make a few comments about the Financial Sector Legislation Amendment Bill (No. 1) 2000, which seeks to make a number of changes to a number of acts. The area I particularly want to look at is the Banking Act 1959 and the effect the bill will have on the regulation of ADIs. The bill seeks to allow for conditions to be placed on approvals for mergers, acquisitions and restructures of ADIs under section 63 of the Banking Act 1959, provides APRA with the power to seek an injunction to stop breaches of sections 7, 8, 66, 66A and 67 and conditions made under subsection 63(1) to enable APRA subject to court approval to act preemptively to stop undesirable activities rather than simply acting to impose punishment after the damage has occurred.

Just going to the first part of that—which relates to mergers, acquisitions, et cetera—we know that the Commonwealth Bank has recently taken over Colonial State and in my state what was Colonial Trust Bank. I found a very interesting situation developed because, as a result of that takeover, the Commonwealth Bank was required to give undertakings to the ACCC and in part those undertakings made some very clear statements. I would like to read some of those undertakings that were given to the ACCC in respect of the point I seek to make about this matter, which relates to a constituent who came in to see me with regard to an issue of increased fees. The undertaking said in respect of pricing, service quality and product range:

The Commonwealth is obliged to provide customers in Tasmania and regional New South Wales with pricing and service quality that is equivalent to or more favourable than that supplied to customers in metropolitan New South Wales, make available to customers in Tasmania and regional New South Wales the same standard products subject to certain conditions that are available to CBA customers in metropolitan New South Wales, and pay the costs of and provide information to an independent monitor who will be appointed to report to the commission on the CBA’s compliance with these undertakings.

As I said, I had a constituent, who was in fact a war widow pensioner, who came in to my office to complain about the fact that she was now required to pay a $3 fee on every transaction she conducted with the bank—that is, $3 for a war widow pensioner for every transaction. The circumstances were that she had been a long-term customer of Trust Bank and subsequently Colonial Trust Bank when Colonial State bought the old Trust Bank of Tasmania. Under the old
Tasmania. Under the old arrangements she filled out a form she got from the department, and she was exempted with the Trust Bank from paying fees at all. When Colonial State took over, as I understand it, they brought in a position where they allowed all passbook holders, not just war widow pensioners, to have 16 free transactions a month—that is, I assume, electronic transactions—and four free over-the-counter transactions per month. For most pensioners that would be a reasonable, acceptable position. But, oh no, not the good old Commonwealth—she’s three bucks up-front, thank you very much.

I asked my staff to contact the Launceston branch of the Commonwealth Bank, and they did. They spoke to a person in the customer service area who said, ‘Oh no, you send your constituent back down. They don’t have to pay that fee at all.’ So we advised the constituent of this, and off they duly trotted down to the Commonwealth Bank in Launceston. But when they got there they were told, ‘Oh no, we made a mistake. We didn’t advise Senator Murphy’s office correctly. You do have to pay $3 per transaction.’ So the constituent came back and told us. We rang up again, and this time we got to speak to the manager, Mr Darren Fraser, who said, ‘Oh no. Sorry. The information we gave you earlier was incorrect. They do have to pay three bucks every time they do a transaction.’

So I thought, ‘Okay, that’s fair enough.’ So we did a little bit of research, and found that the Commonwealth Bank has a position in respect of pensioners per se on their Net site. So we got on the Net and had a little bit of a look to see what the requirements are, and we saw that if you have been an existing customer of the Commonwealth Bank since prior to October 1997 you can get a rebate with respect to transactions—be they over the counter or otherwise. How very interesting. So I wrote a letter to the Commonwealth Bank. I wrote to Mr David Murray, who seems to be doing very well these days, and I said:

I am writing in regard to the Commonwealth Bank’s special rebates offered to aged or war veteran pensioners. According to the Commonwealth Bank’s web site, to be eligible for the special rebate of $6 per month a person must prove that they were an existing customer as at 31 October 1997 and are in receipt of an Australian aged or war veterans pension.

In relation to the mergers between and takeovers by the Commonwealth Bank with or of other financial institutions, what is the situation for customers who were gained through these processes? Are they recognised as new customers when it comes to the special rebate clause for aged or war veteran pensioners, or are they treated differently from existing Commonwealth Bank customers and therefore not eligible for the rebate?

I would appreciate it if you could provide me with an explanation in regard to these questions.

That was on 27 September this year. I got a letter back from the head of customer relations on 4 October. It said:

Thank you for your letter addressed to David Murray which was received at this office on 3 October. The issues you raised have been noted and to allow an appropriate response to be prepared it has been necessary to forward your letter to another area within the bank for their input, comment and action.

Thank you for taking the time to write. You can expect a written response to your letter within 21 days.

Remember the date—4 October I got that response back. That is not really a satisfactory answer, so I got my office to ring the bank again. On 9 October they rang the CBA and said, ‘This is just unacceptable. It is a very simple question. You people can either respond to this issue and say that these people will be treated the same or indicate otherwise.’ I should just go back a few steps here because when we got to speak to the Launceston manager he said, ‘The pensioner is not entitled to a rebate, but you send her back down to the bank and we will fix it for her’—for that one pensioner, not for the rest; they are going to fix it for one.

I wrote to the bank and said, ‘This is totally unacceptable,’ and I rang the bank and let them know my view that I thought they were in breach of the undertakings that they had given. They said, ‘We are sorry, Senator, that you are not happy with the response.’ To cut a long story short, when we rang them again on 24 October—and this was despite the fact that we had already made numerous
phone calls to them—they said that they were drafting a response to my letter, that the response was being finalised. As I said, this was on 24 October. In fact they rang on Tuesday to advise that a response had been prepared and that it would be received in the next few days.

As I said, we rang on 24 October and they apologised for the delays due to last-minute editing and long sign-off procedures—they certainly have long sign-off procedures in the Commonwealth Bank. But they said the letter would be posted today or, at worst, tomorrow and that I would definitely get a response by the end of the week. It is now 31 October and I still have not heard anything from the Commonwealth Bank or Mr Murray about their policy for the treatment of people that become customers of the bank as a result of takeovers and/or acquisitions. I think, frankly, the Commonwealth Bank have now left me with no option but to ask the ACCC to investigate the matter, because I have a clear view that they are indeed in breach of their undertakings.

Regarding the other aspects of what this legislation will do, I now want to briefly address questions that go to the issue of undesirable activities by bankers, directors and officers. I have raised issues in this chamber on a number of occasions concerning undesirable activities that relate to a former trust bank in my state. I have raised these matters with APRA, who at one point in time informed me—and I do not want to quote this as a verbatim statement from them—that they have no power to act unless the actions of the directors or the management threaten the security of depositors’ funds. Fair enough; so you can do all sorts of things within a bank—the management can do crooked things within a bank—but as long as you do not threaten depositors’ funds it does not matter. I have to say I found that—and still find that—a most unacceptable situation. I hope this proposed amending legislation will fix a few of these sorts of problems.

The directors of the former Trust Bank in Tasmania paid themselves, on the sale of the Trust Bank to Colonial State, a retirement allowance of over $0.5 million. You may say, ‘So what? That is fair enough.’ But the problem is that I could not find any legislation or any proposal that actually designated them with the ability to pay themselves a retirement allowance of over $0.5 million. So I went to the legislation which essentially governed the then Trust Bank of Tasmania, which was the trustee banks act. It says:

Directors: The General Council shall elect so many—

and so on. And at section 3 it says:

The Director may be paid and receive such remuneration as is determined by the General Council and approved by the Governor—

that is, the Governor of the state. I thought I would write to the Governor and ask him if he had approved a process that allowed for the directors of the bank to pay themselves a retirement allowance. I wrote on 11 October:

Your Excellency

I would very much appreciate your advice on a certain matter I am looking into.

Under the Trust Bank Sale Act 1999—

again this was the subsequent act that the bank was sold under—

it states in Schedule 1 - Membership and Meetings of Board - regarding Remuneration, &c, of members:

3.(1) A member of the Board is to be paid such remuneration, expenses and allowances as the Governor may determine.

What I am seeking to determine is whether you or any previous Tasmanian Governor received and approved recommendation from the Board of the Trust Bank in respect of Directors Entitlements or Benefits, in particular, Directors Retirement Benefits.

If so, when did the relevant Governor approve those recommendations and what was the basis for approving these payments?

I would be grateful for your assistance ...

I got a response back on 17 October from the aide-de-camp, who said:

The Governor has asked me to respond to your letter of 11 October, which he received today. If the Governor exercised any function under the Trust Bank Sale Act 1999, it would be in his capacity as Governor-in-Council. If you wish to pursue this inquiry, you should therefore direct it to the Secretary of the Executive Council.

Now wait for this—the response went on to say:
However, as you would be aware, the deliberations of the Executive Council are confidential.

How do the people of a state ever get to know whether due process has been followed in respect of the transactions and the payments, etc., of the directors of a bank? How do they ever understand and find that out? It would appear there is no capacity. Again, I just hope that APRA, with the amendments that this legislation would provide, will get the opportunity to actually look at some of these things.

Further, there was a case involving some very senior officials of the bank with regard to the purchase and sale of motor vehicles. These are matters that I asked the Tasmanian police to investigate. One went to the question of the managing director of the bank selling his personal car into the bank’s car pool—of course I have raised this issue previously. At the end of the day, the legislation is very clear in respect of the operation of the bank. I have great difficulty, as I did when I raised these issues with APRA, in understanding why they could not act. They said that they had no power to act. I will be listening to the government when it explains this legislation as to whether or not this will grant APRA the power to actually take a course of action if an issue is raised with them by a customer of the bank or, indeed, someone who is not a customer, whether they will be able to investigate the issue and whether they will have the capacity to, as it says in the explanatory memorandum, to root out ‘undesirable activities’.

Another case involved a senior bank official who wanted to purchase a car that was repossessed by the bank. There is nothing wrong with that, but this person took the car and hid it for almost eight weeks. Why did the person hide the car? Why didn’t the person just go through due process and approach the bank’s management or the board and say, ‘I would like to make an offer on this repossessed car and, whilst you are considering the offer, can the selling of this car be put on hold?’ That would not be an unreasonable position to take, and indeed it would not be an unreasonable thing for the board to do if it had the car under offer from an officer of the bank. I would accept that as a reasonable explanation. But, no, this guy took the car and hid it. I do not know whether he rented the particular garage—it was not far from my place actually—for the specific purposes of hiding the car, but that is what he did. I suggest that to any reasonable person that is an unacceptable practice from a very senior manager of the bank.

Another interesting action by the bank’s managing director was the granting of $100,000 sponsorship to a Mr Owen Lindsay Parkinson. Mr Parkinson received a sponsorship grant from Trust Bank for $100,000 for the purposes of sponsoring motor racing. Prior to him getting his sponsorship grant of $100,000, Mr Owen Lindsay Parkinson had twice been convicted of deception in Tasmania. Mr Owen Lindsay Parkinson at the time of receiving the $100,000 sponsorship grant did not even own a motor racing car. Of course, this caused a bit of a problem with the bank, so they asked, ‘How do we fix it?’

Mr Parkinson applied for a $90,000-odd loan to buy a car. So the bank lends Mr Parkinson the $90,000-odd to buy the car, but the deal was that he had to pay them back out of his sponsorship money. That is an odd sort of transaction; it is very interesting. I would like to bank with that bank; I surely would. I would like the bank to give me a sponsorship deal that says, ‘You can buy something and then pay us back out of our own money.’ I have to say for the police that, when they investigated this, they said that there had never been a transaction like this before in the history of the bank and there was not one since, at least until it was sold at the end of last year.

These examples have to be considered to be ‘undesirable activities’ by any measure. I know that the good old bank’s position in the community has taken a battering—and why? Look at the bashing that we get from time to time over various things, but when you look at these circumstances, you ask, ‘How is this acceptable?’ I put it to APRA, and of course I got the old answer: ‘We cannot do anything unless it threatens the security of the depositors’ funds.’ I say to the government that I hope that, through this legislation, they will not accept these sorts of practices and that they will get rid of them. These matters
should not just be a question of whether or not there is a threat to the security of depositors’ funds; they must be stopped. It is unfortunate that the circumstances have passed us by to some extent, although I am not so sure about that yet. I think that, at the end of the day, we will get somewhere with regard to Trust Bank and the issues surrounding it. It may well take the Tasmanian people to do something about it, and I hope they will. Mr Acting Deputy President Lightfoot, I thank you for your indulgence, because you are filling in for me in the chair, and allowing me to make this contribution.

Senator Kemp (Victoria—Assistant Treasurer) (6.14 p.m.)—I am quite happy to defer if my colleague from Queensland wishes to add to the sum of human knowledge through his remarks.

Senator Ludwig (Queensland) (6.14 p.m.)—No, I do not have anything further to add. We could proceed to Senator Campbell. I suspect that he has the carriage of this matter. He might like to tell us about all these matters. (Quorum formed)

Senator Kemp (Victoria—Assistant Treasurer) (6.17 p.m.)—Like many senators around the chamber, we have been utterly gripped by the second reading debate on the Financial Sector Legislation Amendment Bill (No. 1) 2000! Because I have a number of other issues, I have not been able to focus totally on the contributions that have been made, but Senator Ian Campbell pointed out to me that a number of the usual suspects got to their feet—Senator Sherry, Senator Conroy and you, Mr Acting Deputy President Murphy, and I walked in at the end of your remarks. I tried to get a view on the quality of speeches that the terrible trio produced, but I was sorry to hear that, once again, they had not added much to the sum of human knowledge and, to the extent they made any points, they were rather poorly informed, which always surprises me because the Labor Party—I am not one to not give credit where credit is due—does have a number of fairly good advisers. I have never criticised Labor Party advisers. I just think those advisers must be in despair to have such poor senators. I cannot really assist the Labor Party in any way—

Senator Conroy—Mr Acting Deputy President, on a point of order to do with relevance: this bill contains provisions on superannuation, which is actually in the portfolio area of the minister on his feet. He could dazzle us with his brilliance and make a contribution on the bill just by looking at the title.

The Acting Deputy President (Senator Murphy)—What is your point of order?

Senator Conroy—I think relevance. He could talk about the bill with ease.

The Acting Deputy President—I am sure the minister is getting to the point in his contribution.

Senator Kemp—I was just making some observations on the contributions that a number of senators had made, and I was giving a bit of the flavour of the advice that I had received from my colleague about the quality of those contributions. Nonetheless, there were a number of other contributions made. I have no doubt that the minister on whose behalf we are taking this bill through—the Minister for Financial Services and Regulation, the Hon. Joe Hockey, a very distinguished minister who may have slightly more respect for Senator Conroy than I actually do, but not much—will have listened very carefully to the remarks that were being made and will doubtless evaluate them in the same way that I would probably evaluate your remarks, Senator Conroy. Normally when we finish the second reading debate we get up and thank honourable senators for their contribution. In light of some of the contributions, I am not sure I can say that in all good conscience, but I am sure that Mr Hockey will carefully read the remarks which have been made.

Senator Conroy—All class, like your president.

The Acting Deputy President—Order!

Senator Kemp—I am very glad I have your protective arm, Mr Acting Deputy President, to save me from Senator Conroy! The last few years have seen some major changes in the regulation of the financial system in Australia, largely as a consequence
of the government’s response to the recommendation to the financial systems inquiry. This is one of the many areas of reform which this government—

Senator Conroy—Is that the Ralph report or the Wallis inquiry?

Senator KEMP—Senator Conroy asks whether that is the Ralph report. I regret to say that that is the quality of Labor senators. Somehow they have to draw from a wider pool than the trade union movement. I think you are too narrowly focused. Your advisers would tell you, Senator Conroy, that that is the Wallis inquiry, not the Ralph inquiry.

Senator Conroy—Your advisers are blushing over there, Rod.

Senator KEMP—Senator, if I were you, I would not look behind you. Greg Sword has summed you up very well, in my view.

The ACTING DEPUTY PRESIDENT—Minister, it is appropriate to direct your remarks through the chair.

Senator KEMP—Thank you, Mr Acting Deputy President. I was a bit critical of Greg Sword in the days of your government, but I think he has properly evaluated Senator Conroy, and in respect of that matter alone I am on the Greg Sword bandwagon. Although the bulk of the reforms of the financial system are now in place following the Wallis report—not, as you said, Senator Conroy, the Ralph inquiry: just a little correction there for you—reform is an ongoing process, and this bill is a further step towards ensuring that the regulation of the Australian financial system remains world’s best practice. The bill achieves this by amending provisions in the Banking Act which will enhance the prudential regulation of authorised deposit taking institutions.

Senator Conroy—Are you reading my speech?

Senator KEMP—Senator Conroy, if you read the speeches that your advisers prepared for you, you would probably do a little bit better. You get into trouble when you vary too much from what your advisers prepare. I cannot believe that people who have otherwise got taste could be bothered working for senators like Senator Conroy. It just amazes me. Still, we live and learn.

The bill also substantially improves the enforcement regime for the superannuation industry in Australia. Given the sheer number and diversity of participants in the industry, an effective enforcement regime is a crucial part of the prudential framework. The pool of superannuation savings in Australia is currently around $450 billion and continues to grow rapidly—a huge increase since this government came into office. Within 12 months of us coming to office Senator Sherry said that confidence in superannuation will collapse. That is one of the many serious errors that Senator Sherry has made in relation to superannuation. As I said, the exciting thing is that superannuation is one of Australia’s great growth industries, as it should be, and it continues to grow rapidly.

Senator Conroy—Thirteen minutes to go, Rod.

Senator KEMP—Senator Conroy, if you are not careful, I will speak for the full 13 minutes. One of the remarks that some Labor senators made that I did pick up on was that somehow there had been a lack of consultation on this matter. I know Mr Hockey very well and he, like myself, is a consultative minister. This, as I have said, is a consultative government. I know there have been a number of meetings. I think Ms Susan Ryan’s name was mentioned. Indeed, I have met with Ms Ryan on issues which are relevant to my portfolio, and I have no doubt that Mr Hockey has ensured similar access. I understand that in some areas there may have been a misconception about what was in this bill. We were able to ease some of the concerns that Ms Ryan and others had. Let me conclude, because I think we are all anxious to proceed to the committee stage of the bill.

Senator Conroy—We’re prepared to send out a search party to find Campbell.

Senator KEMP—Like Senator Conroy, we are all missing Ian Campbell. You are not the only one.

Senator Conroy—Not as much as you are. You’re dying.

Senator KEMP—Well, that is probably true, but I think it is good for a younger senator to sit here and have to put up with
the problem of dealing with people like you, Senator Conroy.

The ACTING DEPUTY PRESIDENT—Minister, direct your remarks through the chair and Senator Conroy should cease interjecting.

Senator KEMP—Thank you, Mr Acting Deputy President. The amendments in this bill will help ensure that the pool of savings is adequately protected by promoting adherence to sound prudential management policies and practices. I look forward to the interesting debate that we will certainly have in the committee stage of the bill. I call for perhaps a little better quality performance from Senator Conroy. We do not expect a lot, Senator Conroy. I make that point to you: we do not expect a lot from you. But if you could slightly lift your game, I think it would cause a great deal of pleasure right round this chamber.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

The CHAIRMAN—Minister, I believe you have the call.

Senator KEMP (Victoria—Assistant Treasurer) (6.28 p.m.)—Thank you, Madam Chair. I will use the expression we have used in this parliament rather than the unfortunate expression the Bracks government has brought in in referring to presidents and presiding officers.

The CHAIRMAN—I advise you not to reflect upon activities in other parliaments or people’s actions there.

Senator KEMP—that is a big ruling.

The CHAIRMAN—it is standing order 193, Minister.

Senator KEMP—Madam Chair, I will look very closely at your ruling, because I would think that an awful lot of debate in this chamber will be out of order. For another day, Madam Chair—

The CHAIRMAN—we will discuss it another time, Senator.

Senator KEMP—I table a supplementary explanatory memorandum relating to the government amendments to be moved to this bill. I am advised the memorandum was circulated on 31 October.

Senator ALLISON (Victoria) (6.29 p.m.)—I move Democrat amendment No. 1 on sheet 1900:

(1) Page 3 (after line 10), after clause 5, insert:

6 Review of operation of strict liability offence regime

(1) The Minister must, on or before the second anniversary of the commencement of Schedule 3, cause a report on the operation of the amendments to the Superannuation Industry (Supervision) Act 1993 contained in part 2 of Schedule 3 to be laid before each House of the Parliament.

(2) A report under subsection (1) must examine the appropriateness of imposing strict liability in relation to the relevant offences under the Superannuation Industry (Supervision) Act 1993.

During the second reading debate, I outlined my concerns with the numerous strict liability offences that are created by this bill. I also expressed my more general concern that strict liability is becoming much more prevalent. In the Democrats’ view, there is a place for strict liability offences, but the underlying rationale for providing such liability should not be administrative ease. It should be based on an analysis which demonstrates that it is appropriate that an action attracts strict liability.

At this stage, the Democrats will concur with the government and the Labor Party and accept the amendments that create strict liability, but we want to see a review of that regime to examine the appropriateness of the amendments. In evidence, APRA said that it had no intention of pursuing inadvertent mistakes, pointing to only half a dozen or so cases in the last three years that it proposed to prosecute. I think APRA’s assurances are important, and its previous behaviour even more so. If APRA fails to act properly with respect to these offences in terms of the extension of strict liability, there should be the capacity to review the situation. That is the purpose of this amendment. It requires the minister to cause a report to be made about the operation of the amendments and a con-
sideration of the appropriateness of imposing strict liability under the Superannuation Industry (Supervision) Act 1993. I commend my amendment to the committee.

Senator CONROY (Victoria) (6.31 p.m.)—On behalf of the opposition, I indicate that we will support this amendment.

Senator KEMP (Victoria—Assistant Treasurer) (6.31 p.m.)—I rather hoped that Senator Conroy would give us a few reasons why he has decided to support this amendment. I know that that is difficult but he is normally a little faster on his feet. But life goes on and who am I to complain about the shortness of someone’s remarks?

The government will not support the Democrat amendment relating to the Superannuation Industry (Supervision) Act—the so-called S(IS) Act. In our view, it is not clear what the tabling of a report on the operation of the amendments to the S(IS) Act will achieve. The relevant regulators under the S(IS) Act—APRA, ASIC and the ATO—are already accountable to parliament through their annual reports and their appearances before parliamentary committees. These avenues provide adequate means of monitoring the bill’s amendments to the S(IS) Act. It is not that we are opposed to monitoring or to accountability; it is just that we believe this is achieved effectively through the mechanisms that are in place. Indeed, as one who spends more of my life appearing before estimates committees than I would choose, I am well aware that that particular mechanism allows close scrutiny of many of the issues about which you are concerned.

The other issue relates to banking public consultation before mergers—I think that is a fair summary of your amendment. I make it clear that the government will not support the Democrats’ proposed amendments to the Banking Act 1959. Most mergers and acquisitions would already be caught by the Financial Sector (Shareholdings) Act, which contains a national interest test. Labor was concerned that the amendments were made without consultation with the superannuation industry. We are as grateful as Senator Kemp that Senator Ian Campbell has arrived in the chamber. I assure Senator Campbell that we were about to send the Serjeant-at-Arms to look for him.

Senator Kemp expressed concern about the lack of consultation and the fact that we were perhaps being unfair to the department. I will take people through—I hope Senator Kemp stays to listen—the debacle that was the consultation process. We were concerned, so Labor referred the bill to the Senate Select Committee on Superannuation and Financial Services for consideration. I hope that Senator Kemp will tune in to the debate in his office. The committee held two hearings on 11 July and 14 August. At an inquiry in Sydney on 11 July, representatives of the superannuation industry indicated that they were very concerned about the potential impact of the bill. Despite short notice of the committee hearing, submissions were received from the following organisations.

Senator Sherry—Have you got an explanation?

Senator CONROY—Look out: choice could be about to arrive. Submissions were received from the Association of Superannu-
ation Funds of Australia, the Australian Institute of Superannuation Trustees, Corporate Super Association, Industry Funds Forum, Institute of Actuaries of Australia, IFSA, Financial Services Consumer Policy Centre, Small Independent Superannuation Funds Association, and the Institute of Chartered Accountants. All of these organisations told the committee that they had not been consulted on this bill. At a subsequent hearing on 14 August, officials from APRA, Treasury and ASIC disagreed as to who had responsibility to consult industry on the bill. ASIC said that it was APRA's bill. The Attorney-General's Department said that consultation was not its responsibility. APRA said that consultation was Treasury's responsibility. Treasury said that it left it to APRA to conduct industry consultations. It is an absolute shambles.

Senator Kemp now has the hide to come into this chamber and say that there was plenty of consultation. He served tea and bickies to hundreds of people in his role as tea server in these consultations. But whoever's responsibility it was to consult, one thing is clear: at the end of the day, it is the government’s responsibility to ensure that interested parties to its bills are consulted—and it failed miserably.

Senator Sherry—The buck stops with the minister.

Senator CONROY—The buck stops with the minister. In this case, the buck would stop with a combination of Minister Hockey and Senator Kemp—very, very disappointing.

Senator Ian Campbell—That's two bucks.

Senator CONROY—Your words, Senator Campbell. Evidence provided to the committee focused on the proposed amendments to the SI(S) Act that would change offences from ‘fault’ to ‘strict liability’. This would mean that, for offences that previously required a prosecution to prove intent to commit an offence, it would simply be sufficient to prove that the offence had been committed. Groups such as the Australian Institute of Superannuation Trustees were concerned that offences such as being late

with reports, late in collecting tax file numbers or late in defining a process for appointing a member representative would effectively be treated as criminal offences. However, APRA, ASIC and Treasury advised the committee that the intent of the amendments to the SI(S) Act was to reflect the requirements of the Criminal Code Act.

Like Senator Allison and the Democrats, we are concerned about how this bill will work in practice; we are concerned for good reason. The committee was advised that the purpose of the Criminal Code Act, which was enacted in 1995, was to provide for a more consistent approach to determining matters like fault, strict liability and offences across criminal law. One of the purposes of the act is to make it clear which offences are strict liability and which are not and therefore require proof of intention.

We do want to support this amendment from Senator Allison. We do want to see accountability. We do want to know whether APRA's and ASIC's concerns were founded or whether in actual fact they were unfounded. So we welcome the Democrat amendment and, as I indicated earlier, Labor are willing to support this amendment.

Amendment agreed to.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.40 p.m.)—I table a revised explanatory memorandum relating to the Financial Sector Legislation Amendment Bill (No. 1) 2000. I have been advised by a very wise head to say that this memorandum has been revised to incorporate an additional explanatory memorandum, as recommended by the Senate Standing Committee on Superannuation and Financial Services.

Senator CONROY (Victoria) (6.40 p.m.)—I move opposition amendment No. 1 on sheet 1938:

(1) Schedule 1, page 4 (after line 3), before item 1, insert:

1A After subsection 9(3A)

Insert:

(3B) Before granting a body corporate an authority to carry on banking business
in Australia, APRA must be satisfied that the directors of the body corporate are fit and proper persons to carry on banking business. If APRA is unable to satisfy itself that the directors of the body corporate are fit and proper persons to carry on banking business then it must refuse the application.

1B After section 9A

Insert:

9AA APRA may disqualify individuals

(1) APRA may disqualify an individual from being a director of a body corporate with a section 9 authority if it is satisfied that the person is not a fit and proper person to carry on banking business.

(2) A disqualification takes effect on the day on which it is made.

(3) APRA may revoke a disqualification on application by the disqualified individual or on its own initiative. A revocation takes effect on the day on which it is made.

(4) APRA must give the individual written notice of a disqualification, revocation of a disqualification or a refusal to revoke a disqualification.

(5) APRA must cause particulars of a notice given under subsection (4) to be published in the Gazette as soon as practicable.

In this bill, the government seeks to introduce a fit and proper person test for superannuation trustees. The bill will give APRA the power to disqualify individuals if it is satisfied that the individual is not a fit and proper person to be a superannuation trustee. Labor is supportive of the amendment to the SI(S) Act to introduce a fit and proper person test for superannuation trustees.

Alongside owning a house, superannuation is the most important investment that most people will make in their lifetime. It is therefore appropriate that we set standards for the supervision of superannuation to ensure that the industry is protected from fraud. This, in fact, is what the Superannuation Industry (Supervision) Act 1993, which Labor introduced, is about. Labor also introduced a Superannuation Supervisory Levy Act 1991 to ensure that, in the event of fraud in a superannuation fund, the superannuation industry was levied to ensure that individual members who were not at fault did not suffer financially.

In order to ensure that our superannuation industry is effectively governed, it is appropriate that superannuation trustees are fit and proper persons and that the regulator has at its hands the legislative power to remove trustees who are not fit and proper persons. However, if the government is taking the opportunity to amend the Superannuation Industry (Supervision) Act to introduce a fit and proper person test, then it should have considered other areas of the financial services industry where it is equally appropriate to introduce such a test. In particular, the Banking Act 1959 currently does not have a fit and proper person test for banking directors, which matter we are proposing to address today. This is despite the fact that APRA has indicated in a submission to the Senate Select Committee on Superannuation and Financial Services on 25 August that it wishes to introduce fit and proper tests as legislative opportunities present themselves.

In its letter to Senator Watson, the Chairman of the Senate Select Committee on Superannuation and Financial Services, APRA states:

APRA considers it is of paramount importance that a trustee of a superannuation fund or the Board and senior management of a financial institution are ‘fit and proper’ for that purpose.

APRA also states:

While we do not have comprehensive fit and proper standards of this type in current industry legislation, we are taking steps to introduce these tests as opportunities in the legislative amendment process arise. For example, in the current modernisation of the Insurance Act 1973 we have proposed the introduction of fit and proper tests to apply to the Board and senior management of insurance companies. A similar test has been proposed by APRA in relation to the prudential supervision of conglomerates.

APRA goes on to say that it is involved in international forums, including the Basle Committee on Banking Supervision, to develop fit and proper tests. Indeed, APRA has indicated that it applies an informal fit and proper test to banking directors. At the Senate economics budget estimates committee meeting on Wednesday, 31 May 2000, I
questioned senior officers from APRA on the matters that APRA considers in the issuing of a banking licence. Graeme Thompson, Chief Executive Officer of APRA, stated:

... the general question of fitness and propriety of major shareholders of banks is certainly something that would be taken into account in our processing of an application ... [APRA would] apply an informal test as to fitness and propriety even though there is no formal test provided.

While APRA applies an informal fit and proper test, it later confirmed that Australia is a signatory to an international banking supervision agreement that provides for a fit and proper test for banking directors. Australia is committed to complying with this standard.

The Basle committee on banking supervision is a committee of banking supervisory authorities which was established by the central bank governors of the group of 10 countries in 1975. The committee adopted a set of core principles in 1997 which were subsequently adopted by the G10. These are contained in the document entitled Core principles for effective banking supervision. Section 3B of the document states:

Fit and Proper Test for Directors and Senior Managers

A key aspect of the licensing process is an evaluation of the competence, integrity and qualifications of proposed management, including the board of directors. The licensing agency should obtain the necessary information about the proposed directors and senior managers to consider individually and collectively their banking experience, other business experience, personal integrity and relevant skill. This evaluation of management should involve background checks on whether previous activities, including regulatory or judicial judgments, raise doubts concerning their competence, sound judgment or honesty.

Labor is therefore proposing that a fit and proper test be introduced into the Banking Act. Our amendment mirrors the amendment contained in this bill for superannuation trustees. However, it is not just appropriate that existing banks apply a fit and proper test to their banking directors; it is appropriate that when new applications for a banking licence are assessed that the directors of the proposed bank are fit and proper persons. Labor is therefore proposing an amendment to apply a fit and proper test to banking licence applications.

Let me finish by saying that there are many areas where fit and proper tests are contained in legislation. These include customs, migration, broadcasting, child-care and environment acts as well as the companies act and civil aviation. I hope the Banking Act can now be added to this list as will be, on the government’s intent, the superannuation trustees in the SIS Act. APRA rushes this into legislation and says we must urgently get the superannuation trustees up to speed in this area but we are wasting the opportunity to introduce it for the banks. I look forward to hearing the contributions from other senators, particularly Senator Ian Campbell and those from the government.

I hope Senator Lightfoot is listening. He might want to come down, because he recently made an encouraging contribution in the area of banking policy. He went on A Current Affair. I do not know if Senator Ian Campbell saw that. He went on national television, on A Current Affair, and said that banks were ‘evil’ and that they ‘made the mafia look like a Mother Teresa organisation’—I think they were his exact words—

Senator Ian Campbell—That got a run, did it?

Senator CONROY—It got a good run. He said that while calling for bank directors to be jailed. I am looking forward to Senator Lightfoot’s support on this because I know he has a deep interest in bank directors and bank executives. I hope Senator Lightfoot is listening and I hope he has a chance to come to the chamber and join the debate. In particular I hope he has a chance to come to the chamber and join the debate. In particular I hope he has a chance to come and vote on this one, because I am keen to hear the rationalisation of the government if they are not prepared to accept this—and I am not actually sure what the government’s position is; I would not have thought this was especially controversial. I do look forward to the government’s contribution in particular.

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (6.48 p.m.)—The government has no fundamental disagree-
ment with the proposition that there be a fit and proper test. I think it is clear from what Senator Conroy has said that APRA has made it very clear that it wants to have a fit and proper test in this area. Most of what Senator Conroy spoke about alludes to the detailed process that APRA is undertaking at the moment to develop such a test. As Senator Conroy would know, there are already existing requirements within the guidelines, but APRA is working both domestically and internationally through the Basle core principles of effective banking supervision process to develop a fit and proper test.

The government is totally behind that, so I do not think there is any fundamental policy disagreement between the opposition and the government on the need for this test. The authority, which was established by the government, was regarded I think in a totally nonpartisan way as a successful and sensible reform of the financial sector—it certainly got bipartisan support here—and as a way of modernising the Australian financial sector as part of the broader policy approach.

Progress reported.

**DOCUMENTS**

**Australian Electoral Commission**

Senator BRANDIS (Queensland) (6.50 p.m.)—I move:

That the Senate take note of the document.

I draw the attention of the Senate to the 1999–2000 annual report of the Australian Electoral Commission and in particular the discussion in section 1 of the document which deals with performance outcomes against the AEC’s performance benchmarks in relation to the electoral roll and the procedure for enrolment. The AEC reports that, although there has been a high degree of satisfaction from clients of the AEC and in terms of its own internal processes for auditing performance with its standards, the survey which it conducted and upon which it reports also identified further improvements that could be made in the areas of ‘enhanced product functionality’—that is the author’s language—in relation to electoral roll management. In that regard, I wish to draw to the attention of the Senate proposals that were published on 18 October last by the Special

Minister of State, Senator Ellison, in relation to the management of the electoral roll and in particular measures to ensure that the enrolments of persons on the electoral roll were appropriately verified in the same manner as other important qualifications of citizens, including passports for instance, are required to be verified.

On 19 October, Senator Ellison released some draft regulations which he foreshadowed would be brought to the parliament later in the year. In a media release that he issued accompanying those regulations, he said:

The multiple cases of electoral fraud in Queensland over the past three years provide a powerful rationale for strengthening electoral involvement provisions aimed at preventing fraud...

Senator Ellison went on to say:

If the states and the ALP are genuine about maintaining the integrity of the electoral system they will support the Federal Government’s regulations, and introduce complimentary legislation to protect state rolls...

Perhaps to the surprise of most, though not to the surprise of people as sceptical of the motives of the Queensland government as I am, the Premier of Queensland, Mr Beattie, immediately attacked Senator Ellison’s proposals to protect the integrity of electoral rolls. Honourable senators might be forgiven for thinking that, if there were one politician in the entire Commonwealth of Australia today who ought to be too embarrassed to criticise a proposal to protect the integrity of electoral rolls, it would be the Premier of Queensland, Mr Beattie, particularly in view of what has been revealed by Karen Ehrmann in the District Court in Townsville, by me in this place and most recently by the Four Corners program, which so many of us observed last night.

Notwithstanding that, in the Townsville Bulletin on Saturday, 20 October, Mr Beattie shamelessly said:

This is about taking out Labor voters, disenfranchising indigenous Australians, taking out the poor and doing over people who find it hard to meet the criteria the federal government is pursuing. The problem is if you are an indigenous community you do not have the stack of requirements that they want.
What are these onerous requirements which Senator Ellison is proposing to maintain to protect the integrity of the electoral roll and which Mr Beattie claims—somewhat disingenuously, it must be said—are too burdensome for ordinary Australians, including indigenous Australians? By regulation 12, the proposal in the draft regulations would require that, in order to be placed upon the electoral roll, an applicant for enrolment should produce one of 14 documents, including documents as difficult to produce as a birth certificate, a drivers licence, a passport, a social security concession card, a veterans’ affairs concession card, any proof of age card or a document not mentioned in any of the preceding items in the schedule that is accepted by the Electoral Commission as evidence of the identity of the person. It is perfectly plain from the scrutiny of the proposed regulations that the requirements are not onerous. (Time expired)

Senator MASON (Queensland) (6.55 p.m.)—I wish to congratulate the Australian Electoral Commission on a marvellous annual report. I think sometimes it is easy to forget that Australia has one of the fairest and most transparent electoral systems in the world. That is in no small part a result of the work and the commitment of officers of the Australian Electoral Commission. I think it is fair to say that it is respected by all major Australian political parties and indeed by the broader community.

This annual report addresses many major issues, some of which are: the maintenance of the electoral roll; the conduct of electoral redistributions; the conduct of federal elections, referendums and by-elections; the conduct of Aboriginal and Torres Strait Islander Commission elections, industrial elections and ballots for other organisations; the registration of political parties; and, of course, electoral education. In fact, outcome 3 in the annual report states:

The commission hopes to develop an Australian community which is well informed about electoral matters.

In a country like Australia, where voting is compulsory, that is a special and particular responsibility of the Electoral Commission. It is sad that in Australia sometimes we take all this for granted. Our democracy was forged not on the battlefield or in a revolution but at the behest of a colonising country. That has led to a lack of romanticism about our voting system and our democracy. That is a sad thing. Too many people are cynical about it. In fact, some people even seem to think that ignorance of the system is something of a virtue. It is not. Perhaps of all the things that were mentioned in the annual report, to me that is the most important.

It is a great privilege for me to be a member of the Joint Standing Committee on Electoral Matters. On that committee, we have a lot to do with the Australian Electoral Commission, and all of their submissions, particularly the 11 submissions given to the committee in relation to the 1998 election, were terrific. They assisted us greatly. Moreover, they responded to our requests in great detail. While the committee did not in fact adopt all the recommendations of the AEC, we adopted many of them and they certainly led the way. My friend and colleague Senator Brandis mentioned the inquiry into the integrity of the electoral roll. Of course, another inquiry that the Joint Standing Committee on Electoral Matters is involved in at the moment is the one into electoral funding and disclosure. Both of those are potentially controversial—there is no doubt about that.

Senator Ludwig—Are you on that committee?

Senator MASON—I am on that committee, Senator Ludwig. One of the interesting things about that is that all parties can be confident that the input of the Australian Electoral Commission will be nonpartisan and objective. Not many countries on earth can claim that. Those sorts of inquiries are fertile ground for partisan debate. We would agree with that. Senator Brandis mentioned the Four Corners program. I looked at the Courier-Mail this morning, and I am sure you saw that, Senator Ludwig. There is an enormous amount of consternation in Queensland and elsewhere about that issue. One thing we agree on, however, is that the Australian Electoral Commission can be trusted to come up with a report and input that is
nonpartisan and that is objective. That is a great credit to it.

Senator ABETZ (Tasmania—Parliamentary Secretary to the Minister for Defence) (7.00 p.m.)—The Australian Electoral Commission does a fantastic job for this nation in seeking to ensure that there is integrity in the political process. As a result, it is important for us as a Senate to consider some of the matters raised by my colleagues, especially those from Queensland. It is a sad fact that some people here owe their presence in this chamber to the power of the Australian Workers Union and some other trade unions in Queensland which have now been found to have been involved in activities that could only be described as less than desirable.

Queensland, unfortunately, has a history that has been exposed in recent times of seeking to defraud the Queensland electorate of their rights and their entitlement to a true and rigorous democratic process. The fact that the Australian Labor Party seems to be so heavily involved—from the grassroots level right through to the upper echelons of the ALP in Queensland—in electoral fraud ought to be of grave concern to all Australians and especially to Queenslanders. Indeed, it ought to be of great concern to Peter Beattie, the Premier of Queensland, and to his state government. But the question has to be asked: what is the Labor Party doing about these allegations? Sure, the Australian Electoral Commission has an important role to play within Australian politics. But the fact is that political parties have a duty, and there is an onus on them to ensure that they play by the spirit of the law. But, in Queensland, not only has the Labor Party failed to play by the spirit of the law but it has now been exposed as failing to play by the letter of the law, and the recent Four Corners program has highlighted that problem.

The question then is: what ought the Labor Party do about it? The first person who ought to do something about it is in fact the federal Leader of the Opposition, Mr Kim Beazley. Does he have the ticker to involve himself in the Queensland division and to root out the rorting? In recent times, the Australian Labor Party has been seeking to remove the speck from the Liberal Party’s eye in relation to Mr Reith whilst failing to identify the log within its own eye, which is the Queensland division of the Labor Party. If Mr Beazley fails to deal with this issue, it will be shown to everybody within Australia that he fails the leadership test of standing up for principle and standing up for the democratic process in this nation.

There is no greater test for a political leader than to be able to stand up against the rorts within his or her own party, to root them out and to ensure that the party is behaving in a manner appropriate to the democratic standards that are the very ethos of this nation. As soon as you allow the democratic process to be corrupted in the manner in which it has been in Queensland, you have the capacity to destroy the people’s confidence in the democratic process. Once that is destroyed, you have the problems of extremist parties seeking to take over and the whole democratic ethos is destroyed. In the Queensland situation that has been referred to by my colleagues, Mr Beazley has a very important task. The onus is on him to ensure that he roots out the problems in Queensland, exposes them without fear or favour, deals with all the people responsible—and it sounds as though it is endemic within the Labor Party in Queensland—and shows his leadership. (Time expired)

Senator KNOWLES (Western Australia) (7.05 p.m.)—I too would like to make some comments about the Australian Electoral Commission annual report. It does highlight to the chamber that there is one side in this parliament trying to make sure that the electoral system is well and truly aboveboard. It is interesting to note that the Labor Party is well and truly under the spotlight in Queensland for manipulation of the electoral system. It is interesting to note that Karen
Ehrmann is—at the government’s and the taxpayers’ pleasure—in jail in Queensland for the very simple reason that she committed a number of offences against the Electoral Act. It is even more fascinating to note that, in last night’s Four Corners program, it was revealed that someone in the Labor Party had tried to bribe Miss Ehrmann to keep other identities out of the spotlight.

Then someone rang in to 4QR today during a talkback show. He identified himself only as ‘Tom’, so heaven only knows who Tom is. Having looked at the Four Corners program last night he said:

As far as I am concerned, that process of ballot stacking and corrupt ballots is widespread within the trade union movement and has been going on for a very long time. So that when there are elections within the state in trade unions which are conducted by officials of the state union branch, branch stacking and corrupting the ballot is regarded as routine practice. And what’s happened here is that the process of corruption has progressed into the state branch of the ALP and as a consequence you have members of the state parliament who were former employees of the AWU.

Isn’t that a fascinating admission? People of Queensland know this but, as my colleague Senator Abetz just said, what is Mr Beazley doing about it? Absolutely nothing. Mr Beazley is too interested in pursuing personalities instead of pursuing what is right and proper and stopping such dreadful things as blatant electoral fraud. Mr Beazley is pontificating about things for which there has been repayment and apology, and yet he will not control people on his own side in this parliament, nor will he seek to control members of the Labor Party in other parliaments or other branches. He just allows this manipulation to go on, unfettered and unchecked, in every way possible.

Then we have allegations that people have been offered bribes to keep other people out of it, including one Mr Mooney. It is interesting to note that people are not coming into this chamber while this debate is in progress and denying the material that was put forward in Four Corners last night. They are not denying what this so-called ‘Tom’ has said on 4QR today, nor are they denying the evidence that Miss Ehrmann herself gave prior to her sentencing. I understand, about the conversations that she had with another Railway Estate branch member, Ron Barnard, and a person called Paul, who made the offers and the bribes. Why is it that the Labor Party are so deafeningly silent on this matter? At question time today, when there was an opportunity to bucket Senator Ellison, they were all in here trying to get a go at bucketing Senator Ellison. But now, they are sitting quietly through this whole saga that has been going on for months and months. Not one of them has come in here to either apologise or defend the actions of their own colleagues in Queensland. (Time expired)

Senator PAYNE (New South Wales) (7.10 p.m.)—I also wish to speak on the annual report of the Australian Electoral Commission. I have spoken before in relation to the Australian Electoral Commission, particularly with regard to their advances in electronic voting, which we will all welcome as they progress, and, in recent times, their enormous and valuable efforts in relation to the ballot in East Timor last year—their maintenance of the rolls, particularly in Darwin. I want to join with some of my colleagues on this side this evening in raising and addressing some matters concerning effective administration of the rolls by the Australian Electoral Commission and pertaining to discussions that occurred earlier in the evening.

I tuned in only very briefly last night to a small part of the ABC’s production, Four Corners, but the part I did tune into was particularly interesting. It pertained to a very nice place in North Queensland known as Magnetic Island. I recall the reporter saying:

On a midsummer weekend, the ferry that normally brought the tourists started delivering unexpected guests to Magnetic Island’s Arcadia Resort.

One of the people described as being part of the Left in this particular discussion was quoted as saying:

They did one of those good Aussie things like put on a keg of beer and a barbecue at the local pub and invite all the mates who were the anti-greenie forces, the pro-development forces, the redneck forces, on Magnetic Island who were prepared to back a horse, any horse, any colours, as long as it was backed by Mooney.
Another member of the local branch, Florence Harrison said:

Well, I saw all these people coming in and going up to the table and signing on and some of the members that were with me were just bewildered.

We didn’t know what was going on.

We just couldn’t understand it.

And we ended up with 93 members, which we only usually had 24.

Poor old Florence Harrison was left as confused, I would suggest, as the rest of the people of Australia in relation to the administration of these sorts of matters, the involvement of particular members of the union movement and, most importantly—to come back to an issue that Senator Knowles raised in her remarks—what the leadership of the ALP is doing in this regard. What is the leadership of the ALP actually doing to address these problems, to take on board the very serious issues that have been raised and to do something about it, as opposed to letting it all float around them in the policy vacuum that they call an opposition? The answer to that question is a resounding silence from the other side of the chamber. It is, in effect, absolutely nothing. This is an organisation that prides itself on its ability to control the numbers, as was evident to all those who were watching last night. We finally got a concession out of the person described by the reporter on Four Corners as ‘AWU factional organiser, Lee Bermingham’, who said:

Yeah, I can see why people would be upset by things like that.

Under the party rules, though, you have to join a branch that’s within your federal area.

So legitimately, according to party rules, people can join a branch anywhere within that federal seat.

So there was nothing against the party rules in terms of people from one part of Townsville joining a branch in another.

But what is important in all this is the concession that actually comes from Mr Bermingham. He said:

And indeed sometimes there’s legitimate reasons to do it.

The reporter asks:

Is it fair game?

And Mr Bermingham, in what I would describe as a telling response, said:

Um, no. I wouldn’t call it fair game, no.

That is what we are talking about here: we are talking about what is appropriate and legitimate behaviour, and we are talking about what responsibility the people who are involved in this process are prepared to take. I think it is time the leadership of that part of the Australian Labor Party took responsibility and made some quite clear comments about what they are prepared to do about addressing these issues.

Senator Abetz—Mr Acting Deputy President. I raise a point of order to assist my Labor colleagues. I note there is some time left in this debate and I am sure that the two Labor senators from Queensland would like to make a contribution to this debate, so I simply rise—people know my cooperative and bipartisan nature in this chamber—to alert Senators Hogg and Ludwig to the possibility of defending themselves in this debate.

Question resolved in the affirmative.

Australian Industrial Relations Commission and Australian Industrial Registry

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (7.16 p.m.)—I move:

That the Senate take note of the documents.

I would like to speak on the Australian Industrial Relations Commission and the Australian Industrial Registry annual reports 1999-2000, including the Auditor-General’s report, section 66 of the Workplace Relations Act and section 70 of the Public Service Act. These are quite significant reports. The Australian Industrial Relations Commission has, in the history of this nation, played a significant role. It arose as a concept in the minds of shearers in Queensland in 1890 as a consequence of the shearers’ dispute that, rather than have national disputes that led to strikes, hostility and bitterness—and, in the case of that dispute, imprisonment of many of the strikers and almost civil war in Queensland—there should be a better way of resolving industrial conflict. The better way
was to create an Australian industrial arbitration system. All the colonies at that time, and then later the Commonwealth when it federated the colonies, put a provision in the Australian Constitution for the establishment of an Australian Industrial Relations Commission that would prevent or settle the industrial disputes that went beyond the borders of more than one state. That is the foundation of the Australian industrial arbitration act. We all know about the Harvester decision in 1912 where, in working out what the proper tariff response was, the commission was clothed with the responsibility of determining what a fair wage was for a man, his wife and his three children, which became the basic wage.

These are great traditions in our nation and they are ones that are properly understood. The pity is that—in, I think, 1912—the Bruce government, the United Australia Party government, tried to destroy the Industrial Relations Commission. Prime Minister Bruce lost his seat. His seat was Flinders, the same seat now held by Mr Reith, the now member for Flinders and the now Minister for Employment, Workplace Relations and Small Business. Mr Reith has set about trying to destroy the Industrial Relations Commission by undermining the powers of the commission, reducing the funding provided to the commission, cutting down the number of commissioners and building up a case load that the commission cannot deal with. He is now in a situation where, according to the Quadrant poll of last week, he may lose his seat. All I can say is that it would be a fitting end to Mr Reith’s career. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**ADJOURNMENT**

*The President*—Order! It being 7.20 p.m., I propose the question:

That the Senate do now adjourn.

**Mental Health Issues and the Workplace**

*Senator Payne (New South Wales)* (7.20 p.m.)—I will now address the remarks I had intended to make when I came into the chamber this evening on a subject that I regard as being very important; that is, the interplay in the modern community between mental health issues and the workplace. On several occasions recently I have addressed the question of the modernised workplace and its impact on individuals in the community. Recently, as a nation and internationally, we marked World Mental Health Day, and my interests in both these areas are linked. In fact, from the day I made my first speech in this place, I have continued to raise what I regard as being one of the greatest health challenges facing this nation.

The ongoing challenges associated with the changing workplace are reflected in changes that are so significant in only one or two generations. Workers have a wider choice in career opportunities and an increased capacity to learn, to travel and to change personal circumstances, giving individuals real choices when deciding when, why and how to work. As a more diverse cross-section of the community enters the work force—not least of which is the increasing participation of women in recent decades—there is a wider choice of staff for employers. We have also changed the way we lead our lives: we work longer hours, marry later, if at all, and have fewer children. Given the many hours that people spend at work, there often is less distinction between personal life and private life, which is not necessarily a good thing.

Just as we have more choice, so we have more pressure—pressure to perform, to compete, to earn and to build a career. We have got even more pressure to adapt to new technology, to new systems and to new approaches to working. Obviously, this has an effect on not only workplaces but also the people who work in them—significant effects on the mental health of workers at all levels. At the same time, the incidence of mental illnesses is increasing across the globe, so more people who work are doing so with existing illnesses that can be exacerbated by the work environment, and in that context consideration of their mental health becomes increasingly important.

Research into this area indicates that low morale at work due to a loss of faith in an employer is significant. In 1988, 22 per cent of workers said they were ‘frequently wor-
ried’ about losing their job. In 1996 that response had risen to 46 per cent. There are substantial effects of workplace stress which are well documented. The British Medical Journal, for example, cites two studies which show that job stress may also increase chances of coronary heart disease. Workplace stress can have substantial side effects, and not only on the person affected. In some cases stress that is caused in the workplace can be both a cause and an effect of workplace violence. At the more extreme end there is in fact death from overwork—a combination of apoplexy, high blood pressure and stress—which many would know is identified as ‘karoshi’ in Japan.

So in 1992 the UN designated a World Mental Health Day, after they had actually identified mental illness as an epidemic. The day is co-sponsored by the World Health Organisation and the World Federation for Mental Health, and the 2000 theme is ‘mental health and work’. The World Federation for Mental Health, promoting this, is an international non-profit advocacy organisation founded over 50 years ago and aimed at promoting the prevention of mental and emotional disorders, the proper treatment and care of those with disorders, and the promotion of mental health. The federation runs public education programs like World Mental Health Day. It conducts research through collaborating centres at major universities, consults with the United Nations and its agencies and in the community. The theme of the year 2000 World Mental Health Day is a recognition that issues of mental health and work both involve fundamental principles of human value: the capacity to work, to be independent, to seek personal fulfilment, the right to reasonable working conditions and to be treated with respect.

It is important to identify that mental illness is a widespread problem in Australia. In 1993, for example, a human rights commission report indicated that one in five Australians will develop a form of mental illness. On the one hand we have got a rising incidence of mental illness, and on the other we have got people working in environments which are causing increasing levels of stress. Existing mental illnesses can have a significant effect on how much and how well any individual can work and can obviously be worsened by workplace stress. Its results in the workplace are things like absenteeism, job turnover, poor decision making, reduced output, poor health and tiredness. But pressure from a range of factors within the workplace can also lead to other problems, such as mood disorders, anxiety disorders and even drug or alcohol addiction.

It is important to emphasise that a discussion of stress and mental illness in relation to work does not suggest that pressure in the workplace is all bad. Stress obviously can be a cause of depression, but it can also have a positive effect on people as a motivator in prompting good performance. Of course, stress comes in two forms—eustress, or good stress; and distress, or bad stress—and by itself may not cause depression or other mental illness but can contribute significantly to larger problems. Ten years ago in the United States it was estimated that 290 million work days were lost to absenteeism due to depressive disorders. The World Federation for Mental Health indicates that depression alone costs business in North America about $US60 billion a year. The cost to the health system in Australia due to depressive disorders was estimated at $500 million in the year 1993-94.

In terms of taking action, what do we need to do? It is important to address the stereotypes that are often associated with mental illness, to ensure that people are not depicted as being ‘crazy’ or, for that matter, incapacitated. Many people who have a mental illness have one that is treatable with appropriate medication or other techniques. For example, depression is the most treatable of mental illnesses. Research shows that 80 per cent of sufferers can alleviate symptoms with help. It is important that workers who do suffer from these illnesses are not ostracised or treated as being less valuable than other staff members. We have to bear in mind the significance of issues like privacy in the workplace as being very important in that regard.

Workplaces can and should avoid factors that might induce extreme stress, and can and should be supportive environments for someone who is suffering from a mental ill-
ness. One step that employers and managers can take is to be vigilant in watching for signs of extreme stress or depression. Research shows that if you intervene early and encourage treatment at that stage the costs are significantly less than the costs of hospitalisation and other treatments which may become necessary down the line if the illness is not addressed—let alone what can be very significant personal costs to the individual and to their health.

It is not always easy to spot. Stress affects different people in different ways, and it is often difficult to assess what the influence of personal problems or situations other than those in the workplace may be. Indicators can be things like withdrawal from interaction with colleagues, an inability to concentrate, listlessness and an inability to complete work. Intervention is very important. It is important that treatment is neither put off nor difficult to access. It is also important that employers and managers do not think they have to solve the causes of depression themselves. They should always be able to refer the person to an appropriate source of help.

I have talked about flexibility in the workplace before, and part of that is about changing the expectations of both employers and employees in relation to altered circumstances, working hours, job structures and other conditions which can impact on mental health. Some of the most significant issues that cause stress—work overload, negative competition, ambiguity about job role or place within an organisation, and the feeling of having little or no control over work processes—can easily be addressed and often simply resolved.

Finally, I want to acknowledge the efforts of Australian governments to combat mental illness. The National Mental Health Strategy is very important. It is a landmark agreement between the Commonwealth and all state and territory governments. It is a recognition of the need to work together to reform services and mental health policy to ensure that, wherever possible, people with a mental illness are able to enjoy the same opportunities as other Australians. The Commonwealth commitment in that regard over five years is $300 million. The Commonwealth has also committed $17½ million to the National Depression Initiative to work with other levels of government and with corporate and community groups to address the significant impact of depression. The chair of that initiative is the Hon. Jeff Kennett, who takes up that role at a very significant time for a discussion of this issue in Australia.

So in many ways we have come a great distance. We have the treatments. We are getting better at identification of individuals who suffer from these problems and at trying to assist them in that way. We need to have between employers and employees the sort of cooperation that I have spoken about in my remarks in relation to the national efforts of governments. I suspect though that, as is often the case in debates such as this, our greater challenges lie in addressing the stigma that is so often attached to difficulties with mental health. We have seen in the last few weeks a sea change in this nation—where we have seen the Paralympics being around capacity and ability and not disability. If we can also change the stigma that is often attached to mental illness, then we will have come an extraordinarily long way for individuals extraordinarily deserving of our support.

Paralympic Games

Senator LUNDY (Australian Capital Territory) (7.30 p.m.)—The Paralympic Games, which concluded in magnificent style on Sunday night, was the second biggest sporting event in our nation’s history. Yet in almost every respect the Paralympics represents something of far greater national and international significance than merely a sporting meet. The Paralympics is a celebration of achievement against adversity. It is a celebration of all that is positive, vital and inspirational in humanity; it is a celebration of all that is important about the Olympic movement; and it is a celebration of Australia’s ability to host the best ever Paralympic Games and achieve the greatest ever Paralympic success.

But let me begin by putting the Sydney 2000 Paralympics in perspective. The Olympic Games involves two events of equal importance and significance. The fact that they are staged two weeks apart does not make
one event more important or meaningful than the other. In fact the Paralympics are staged separately for a specific reason—that is, to focus the world’s attention on athletes with disabilities and their achievements. It is held after the able-bodied Olympics because it is not a test event for the host city to experiment with transport and facilities. It is a separate component of the Olympic Games and stands in its own right as one of the world’s great sporting and cultural events.

The Paralympic Games involved 4,000 athletes representing 125 countries. To put this in perspective, it was bigger than the 1956 Melbourne Olympics, the 1998 Commonwealth Games and even the 1998 Soccer World Cup. Another achievement of the Sydney Paralympic Games is that it set a record for attendances. At Atlanta just over 500,000 tickets were sold, whereas Sydney well and truly broke the million mark. In fact the Paralympics actually exceeded the budgeted ticketing numbers, which shows just how popular and well supported the Paralympics were.

It was, however, unfortunate that we were not provided with equal television coverage of the Paralympics. I understand that Network 7 had other commitments and that they endeavoured to deliver maximum coverage of the first stage of the Olympics. The ABC therefore deserve special praise for providing all Australians with highlights packages and daily coverage on TV, and for their extensive and informed coverage on radio. The coverage provided by ABC radio, which was carried by 2CN here in the ACT, was absolutely first-class. I would like to congratulate Karen Tighe and the entire ABC radio sport team for their informative and entertaining coverage and sincere commitment to Paralympic sport.

The importance of the ABC to all Australians was clearly demonstrated over the past two weeks, and I hope that they will be able to continue to cover future events with the same resources and support. The closing ceremony was watched by an overwhelming number of viewers. This in itself is testimony to the level of interest in the Paralympics. Perhaps the commercial broadcasters will now realise that the people of Australia are keenly interested in all Olympic and Paralympic events.

Many meaningful legacies have been born from the Paralympics. The first, but by no means the most important, is the now well-documented record medal tally. For the record here in parliament, Australian Paralympic athletes won a total of 149 medals, representing 63 gold, 39 silver and 47 bronze. Remember that at the Atlanta Paralympics we won about half this number of medals. Australia now stands as the premier country in terms of Paralympic sport. No other country has ever dominated the Paralympic Games to such an extent, no other country has redefined disabled sport to such an extent, no other country has so many outstanding individual performances and no other country has ever seen ticker-tape parades like those hosted around the country this week. This is a legacy that we must build on.

On 2 October this year Labor leader, Kim Beazley, and I issued a joint statement offering bipartisan support for sports funding so that the achievements of Sydney would not be a one-off event. Because the Howard government has not yet detailed its plans for future funding for elite sport, there remains some uncertainty about where we go from here. That is why Mr Beazley and I have made it clear that the next Labor government will continue to fund sport at both the elite government and community level. It is Labor’s plan that Australia will capture the long-term benefits of the Olympic and Paralympic Games and ensure that there is consistent and high quality preparations for future national and international events.

Funding is particularly important for Paralympic sport because it is only through the provision of funding for research and development that Paralympic and disabled athletes can continue to advance and excel. There is a high degree of technical involvement in many disabled sports, and research in this area has a flow-on effect that enhances the lives of many people who require specialised equipment in their everyday lives. I hope that the government fulfils its promise to the disabled community and delivers a funding package that ensures the
Sydney Games are seen as a platform for our continued world leadership in sport for people with disabilities.

In relation to individual performances I want to mention a few athletes who were outstanding in every respect. Siobhan Paton, a young girl from Wanniassa here in the ACT, won six gold medals in swimming and set nine new world records. Since 1997 Siobhan has broken an amazing 60 world records. The Paton family has a lot to be proud of. Judith Paton, Siobhan’s mother, has devoted a tremendous amount of time, energy and love to both Siobhan and her younger daughter, Sarah, who is an under-13 national swimming champion. Judith Paton has apparently been getting up at 4 a.m. for the past four years to take her two girls to their training programs. Siobhan was honoured last night at the official dinner in Sydney, being selected Paralympian of the Year. A postage stamp will celebrate in perpetuity her record medal tally and her personal achievements.

Another Canberran who enjoyed success at the Paralympics is Lisa Llorens from Chapman, also in the ACT. Lisa won three gold medals and one silver medal at the track and is being compared to the great Marion Jones because of her domination. I read this morning how Lisa joined Little Athletics when she was very young, and her achievement in Sydney shows just how important Little Athletics and junior sport are to young Australians. I think it is fitting to quote from team captain, Sandy Blythe, who told a packed crowd at Sydney’s ticker-tape parade that the message from the Paralympics is to ‘maintain the passion’. ‘The Games are gone, but maintain the spirit, maintain the passion, for the Games,’ he said.

On behalf of the Australian Labor Party, I would like to congratulate every single athlete, coach and support staff member and of course the family and friends of those competing for making the Sydney Paralympics the best ever. I would also like to acknowledge once again the volunteers and all of those performers who participated in the opening and closing ceremonies. Most of all I would like to acknowledge all of those athletes who went out there to strive for their personal best and achieved it. Not every sport records the personal best outcomes, but I know that an incredible number of athletes in their endeavours over the last two weeks did achieve their personal best and will hold that memory in their hearts forever.

Perkins, Dr Kumantjayi (Charles)

Senator RIDGEWAY (New South Wales) (7.38 p.m.)—I rise tonight to pay tribute to Dr Kumantjayi Perkins, commonly known as Charles Perkins. It is with great respect that I speak tonight of his recent death. While his death on 18 October marked feelings of profound loss and sorrow within indigenous and non-indigenous communities across the nation, it also gave us a chance to celebrate the life of a man who gave so much personally to the Aboriginal cause. There is no question that Dr Perkins was a unique style of leader. He was a man who dedicated his life to fighting for what he believed in and for getting recognition of the rights of indigenous people. I do not believe that, irrespective of the views that are held by Australians, there would not be one Australian who did not know of him. Love him or hate him, no-one could help but admire the man for his passion, his commitment and his lifelong work in the struggle to get better opportunities for his people.

My relationship with Charlie spans more than 30 years from, as a young boy, admiring him as an indigenous leader to, in recent years, working closely with him on issues including land rights, community development and reconciliation, and more particularly in relation to work on native title and the National Indigenous Working Group. I regard him as a champion of champions. His list of achievements is long and impressive. With the passing of time, those things sometimes tend to gather dust, and people may have forgotten about the contribution he has made and think much more about recent things that have been said. I want to recall some of those achievements for the public record because I think it is appropriate that parliament records for the nation the contribution of this great man.

He was born in 1936 at the Bungalow, also known as the old Alice Springs Telegraph Station. He was one of nine children of
Arrente and Kalkadoon descent. Like many great leaders, Dr Perkins came from a humble beginning, but he always had strong family support, which helped him to get an education that began at St Francis Boys Home in Adelaide. He had a love for sport, particularly soccer. His ability on the soccer field helped finance his university studies at Sydney University, where he completed an arts degree as the first indigenous graduate of any tertiary institution in this country, but for many people in Canberra who knew him, soccer was his passion. As his niece Pat Turner has recently said:

Soccer ... he excelled at it and in return it brought him rewards. He had decided when playing in England for Everton ... that soccer earnings would help finance his way through university. But the people involved in soccer here in Canberra were equally important to him. He met people from many other countries who had adopted Australia as their new home. He felt they treated him decently and he always appreciated that. But he welcomed them to this country as their new home.

He has left his legacy on the Canberra soccer community for his performance and participation in many ways.

Some of the things that he is well known for include leading students in 1966 in the US inspired freedom rides through rural New South Wales in a bid to raise awareness of discrimination against Aboriginal people. It was an event that not only helped inspire change in the treatment of Aboriginal people but secured his place in Australian history as a man who did not just talk about the need for change but went to the frontline and demanded it. He joined the federal Department of Aboriginal Affairs in 1969 and went on to become the first Aboriginal secretary of the same department in 1984. That experience gave him great insight into the workings of government and an opportunity to continue his determined campaigning for positive change, for more opportunities and for the development of policy that would lead to practical outcomes for Aboriginal people. He of course did many other things. As chair of the Arrente Council of Central Australia from 1991 to 1994, Dr Perkins was appointed deputy chairperson of ATSIC in 1994. In more recent years, his work included, as I have mentioned, a position with the National Indigenous Working Group on native title. Significantly, one thing he fought for in recent times was, as the Chairman of the National Indigenous Arts Advocacy Association, the authenticity of cultural products. Most surprisingly, he is most well known in recent times for his statement ‘burn, baby, burn’. People often forget that on one hand he made those comments, but on the other hand he was a member of the Olympic Bid Committee 2000 that fought for the Olympic Games to be held in Sydney and was a member of the Australian Sports Commission itself. His most recent position, which he held up to the time of his death, was as an elected ATSIC commissioner for Sydney. He was awarded two honorary doctorates: one from the University of Western Sydney and the second from Sydney University this year. He was awarded the Order of Australia in 1987 and has had two books published about his life.

He died following a long illness that resulted from kidney problems. The irony in this is that, but for a kidney transplant more than 30 years ago—Charlie Perkins being the longest surviving kidney transplantee across the globe—we would not have had his contribution to the life of the nation. He is survived by his wife, Eileen, his children, Rachel, Adam and Hetti, and their children, and their extended family.

In closing, I recently spoke at a function involving young Australians of the meaning of success, and it seemed appropriate to use Dr Perkins’ life as an example of the true meaning of this important concept. I recalled Dr Perkins as a person of passionate beliefs, with a lifelong determination to see change for the better for his people, and as a man with enough fire in his belly to dedicate years of work to raising awareness of issues and advocating solutions. But he did not measure his success by how well known he was, nor would he have measured it by the numbers of respected leaders that attended his funeral and paid enormous tribute to his life. Instead, he measured it in terms of the opportunities that he could bring about—changing our legal system, improving access to education and employment, and
education and employment, and recognising basic human rights.

I believe Dr Perkins is a person who has paved the way for people like myself to be in the positions that we now occupy, and I would say that for all other indigenous leaders as well. Someone had to pave the way and he did. He has left a legacy that will not only last a lifetime; I think he has left achievements for many others to follow in terms of improving and restoring some rationality to black and white relations and having all Australians treated in an equal and fair way. I think many of us are left behind to take up the battle that he commenced.

Finally, there is a saying about the law of Aboriginal morality—that is, to know that the day was good by watching the sun go down. I think what is most important in that simple morality is not applause or praise but knowing that the day was good and people remembering what was done. The legacy of Dr Charles Kumanjaya Perkins as a true Australian hero will survive for time immemorial. I think it is fitting that on this occasion there will be full cross-party support tomorrow for a motion recognising and acknowledging his contribution to national life. I commend on this occasion the memory of someone who I think has contributed so much to Australian life, so much to the life of indigenous people in this country and so much to improving the way by dramatising the issues and drawing attention to them. He did it perhaps in not the way that other people would have done it, but I think what is significant about that is that he was determined to make sure that everyone noticed and he always went out with a bang.

Banking Industry

Senator LIGHTFOOT (Western Australia) (7.46 p.m.)—The four major banks in the nation are something of an anathema, not to put it too mildly, to a vast majority of Australians. Those banks are the National Australia Bank, the Commonwealth Bank of Australia, Westpac and the Australia and New Zealand Bank. The National Australia Bank is not only by far the largest bank in Australia; it is actually the largest company in Australia; it is capitalised at something like $32 billion plus. Not only are there only four banks in Australia today, but the NAB, as it is called, has its eye on the ANZ, and the Commonwealth Bank of Australia—the second biggest bank—has its eye on knocking off Westpac. Today there are four, soon there will be two. Not so long ago there were well over 20 banks in Australia. They included the Commonwealth Savings Bank, the Commercial Bank of Sydney, the Bank of Adelaide, the Savings Bank of South Australia, the Commercial Banking Company of Australia and the state governments had their own banks as well, including the Rural and Industries Bank in Western Australia, my home state. There was also one rather oldie-worldy bank when I was growing up called the English, Scottish and Australian Bank, and there were others. But they are all gone. When I was going to school—which was more years ago now than I would really care to remember—we had a culture of saving money. Two or three of the major banks, particularly the savings banks, would come along and you could put your small change in a bankbook and this gave you a culture of saving your money. Regrettably, that culture has gone. Banks see themselves as having no responsibility for that in Australia. I think that will be something they will regret as time goes by.

Banks try to tell us that they have ‘products’ like mortgages, overdrafts, hedging products, travellers cheques, long bonds, short bonds, et cetera. They are not products; they are services. The banking industry is a service industry. It produces nothing. It does not do anything, bar make money, and it surely is very good at making that. Banks are the biggest earners of money in Australia. The National Australia Bank in fact is one of the 12 biggest banks in the world. Banks are, in effect, money lenders, but they have a flip to that, and that is that they can charge people what they wish because the four of them seem to charge very similar amounts of interest and fees. The National Australia Bank, for instance, is currently before the courts on the charge of colluding with other banks to fix prices. The National Australia Bank says that it has not offended against sections 45 and 45A of the Trade Practices Act that deal with colluding. If it did, it could be fined up to $10 million for each allega-
tion. It is alleged by the ACCC that in fact the National Australia Bank has committed 12 offences over the past six years, two each year. If it had to pay the maximum amount on each fine, that would be, in aggregation, $120 million. Whilst that sounds like a staggering amount to normal people, to the banks that is not much when they are making profits in the billions.

Today one of the great problems with banks—and there are many of them—is with respect to workers’ pays. Workers’ pays are either transferred electronically to their bank account, in which case they get you, or you have to bank your cheque, in which case they get you, too. If you bank a cheque, it takes two to five days to clear. What is happening, which the banks are responsible for, is that you cannot go and cash your cheque at a bank because of the down time needed for them to so-called ’clear it’. So companies like ChequeExchange—and the franchise rights for the Sydney based company in the United Kingdom were bought by one of the heroes of Western Australia, Alan Bond, although he is not so much a hero these days—are set up so you can go to them and they will take the chance, whatever chance that is, and cash your cheque and often they will charge you 25 per cent for doing that. Country towns in my part of the world have had their banks closed, leaving no banking facilities. These include towns that probably nobody would have ever heard of, but they do have people in them, they do have good Australians in them, they do have pioneer people in them. Among those towns are Yalgoo, Cue, Mount Magnet, Daydawn, Meekatharra, Wiluna, Leonora, Leinster, Laverton, Menzies and many others. They have no recourse to banks or banking facilities.

Senator Cook—You’re in government. What are you going to do about it?

Senator LIGHTFOOT—Let me take up Senator Cook’s point—and I appreciate the interjection, which is unusual for an adjournment speech. One of the problems was that when the Labor Party were in power—and I thank Senator Cook again for that interjection—they privatised the Commonwealth Bank. The Commonwealth Bank formerly set the pace. It set the pace by pitching itself with respect to its mortgages, its deposits, and its charges, which were modest by today’s standards and were somewhat lower than the other banks. Today, that rapaciousness seems to have caught up with the Commonwealth Bank of Australia too. Senator Cook should not interject and ask: what are we going to do about it? The Labor Party started the rot with respect to corrupting the banking system in Australia.

There is nothing much with banks these days on overnight money. Coins are anathema. Quite often banks will not even take coins. People who are not on big incomes are allowed a couple of free transactions per month. I understand that the Commonwealth Bank does not allow any. Over-the-counter transactions now cost $3, up from $2—a 50 per cent increase. Only a week or two ago it was $2—now it is $3. In fact, 40 per cent of the banks’ profits on average come from charges that they make over the counter, from the ATMs and so on, and 60 per cent come from their interest rates. I think it is somewhat hypocritical of the Labor Party to ask what we are going to do about it when they started the rot. But, unlike the full privatisation of the Commonwealth Bank, the Labor opposition are not so anxious to allow the government to fully privatise Telstra, which would be to the benefit of all the shareholders and to the benefit generally of most Australians.

How do you fix it? I do not know how you fix it. I have never been through an occasion like this where banks are so detested. I do know about the Bendigo Bank and some of the good work that they do. They are a small bank, and they are actually operating in Western Australia. But obviously the banks need some sort of regulation, Senator Cook, if that answers your question, because the banks cannot be trusted to regulate themselves. Perhaps we need more foreign banks with more access to cheaper overseas money. I am not suggesting at this stage, because I do not have time, how you would hedge that. The Reserve Bank of Australia, the central bank, needs to be more active in policing these extraneous and rapacious charges that the four banks inflict upon the people of
Australia. The Bendigo Bank has licensed over 28 community banks in various parts of Australia, mostly in Victoria. I do not speak very often of another state as having something innovative and over and above that of my state of Western Australia, but in this case the Bendigo Bank has actually come to Western Australia—we have several Community Bank franchises opening in Western Australia. I think that is the way to go. It may not be the complete answer, but it is part of the answer.

We could also look at licensing local governments or a collection of local governments to act as de facto banks. Do the states need to open banks again to rein in the nefarious charges of the four banks? Do we need to give building societies, friendly societies, finance companies and credit unions the same rights that banks have today so that competition increases? We need to make it easier for those who have accounts and are being charged rapaciously by the four banks—and not everyone is, I may add. I am not charged rapaciously by the four banks. I happen to have a reasonable credit and I do rather well out of the banks, so I am not giving this speech tonight based on anything the banks are doing to me. But we need to make it easier for people with accounts at the major banks who wish to shift to other areas without having to go through the 100-point system or the 150-point system in order to establish their bona fides. If they are good enough to bank their money and use the banking facilities of the four major banks, they must be good enough to transfer without having to go through that whole rigmarole. Banks do spawn loan sharks. The instance of Mr Alan Bond buying the ChequeExchange—

Senate adjourned at 7.57 p.m.

DOCUMENTS
Tabling

The following government documents were tabled:
Medibank Private—Statement of corporate intent 2000/01-2002/03.
Public Service and Merit Protection Commission—Reports for 1999-2000—

  State of the service.
  Workplace diversity.

**Tabling**
The following documents were tabled by the Clerk:
Acts Interpretation Act—Statements pursuant to subsection 34C(6) relating to the extension of specified period for presentation of reports—
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Health Services: Program Funding

(Question No. 1862)

Senator Mackay asked the Minister representing the Minister for Health and Aged Care, upon notice, on 19 January 2000:

National Women’s Health Program

Regional Health Service Centres

(1) What was the total amount of funding provided for each program, the period over which it was paid and disbursement to date.

(2) What was the purpose of each program.

(3) Can details be provided of all projects implemented and funding assistance provided to community organisations/groups/private sector under the above programs from 1996 to date.

(4) What are the names of the community organisations/groups/private sector groups that have received funding under these programs, their addresses, and the electorates they are located in.

(5) Can details be provided of the person/organisation/group that announced each project/funding assistance given under these programs, and the date of the announcement.

(6) Can details be provided of the approval process for each project/funding assistance given under these programs, the number of applications, the names of the applicants, the names of the successful applicants, and the name of the person/committee/group who selected the successful applicants.

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

National Women’s Health Program

(1) The National Women’s Health Program began in 1989-90 under cost sharing arrangements between the Commonwealth and States and Territories. Funding was initially for a four year period - phase 1, and for 1992-93 - 1996-97 for phase 2. Annual reports for the Department of Health and Aged Care (and predecessors) indicate Commonwealth funding over this period totalling $52,061,739.00.

(2) The National Women’s Health Program had two purposes. Firstly, to improve access to health services for all women, with an emphasis on those women who suffer inequality of access to services due to economic disadvantage, cultural differences or geographic or linguistic isolation. Secondly, for special projects with national applicability with the aim of influencing the mainstream to be more responsive to women’s health, such as the training of health professionals.

(3) No. The Commonwealth no longer collects information on specific projects in each State and Territory.

(4) The Commonwealth does not hold this information, the disbursement of funds to organisations/groups is a State and Territory responsibility.

(5) No. The Commonwealth does not hold this information for each State and Territory.

(6) No. The Commonwealth does not hold this information for the State and Territories. The States and Territories allocate funding to organisations based on local needs.

Regional Health Service Centres

(1) Regional Health Service Centres have been allocated $42.8 million over four years beginning 1999-2000, to support the development of at least 30 Regional Health Services. To date $123,200 has been expended, with contracts under development for a further $1.5 million.

(2) Regional Health Service Centres aim to improve the health and well being of people in rural Australia by facilitating access to an appropriate mix and range of health and aged care and other
community services. They also aim to play a role in the broader strategy of recruiting and retaining health professionals to work in rural communities.

Communities may access funding through one of two means:

(3) To date the only Regional Health Service that has been approved is in Blanchetown, SA. Blanchetown has received funding of $50,800 to enable the renovation of a building to create a viable community health and aged care centre. The refurbished premises will form a base for visiting health professionals.

A further $72,400 has been spent on infrastructure for the Program including:

. development and printing of the Policy Framework;
. development of a Quality Improvement Framework; and
. development of a resource to support community engagement.

In addition, a further 28 projects have been approved and contracts are currently under development.

(4) Funding for the Blanchetown Community Health and Aged Care Centre was provided to:

Mid Murray Council, 49 Adelaide Road, Mannum, SA

(5) The announcement of the Blanchetown Community Health and Aged Care Centre was made by Mr Neil Andrew, MP, Member for Wakefield on 2 August 1999.

(6) The Regional Health Service in Blanchetown was approved by the Minister for Health and Aged Care. A submission for support was received from Blanchetown, and support was provided on the basis of demonstrated need, and because the proposal was fairly innovative and has the potential, if successful, to be a model adopted by other communities.

Cyprus: Military Occupation

(Question No. 2163)

Senator Bourne asked the Minister representing the Prime Minister, upon notice, on 11 April 2000:

(1) During the forthcoming visit to Turkey by the Prime Minister, does the Prime Minister intend to raise the issue of Turkey’s continued military occupation of Cyprus.

(2) Does the Prime Minister agree that 26 years of illegal military occupation of Cyprus by Turkey is totally unacceptable.

(3) Will the Prime Minister take the opportunity to remind Turkish authorities that their continued military occupation of Cyprus is in complete defiance of innumerable United Nations resolutions on the matter.

(4) Will the Prime Minister be advising Turkey that its continued reluctance to bring about a peaceful resolution to the Cyprus issue is a matter which continues to adversely affect the relationship between Australia and Turkey.

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

(1) The Prime Minister raised the Cyprus issue with Prime Minister Ecevit during his visit to Turkey.

(2) The Government’s position on Cyprus is clear. In November 1999, the Prime Minister joined other Commonwealth leaders in reaffirming support for the independence, sovereignty, unity and territorial integrity of the Republic of Cyprus at the Commonwealth Heads of Government Meeting in Durban.

(3) Consistent with Australia’s desire for a solution in accord with the will of the international community, the Prime Minister stressed to Prime Minister Ecevit the need for both sides involved in the UN-sponsored proximity talks to exercise maximum flexibility. The Prime Minister also welcomed the recent improvement in relations between Turkey and Greece as an opportunity to make progress in resolving differences on Cyprus.
(4) The Prime Minister told Prime Minister Ecevit that there was considerable interest in the issue in both Greek and Turkish communities in Australia, in addition to which Cyprus was a Commonwealth country, where Australia had peace-keepers.

Inquiry into the Use of Pituitary Derived Hormones in Australia and Creutzfeldt-Jakob Disease: Report

(Question No. 2198)

Senator Lees asked the Minister representing the Minister for Health and Aged Care, upon notice, on 2 May 2000:

(1) Is the Minister aware that the Report of the Inquiry into the use of Pituitary Derived Hormones in Australia and Creutzfeldt-Jakob Disease, released in June 1994, only implicated the Commonwealth Serum Laboratory (CSL) and not batches supplied through biomedical departments.

(2) Why did the original inquiry not look at all patients being treated with pituitary-derived hormones, especially hGH 1251, manufactured at Monash Biomedical.

(3) Why were only cases where serum was provided by CSL considered and not those produced, for instance, at Monash Bio-Medicine Department.

(4) (a) Is the Minister aware that because all patients treated were not considered, there have been no health checks on patients who did not receive serum made by CSL (for example, an application for intravenous hGH was made in 1975 by one treating doctor to the Human Pituitary Hormones Advisory Council and it was rejected, at least that was what was stated to the inquiry); and (b) why was this the case.

(5) Was the inquiry misled, as evidence shows that the intravenous use of hGH was being used as early as February 1972.

(6) Does the Minister think it is reasonable that all patients have not been treated equally.

(7) What is being done about approximately 300 ‘short stunted boys’ who in the 1970s were injected with anabolic steroids and who have not been notified that they are carriers of the P53 cancer gene and possibly 78 other side effects of being given anabolic steroids.

(8) Why was section 135A of the National Health Act 1953 not amended as recommended in the above report 6 years ago.

(9) Considering all the abovementioned problems with the initial inquiry, and the injustice faced by those people who as children were subjected to this treatment, does the Government intend to call for a further inquiry into the use of pituitary-derived hormones in Australia.

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

This matter has now been inquired into on two occasions. Once in a fully, independent inquiry headed by Associate Professor Margaret Allars and once by the Senate Community Affairs References Committee. The Allars inquiry was extremely comprehensive and dealt with all matters surrounding the human pituitary hormone program. The Community Affairs References Committee’s inquiry raised a number of issues relating to the program and the Government agrees wholeheartedly with that Committee’s general view that this was a tragic episode for all involved and that support must be given to those affected.

(1) Yes. The purpose of the Inquiry into the Use of Pituitary Derived Hormones in Australia and Creutzfeldt-Jakob Disease (“the Allars Inquiry”) was to examine the operation of the Australian Human Pituitary Hormone Program (AHPHP) and under that program only human pituitary derived hormones processed by CSL were used. However, the Report of the Inquiry into the Use of Pituitary Derived Hormones in Australia and Creutzfeldt-Jakob Disease stated that the Inquiry regarded the instances of unofficial use of both human pituitary gonadotrophin (hPG) and human growth hormone (hGH) by medical practitioners in Australia as falling within its terms of reference. Therefore, the original inquiry examined both official and unofficial use of human pituitary derived hormones and examined the history of hormone collection and processing in Australia by medical establishments as well as the
CSL. The report itself covered treatment with hPG and hGH before the commencement of the AHPHP, and treatment without approval during the period that the AHPHP was in existence. It stated “This unofficial use may have occurred in the course of treatment by a medical practitioner approved to treat under the AHPHP, or treatment by a medical practitioner who did not have such approval, or treatment with hormone produced at a research centre other than CSL”.

(2) and (3) See (1) above.

(4) Given the publicity that surrounded this issue in the early 1990’s I would think that the majority of people who received these hormones, be it official or unofficial, are aware of the issue and have consulted their family physician. As I have already stated, the inquiry examined as fully as possible all uses of human pituitary derived hormones in Australia. Apart from the tracing efforts of the Department in locating both official and unofficial recipients of human pituitary derived hormones, the Allars Inquiry placed a number of advertisements in the national press that described the inquiry and invited written and oral submissions from interested parties. These actions helped to bring to the attention of both the inquiry and the Department a small number of people who were recipients of human pituitary derived hormones who were previously unknown. If, however, the Senator knows of anyone who may have any names of people treated with human pituitary derived hormones who have not been previously contacted on this issue the Department would like to make contact with that person. The Department would assist these people in any way possible.

(5) No, there is no evidence that anyone who appeared before it or made submissions to it misled the Inquiry. The inquiry was a fully independent one, which had bipartisan support. The reference to the intravenous use of hGH as early as February 1972 does not imply any misleading of the Inquiry as the report of the Inquiry states that use of hGH in Australia was known to have been taking place as early as 1965 and possibly as early as 1963.

(6) The Department has made every effort to ensure that recipients have been treated equitably.

(7) I am still awaiting advice from the Office of the National Health and Medical Research Council on this particular matter.

(8) Section 135A of the National Health Act 1953 was amended in 1998 to insert section 5C. This section relevantly provides as follows:

(5C) This section does not prohibit:

(a) ....
(b) the divulging or communication to a person of information relating to the person: or
(c) ....

(9) No, the Government does not propose to hold a further inquiry into this issue now or in the future. The Australian Human Pituitary Hormone Program has already been exhaustively investigated through the Allars Inquiry and the recent Senate Inquiry into the CJD Settlement Offer.

**Myelodysplasia**

*(Question No. 2221)*

Senator Brown asked the Minister representing the Minister for Health and Aged Care, upon notice, on 12 May 2000:

1. (a) Is the Minister aware that Australians suffering from Myelodysplasia which results in a low platelet count and oxygen depletion, are currently unable to benefit from the latest platelet stimulating drug, Neumega, which was approved by the United States Food and Drug Administration in 1997; and (b) is the Minister also aware that the drug Erythropoietin (EPO) which boosts the production of red blood cells and thus haemoglobin, the carrying component of the blood, is only available to patients if they are able to pay for the treatment.

2. Given that, under the Federal Government’s policy, patients must rely on Prednisone for platelet stimulation and regular blood transfusion to boost the red cell count, will the Minister reconsider current government policy concerning non-subsidisation of EPO treatment and at least making Neumega available for use for the treatment of platelet depletion.
Senator Herron—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

(1)(a) Essentially, all medicines, unless they are specifically exempt or excluded, must be either listed or registered in the Australian Register of Therapeutic Goods, before they can be supplied in Australia. Although the US Food and Drug Administration approved Neumega in November 1997, it is not currently approved for use in Australia. Registration for marketing is granted by the Therapeutic Goods Administration (TGA). While a key focus of the TGA is to ensure that consumers have timely access to medicines, registration is conferred only following detailed evaluation of scientific and medical data on the use of a drug. The terms of registration specify those conditions in which the drug has been demonstrated to be acceptably safe and effective.

Under certain circumstances, medical practitioners may use the Special Access Scheme to prescribe drugs not yet approved for the Australian market. Such prescribing enables treatment of serious medical conditions in patients who have provided their informed consent. Approval to obtain such drugs is arranged through the Drug Safety Evaluation Branch of the TGA.

(b) Through the Pharmaceutical Benefits Scheme (PBS), the Government subsidises the cost of drugs and medicinal products to the Australian community, providing reliable and affordable access to a wide range of necessary medicines. Before a medicine can be subsidised via the PBS, it must be assessed by the Pharmaceutical Benefits Advisory Committee (PBAC) – an independent expert body of doctors and other health scientists. The PBAC is required to take into account a number of criteria, including the uses for which a medicine has been approved for marketing in Australia.

Erythropoietin (now known as epoetin) preparations are registered for marketing for the treatment of patients with symptomatic or transfusion-requiring anaemia associated with chronic renal failure. They are available on the PBS for this condition as a highly specialised drug available through hospital pharmacies for outpatients.

Epoetin is also registered for the prevention and treatment of anaemia in adult patients with non-myeloid malignancies. However, it is not registered for marketing for any other conditions, including myelodysplasia, which result in anaemia. Medications cannot be considered for listing on the PBS for the treatment of conditions for which they are not registered.

(2) As indicated above, until the sponsor of Epoetin seeks registration for the treatment of anaemia resulting from myelodysplasia, it cannot be considered for PBS subsidy. Similarly, until the sponsor of Neumega seeks and receives appropriate marketing approval for this product and applies for a PBS listing to include the treatment of anaemia resulting from myelodysplasia, the PBAC is not in a position to be able to consider it for subsidisation under the PBS.

Endosulfan: Australian Maximum Residue Level
(Question No. 2293)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 31 May 2000:

(1) What is the current Australian Maximum Residue Level (MRL) for endosulfan.

(2) Has the MRL for endosulfan varied since January 1998; if so: (a) on how many occasions has it been varied; and (b) what was the basis for each variation.

(3) What is the current international MRL for endosulfan.

(4) Has the international MRL for endosulfan varied since January 1998; if so:

(a) on how many occasions has it been varied; and

(b) what was the basis for each variation.

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

(1) The current Australian Maximum Residue Limits for endosulfan in food are listed in Standard A14 – Maximum Residue Limits of the Food Standards Code.

Endosulfan: Australian Maximum Residue Level
(Question No. 2293)
(2) There has been no variation to the MRLs in the Food Standards Code for endosulfan since January 1998.

(3) The current Codex Alimentarius Commission MRLs for endosulfan are listed in the plenary paper of the 32nd session of the Codex Committee on Pesticide Residues entitled Residues of Pesticides in Foods and Animal Feeds, CX/PR 00/5, April 2000.

(4) There has been no variation to the MRLs of the Codex Alimentarius Commission for endosulfan since January 1998.

**Department of Health and Aged Care: Fringe Benefits Tax Paid**

(Question No. 2314)

Senator O’Brien asked the Minister representing the Minister for Health and Aged Care, upon notice, on 7 June 2000:

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

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

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

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

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

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

(1) (a) and (b) The value of fringe benefits tax (FBT) payments made by the department and agencies are as follows:

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(2) Incentives attracting FBT, in the department and agencies, are:

- Motor vehicle,
- Expense payments (including Association Membership, semi-official phones, mobile phones, Internet access, spouse accompanied travel, remote locality leave fares, departmental awards, payments of HECS fees),
- Housing,
- Loans,
- Living-away-from-home allowance,
- Property,
Car Parking.
Entertainment,
Private Health Insurance
(3) Information on the compliance costs of calculating the FBT for the department and its agencies in
the above years is not available as specific records are not kept for completing the tasks.
(4) Incentives, other than those attracting FBT were:
Performance Payments
Retention/Attraction Allowances
Bonus Payments
Specialist Scientific & Management Skills Allowances
(5) The compliance costs associated with the calculation of non-FBT incentives are not available as
specific records are not kept for this activity.

Department of the Prime Minister and Cabinet: Public Opinion Research
(Question No. 2649)

Senator Faulkner asked the Minister representing the Prime Minister, upon notice, on 9
August 2000:

(1) Since 1 July 1999, has the department, or any agency in the portfolio, commissioned or
participated in any way in public opinion research in non-metropolitan areas; if so, which agency or
which functional area of the department.

(2) What was the purpose of this research and what were the objectives as set out for the research
company or body when commissioned.

(3) Was any of this research designed to test the reaction of rural and regional constituents to Federal
Government decisions, policies or potential policies, in any way similar to the research described in the

(4) (a) Which company or other body carried out the research; (b) what were the research methods to
be used; and (c) what was the expected timetable for this research.

(5) Was any of the work sub-contracted to any other company or body; if so, why, and to which
company or body.

(6) What were the results of this research.

(7) Who made the request that this research be undertaken, and who authorised the expenditure.

(8) What was the estimated cost of this research, and what was the total cost.

(9) How will the results of this research be used.

Senator Hill—The Prime Minister has provided the following answer to the honourable
senator’s question:
I am advised by my department as follows:

(1) Yes

(2) Government Communications Unit (GCU) – test government branding and the authorisation of
government advertising tag lines.

Referendum Taskforce (RT) – Neutral Public Education Programme (NPE) – quantitative tracking
research for advertising; Yes Advertising Campaign (YES) – research services for the Yes Advertising
Campaign Committee; No Advertising Campaign (NO) – market research for the No Advertising
Campaign Committee

Commonwealth Ombudsman (Ombudsman) – survey on complaints against the Office.

(3) No
(4)(a) Worthington Di Marzio (GCU); Newspoll Market Research (NPE); ANOP Research Services Pty Ltd (YES); Nexus Quantum Pty Ltd (NO); ACNielsen Pty Ltd (Ombudsman) respectively.
(b) Qualitative and quantitative research, public consultation sessions, telephone survey
(c) September 1999 (GCU); September 1999 (NPE); July/September/October 1999 (YES); July/August 1999 and September/November 1999 (NO); May/June 2000 (Ombudsman)
(5) No
(6) The use of the terms ‘Federal Government’ and ‘Commonwealth Government’ in advertising and branding authorisation was understood (GCU).
Awareness of the referendum and levels of knowledge on issues was established (RT); results to date conclude that the majority of clients are satisfied with the service (Ombudsman)
(7) Ministerial Committee on Government Communications, authorised by the Government Communications Unit; Referendum Taskforce.
Yes Advertising Campaign Committee, authorised by the Referendum Taskforce; No Advertising Campaign Committee, authorised by the Referendum Taskforce; Ombudsman, authorised by the Deputy Ombudsman (Ombudsman).
(8) Estimated $20,000, total cost $19,600 (GCU)
Estimated $56,320, total cost $54,420 (NPE)
Estimated $750,000, total cost $750,000 (YES)
Estimated $350,000 plus contingency of $50,000 for agreed additional research, total cost $379,680 (NO)
Estimated $47,000 total likely to be $48,000 (Ombudsman)
(9) To inform the MCGC on the wording for government branding and authorisation tag (GCU).
To develop and implement the referendum neutral public education programme advertising (NPE).
Develop and implement the Yes Advertising Campaign (YES)
Develop and implement the No Advertising Campaign (NO)
Improve operations of the Office (Ombudsman).

Australian Quarantine and Inspection Service: Imported Ginger
(Question No. 2718)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 14 August 2000:
(1) On how many occasions since January 1999 have officers from the Australian Quarantine and Inspection Service (AQIS) seized imported fresh ginger.
(2) In each case:
(a) what was the source of the ginger;
(b) what was the value of the ginger;
(c) who attempted to import the product; and
(d) what action was taken against those people seeking to import the ginger into Australia.
(3) What are the diseases that could be introduced into Australia by imported fresh ginger.
(4) Can fresh ginger be legally imported into Australia; if so, from where can imports be sourced and what conditions are applied to imports.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
(1) Since January 1999 there have been two commercial consignments of imported fresh ginger seized by officers of the Australian Quarantine and Inspection Service (AQIS). In addition there have
been a number of seizures of non-commercial quantities of fresh ginger in the course of day to day quarantine operations at international airports and mail exchanges.

(2) With regard to the two commercial consignments of fresh ginger.

(a) Thailand and China.

(b) 2,410kg valued at $24,100 and 23,060kg valued at $230,600.

(c) and (d) One consignment has been seized and re-exported. As the other consignment is subject to possible legal action, it is inappropriate to provide further details at this time.

(3) Pathogens that could be introduced to Australia on imported fresh ginger are as follows:

Nematodes
Caloosia exilis
Helicotylenchus abunaanai
Hoplolaimus indicus (Basirolaimus indicus)

Fungi
Glomus multicaule
Graphium album
Leptosphaeria zingiberi leaf spot
Memnoniella echinata black rot
Mucor racemosus
Nectria inventa
Phylosticta zingiberi (Phylosticta zingiberis; Phoma zingiberis; Phoma zingiberi) leaf spot
Pyricularia zingiberi black blotch
Pythium pleroticum wet rot
Pythium spinosum
Pythium zingiberum rhizome rot
Stachybrotys atra storage rot
Stachybrotys sansevieriae
Trichurus spiralis grey rot

Bacteria
Xanthomonas campesiris pv. zingibericola (Xanthomonas zingibericola) streak leaf blight

Viruses
Ginger chlorotic fleck sobemovirus

In addition, while certain races and biotypes of Ralstonia solanacearum (Pseudomonas solanacearum), bacterial wilt, are present in Australia, there is potential quarantine risk associated with exotic races and biotypes. A similar situation exists for the fungus, Fusarium oxysporum f. sp. Zingiberi, the causal agent of yellows in ginger.

(4) Fresh ginger for direct human consumption is prohibited from entry into Australia for quarantine reasons. However, fresh ginger for processing into dried, crystallised, pickled or preserved ginger is permitted into Australia under strict quarantine conditions whereby it must be processed at an AQIS registered processing plant where any further quarantine risk is removed though processing of the ginger. Residues such as skin or soil from the processing of the ginger are treated and disposed of in a quarantine-approved manner.
Regional Telecommunications Infrastructure Fund: Applications
(Question No. 2731)

Senator O’Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 16 August 2000:

(1) How many applications, by federal electorate, for funding through the Regional Telecommunications Infrastructure Fund (RTIF) were considered by the RTIF Board in the 1999-2000 financial year.

(2) What was the nature of each of the above applications and, in each case, what was the value of the grant sought.

(3) How many of the above applications, by federal electorate, for funding through the RTIF were approved.

(4) In relation to the applications made for assistance through the RTIF, how many were supported by the relevant state or territory advisory panel.

(5) When applications for assistance through the RTIF were supported by the relevant state or territory advisory panel but rejected by the RTIF Board, in each case what was the reason for the rejection.

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

(1) The Board considered 316 applications in the 1999-2000 financial year. Attachment A provides details about applications for funding under the program, by federal electorate. The information includes the electorates in which applicant organisations are based.

(2) Attachment A (copies are available from the Senate Table Office) includes a project category for each application and the value of the grant sought by each application.

(3) The Board approved 174 projects in the 1999-2000 financial year. Attachment A indicates projects approved by the NTN Board, by federal electorate.

(4) 178 applications were supported by state and territory advisory panels in 1999-2000. In addition, there were 12 instances where the advisory panels gave mixed responses; four instances where advisory panel comments were not applicable (these were in relation to applications for projects in external territories); two instances where the advisory panel did not provide a response and one instance where they were undecided.

(5) Of the 178 applications supported by state and territory advisory panels, the NTN Board did not approve 43. The table at Attachment B lists the funding criteria against which these 43 applications were rejected.

Regional Telecommunications Infrastructure Fund: Applications
(Question No. 2732)

Senator O’Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 16 August 2000:

(1) On how many occasions, and on what dates, were applications for funding through the Regional Telecommunications Infrastructure Fund (RTIF) considered by the RTIF Board in the 1999-2000 financial year.

(2) At each of the these meetings: (a) how many applications were considered; and (b) how many of the applications considered were approved.

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

(1) The Networking the Nation Board met on four occasions (including two teleconferences) during the 1999-2000 financial year to consider funding applications. The dates of the NTN Board meetings are outlined in the table below.
(2) Information on the number of applications considered and approved during NTN Board meetings is provided in the table below. This does not include applications to vary funding for previously approved projects.

<table>
<thead>
<tr>
<th>Date of Board Meeting</th>
<th>Applications considered</th>
<th>Applications approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-18 November 1999</td>
<td>145</td>
<td>70</td>
</tr>
<tr>
<td>21 March 2000</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>28 April 2000</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>17-18 May 2000</td>
<td>160</td>
<td>94</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>316</strong></td>
<td><strong>174</strong></td>
</tr>
</tbody>
</table>

Regional Telecommunications Infrastructure Fund: Applications
(Question No. 2733)

Senator O’Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 16 August 2000:

(1) In the 1999-2000 financial year how many applications for assistance through the Regional Telecommunications Infrastructure Fund (RTIF) failed to meet the minimum standard required for referral to the RTIF Board.

(2) (a) What was the nature of each project that failed to meet the minimum standards required; (b) what was the amount of funding sought; and (c) from which federal electorate was each failed application made.

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

(1) and (2) There is no requirement for applications for assistance to reach a minimum standard before they are considered by the Board. All applications for assistance from eligible applicants are referred to the Board for its consideration.

Regional Tourism Program: Applications
(Question No. 2734)

Senator O’Brien asked the Minister representing the Minister for Sport and Tourism, upon notice, on 16 August 2000:

(1) How many applications were received, by federal electorate, for assistance through the Regional Tourism Program in the 1999-2000 financial year and how many applications have been received to date in the 2000-01 financial year for financial assistance through this program.

(2) (a) How many of the above applications, by federal electorate, were approved; (b) what was the nature of each successful application; and (c) in each case what was the value of the grant.

(3) What assessment process was followed in relation to each application for assistance through the Regional Tourism Program in the 1999-2000 financial year and to date in the 2000-01 financial year.

(4) Who granted the final approval for each successful application in the above periods.

Senator Minchin—The Minister for Sport and Tourism has provided the following answer to the honourable senator’s question:

(1) **REGIONAL TOURISM PROGRAM (RTP) 1999-2000**

Total number of applications processed under RTP Guidelines was 641. See table below.

Note: Electorate of each proposal has been established, where possible, based on the location of the project. Where this does not provide accurate enough information, as in the case of nationally applicable projects, electorate has been based on postcode location of the contact officer.

<table>
<thead>
<tr>
<th>Adelaide</th>
<th>15</th>
<th>Dickson</th>
<th>1</th>
<th>Kalgoorlie</th>
<th>21</th>
<th>New England</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ballarat</td>
<td>9</td>
<td>Dobell</td>
<td>1</td>
<td>Kennedy</td>
<td>19</td>
<td>Newcastle</td>
<td>2</td>
</tr>
</tbody>
</table>
Nil proposals received in the 2000-01 financial year to date.

**REGIONAL ONLINE TOURISM PROGRAM (ROTP) 1999-2000**

ROTP is a separate component of the overall RTP funding allocation. Total number of applications processed under ROTP Guidelines was 117. See table below.

<table>
<thead>
<tr>
<th>Region</th>
<th>5</th>
<th>Grey</th>
<th>1</th>
<th>Melbourne</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ballarat</td>
<td>1</td>
<td>Groom</td>
<td>1</td>
<td>Melbourne Ports</td>
<td>1</td>
</tr>
<tr>
<td>Barker</td>
<td>3</td>
<td>Gwyder</td>
<td>2</td>
<td>New England</td>
<td>3</td>
</tr>
<tr>
<td>Bass</td>
<td>2</td>
<td>Herbert</td>
<td>1</td>
<td>Northern Territory</td>
<td>3</td>
</tr>
<tr>
<td>Blaxland</td>
<td>1</td>
<td>Hindmarsh</td>
<td>1</td>
<td>North Sydney</td>
<td>3</td>
</tr>
<tr>
<td>Braddon</td>
<td>1</td>
<td>Hinkler</td>
<td>2</td>
<td>Page</td>
<td>1</td>
</tr>
<tr>
<td>Brisbane</td>
<td>3</td>
<td>Hughes</td>
<td>1</td>
<td>Parkes</td>
<td>3</td>
</tr>
<tr>
<td>Calare</td>
<td>2</td>
<td>Hume</td>
<td>1</td>
<td>Paterson</td>
<td>1</td>
</tr>
<tr>
<td>Cook</td>
<td>1</td>
<td>Indi</td>
<td>1</td>
<td>Petrie</td>
<td>1</td>
</tr>
<tr>
<td>Corangamite</td>
<td>1</td>
<td>Leichhardt</td>
<td>2</td>
<td>Richmond</td>
<td>1</td>
</tr>
<tr>
<td>Corio</td>
<td>1</td>
<td>Lindsay</td>
<td>1</td>
<td>Ryan</td>
<td>2</td>
</tr>
<tr>
<td>Cowper</td>
<td>4</td>
<td>Longman</td>
<td>1</td>
<td>Shortland</td>
<td>1</td>
</tr>
<tr>
<td>Denison</td>
<td>1</td>
<td>Lyne</td>
<td>2</td>
<td>Sydney</td>
<td>15</td>
</tr>
</tbody>
</table>
REGIONAL ONLINE TOURISM PROGRAM (ROTP) 2000-2001

Nil proposals received in 2000-01 financial year to date.

(2) REGIONAL TOURISM PROGRAM (RTP) 1999-2000

36 applications were approved under RTP Guidelines, see table below.

<table>
<thead>
<tr>
<th>ELECTORATE</th>
<th>#</th>
<th>Nature of project</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>1</td>
<td>Expand safari business by increasing the properties involved. Create a support network between properties and arrange a conference to discuss and develop the safari concept</td>
<td>50,000</td>
</tr>
<tr>
<td>Barker</td>
<td>4</td>
<td>Development of a program to train young adults in tourism industry skills and knowledge while actively engaged in assisting the Mount Gambier tourism industry</td>
<td>28,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improvements to the Granite Island penguin viewing area, including restoration of the bird’s habitat and development of boardwalks and signage.</td>
<td>54,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of a web site for educational and promotional purposes at Naracoorte Caves</td>
<td>30,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Construction of three purpose built, architecturally designed cabins in Deep Creek Conservation Park, Fleurieu Peninsula.</td>
<td>55,000</td>
</tr>
<tr>
<td>Bendigo</td>
<td>1</td>
<td>Restoration of mine machinery for a ‘Cage Rider’ attraction and the development of theatrical sound and light equipment to allow on-site theatre at the Central Deborah Mine and on the Bendigo Trams</td>
<td>65,000</td>
</tr>
<tr>
<td>Braddon</td>
<td>2</td>
<td>Construct a tree top viewing platform, a forest boardwalk and a below ground ‘swamp box’ at Dismal Swamp so that visitors can understand the nature of Blackwood and its uses.</td>
<td>90,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Develop the current hand made paper mill to include observation areas, hands on papermaking areas for tourists and an interactive museum experience on papermaking and its history, particularly in relation to the Burnie area.</td>
<td>28,000</td>
</tr>
<tr>
<td>Bradfield</td>
<td>1</td>
<td>Develop a self paced learning package for regional tourism event managers/organisers including a workbook, on-line learning/teaching/professional development resources and a voluntary support network.</td>
<td>40,000</td>
</tr>
<tr>
<td>Brand</td>
<td>1</td>
<td>Establishment of the tourist railway departure facility at Pinjarra Railyards, provision of an elevated railway signal box and an all weather viewing facility</td>
<td>90,000</td>
</tr>
<tr>
<td>Brisbane</td>
<td>1</td>
<td>A project to provide landholders with information on the ‘critical success factors’ needed to develop high quality nature based tourist attractions on privately owned land</td>
<td>20,000</td>
</tr>
<tr>
<td>ELECTORATE</td>
<td>#</td>
<td>Nature of project</td>
<td>$</td>
</tr>
<tr>
<td>------------</td>
<td>---</td>
<td>-----------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Calare</td>
<td>1</td>
<td>Refurbishing the display area of the National Motor Racing Museum in Bathurst to bring it up to the standard of the recently completed Stage 2 redevelopment.</td>
<td>40,000</td>
</tr>
<tr>
<td>Corio</td>
<td>1</td>
<td>Development of the maritime museum within the historic Geelong Customs house</td>
<td>100,000</td>
</tr>
<tr>
<td>Cowper</td>
<td>2</td>
<td>Enhance existing tourism attraction through the construction of a new large pool to allow people to swim with and interact closely with dolphins and seals. Build a surf museum that will include memorabilia from throughout Australia and the world and include merchandise and surfboards featuring designs from koori artists in the Coffs Harbour area.</td>
<td>135,000</td>
</tr>
<tr>
<td>Forrest</td>
<td>1</td>
<td>Creation of an artificial reef, recreational dive site and tourist attraction from the guided missile destroyer HMAS Perth.</td>
<td>80,000</td>
</tr>
<tr>
<td>Fraser</td>
<td>1</td>
<td>Provision of an outdoor area with educational and interactive activities and exhibits at the National Dinosaur Museum</td>
<td>55,000</td>
</tr>
<tr>
<td>Gippsland</td>
<td>1</td>
<td>Expand the existing keeping Place to create a broader indigenous tourism experience, including an amphitheatre for koori music and dance, indigenous food and a fauna park</td>
<td>85,000</td>
</tr>
<tr>
<td>Kalgoorlie</td>
<td>2</td>
<td>Create a new ethnobotanical garden within the grounds of the Museum of the Goldfields which will provide information on traditional Aboriginal foods and medicines. Establishment of 4 tented safari camps to provide high quality facilities for tourists in the Kimberley region.</td>
<td>60,000</td>
</tr>
<tr>
<td>Kennedy</td>
<td>2</td>
<td>Revitalise the Sugarama Theatre adjoining the Australian Sugar Industry Museum to provide a multipurpose exhibition and event space. Expansion of accommodation facilities at Tyrconnell Historic Goldmine to include a village for luxury camping and two self contained heritage style cottages.</td>
<td>92,000</td>
</tr>
<tr>
<td>Leichhardt</td>
<td>1</td>
<td>Development of facilities for the Mowbray Falls Enviropark, a world class futuristic nature based day and overnight visitor attraction.</td>
<td>90,000</td>
</tr>
<tr>
<td>Lyons</td>
<td>1</td>
<td>Construction of boardwalks and viewing platforms, installation of burrow cameras, signage and a small information/education shelter to enable more visitors to experience the penguins</td>
<td>23,000</td>
</tr>
<tr>
<td>Mallee</td>
<td>1</td>
<td>Improvements tot he Tulklana Kumbi Aboriginal Gallery and retail outlet which has relocated from Dareton to Mildura to provide greater tourist access.</td>
<td>50,000</td>
</tr>
<tr>
<td>Maranoa</td>
<td>1</td>
<td>Construction of the Australian Rodeo Heritage Centre, comprising exhibits and facilities for tourist bookings, online and Internet services.</td>
<td>90,000</td>
</tr>
<tr>
<td>Northern Territory</td>
<td>4</td>
<td>Research and display the Aboriginal culture of Central Australia, including photos, artefacts, bushtucker, music, dance and arts and crafts. Situate on land next to the Red Centre resort.</td>
<td>55,000</td>
</tr>
</tbody>
</table>
**REGIONAL ONLINE TOURISM PROGRAM 1999-2000**

25 applications were approved under ROTP guidelines, see table below.

All grants were for Internet Web Site Development.

<table>
<thead>
<tr>
<th>ELECTORATE</th>
<th>Nature of project</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adelaide</td>
<td>2</td>
<td>$60,000</td>
</tr>
<tr>
<td>Barker</td>
<td>1</td>
<td>$50,000</td>
</tr>
<tr>
<td>Brisbane</td>
<td>2</td>
<td>$60,000</td>
</tr>
<tr>
<td>Calare</td>
<td>1</td>
<td>$14,000</td>
</tr>
<tr>
<td>Corio</td>
<td>1</td>
<td>$60,000</td>
</tr>
<tr>
<td>Eden Monaro</td>
<td>1</td>
<td>$50,000</td>
</tr>
<tr>
<td>Farrer</td>
<td>1</td>
<td>$22,000</td>
</tr>
<tr>
<td>Fisher</td>
<td>1</td>
<td>$35,000</td>
</tr>
<tr>
<td>Forrest</td>
<td>2</td>
<td>$50,000</td>
</tr>
<tr>
<td>Gwydir</td>
<td>1</td>
<td>$21,000</td>
</tr>
<tr>
<td>Herbert</td>
<td>1</td>
<td>$16,000</td>
</tr>
<tr>
<td>Hume</td>
<td>1</td>
<td>$60,000</td>
</tr>
<tr>
<td>Lyne</td>
<td>1</td>
<td>$58,000</td>
</tr>
<tr>
<td>Lyons</td>
<td>2</td>
<td>$60,000</td>
</tr>
<tr>
<td>Maranoa</td>
<td>1</td>
<td>$12,000</td>
</tr>
<tr>
<td>McEwen</td>
<td>1</td>
<td>$60,000</td>
</tr>
</tbody>
</table>

**ELECTORATE # Nature of project $**

<table>
<thead>
<tr>
<th>Nature of project</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restore the NFA class steam locomotive and reactivate 1.1km of railway track as a working tourist railway at Pine Creek.</td>
<td>95,000</td>
</tr>
<tr>
<td>Development of an interpretation centre in the foyer of the Central Australian Aboriginal Media Association building featuring indigenous media and an ‘on air’ viewing area for the radio station.</td>
<td>100,000</td>
</tr>
<tr>
<td>Redevelop the camping ground at Glen Helen, to include camping sites for individuals, local tour operators and a coach camping ground.</td>
<td>90,000</td>
</tr>
<tr>
<td>Construction of a native animal enclosure at Dryandra specifically designed for minimal impact wildlife viewing.</td>
<td>80,000</td>
</tr>
<tr>
<td>Upgrade the existing museum and visitor centre at the Royal Flying Doctor Service Broken Hill base.</td>
<td>70,000</td>
</tr>
<tr>
<td>Construction of a working hot glass studio to showcase artistic glass techniques in Wagga Wagga.</td>
<td>95,000</td>
</tr>
<tr>
<td>Design and apply a methodology for estimating tourism regional economic contribution and potential.</td>
<td>90,000</td>
</tr>
<tr>
<td>Development of whale viewing facilities, entrance features, landscaping and associated works</td>
<td>90,000</td>
</tr>
<tr>
<td>Redevelopment of Neptune’s Reefworld by incorporating a marine interpretive centre and upgraded aquarium display.</td>
<td>95,000</td>
</tr>
</tbody>
</table>
(3) In accordance with the Program guidelines, the assessment of proposals is conducted by Departmental officers based on the degree to which the proposals meet the program guidelines and merit criteria. All proposals are moderated as a group to ensure consistency of assessment. State and territory tourism agencies and other relevant Commonwealth Government agencies are consulted for comment about the tourism potential of the projects, the strategic merit of the proposals and their capacity to produce real economic benefits for their regions. The assessment process yields a final list of projects recommended for funding.

Assessment has not commenced for 2000-01.

(4) Mr Robert Crick, Head of Division, Sport and Tourism, Department of Industry Science and Resources.

Centrelink: Rural Land Asset Testing
(Question No. 2752)

Senator West asked the Minister for Family and Community Services, upon notice, on 16 August 2000:

With reference to pension and benefit recipients:

(1) Can the Minister outline the process adopted in rural areas by the department to value and revalue small acreages in excess of five acres for the purpose of asset testing.

(2) How often are revaluations undertaken.

(3) Is the pension or benefit recipient advised of the revaluation prior to any pension adjustment.

(4) How are the pensioners or beneficiaries advised of any changes to the valuation and the possible pension adjustments that may occur.

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

(1) Centrelink has no special processes relating to valuations for rural areas as distinct from other parts of Australia, nor for small acreages as distinct from larger ones.

Centrelink relies on information provided by customers about their assets, however, valuations are requested when there is a possibility that a customer will be affected by the assets test because of their assets, or, in some cases, when there is doubt about the estimate of value of the assets provided by the customer.

Where a formal valuation is required, the Australian Valuation Office values customers’ properties on Centrelink’s behalf.

(2) Centrelink initiated revaluations occur no more than every two years.

(3) See below.

(4) Centrelink does not routinely provide customers with the asset details recorded and used to assess entitlement, because in most instances customers are the source of this data, however, this information is available to customers on request.

Where property values are changed as a result of Centrelink initiated action, customers are advised by letter when their payment rate is reduced, or their payment is cancelled. Customers are not always advised of changes to their payment when payment rates increase or remain unchanged as a result of the revaluation.
Department of Family and Community Services: Grants to Employer Organisations
(Question No. 2786)

Senator O’Brien asked the Minister for Family and Community Services, upon notice, on 24 August 2000:

(1) What grants or other payments were made to employer organisations by the department or any of its agencies in the 1996-97 financial year.

(2) In each case: (a) what was the purpose of the grant or other payment; (b) what was the actual value of the grant or other payment; and (c) was the grant or other payment made as a result of an application from the organisation.

(3) If the grant or other payment was made in response to an application from the organisation, in each case: (a) how was that application assessed; and (b) who approved the application.

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

(1) This information is not available for the Commonwealth Service Delivery Agency as it did not commence operation until 1 July 1997 followed by Centrelink commencing operation on 24 September 1997.

In 96/97 grants were provided to the Pharmacy Guild (Tasmania Branch), SA Employers Chamber of Commerce and Industry, Construction Forestry Mining Energy Union (CFMEU) and Council of Small Business Organisations of Australia (COSBOA).

(2) (a) Grants were for:
   . Pharmacy Guild - Continence Aids Assistance Scheme (CAAS)
   . SA Employers Chamber of Commerce and Industry - Disability employment assistance service;
   . CFMEU – disability employment assistance service in SA
   . CFMEU – disability employment assistance service in VIC
   . CFMEU – Special Employment Placement Officer (SEPO)
   . COSBOA – Special Employment Placement Officer (SEPO)

(b) The following amounts were paid in 96-97:
   . Pharmacy Guild- $93,204
   . SA Employers Chamber of Commerce and Industry- $583,006
   . CFMEU (SA service)- $70570
   . CFMEU (VIC service)- $60994
   . CFMEU (SEPO)- $20,000
   . COSBOA (SEPO)- $160,000

(c) Application processes in 96-97:
   . Pharmacy Guild – Not known.Minister Newman no longer has portfolio responsibility for this program.
   . SA Employers Chamber of Commerce and Industry- Ongoing funding
   . CFMEU (SA service)- Ongoing funding
   . CFMEU (VIC service)- Ongoing funding
   . CFMEU (SEPO)- Ongoing funding
   . COSBOA (SEPO)- Information not readily available – files in archives

(3) (a) COSBOA and Pharmacy Guild grants – information not available (see 2c).Other organisations have ongoing funding.

(b) COSBOA and Pharmacy Guild grants – information not available (see 2c).
Department of Family and Community Services: Grants to Employer Organisations
(Question No. 2805)

Senator O’Brien asked the Minister for Family and Community Services, upon notice, on 24 August 2000:

(1) What grants or other payments were made to employer organisations by the department or any of its agencies in the 1997-98 financial year.

(2) In each case: (a) what was the purpose of the grant or other payment; (b) what was the actual value of the grant or other payment; and (c) was the grant or other payment made as a result of an application from the organisation.

(3) If the grant or other payment was made in response to an application from the organisation, in each case: (a) how was that application assessed; and (b) who approved the application.

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

(1) For Centrelink, the information is not readily available and obtaining it would impose a considerable impact on the organisation’s resources. Centrelink commenced using a new financial management database in 1999.

In 97/98 grants were provided to the Construction Forestry Mining Energy Union (CFMEU).

(2) (a) CFMEU grants were for the provision of employment assistance for people with a disability through service outlets in SA and VIC.

(b) The following amounts were paid in 97/98 to:
   . Service outlet in SA - $70,258; and
   . Service outlet in VIC - $60,724.

(c) Ongoing funding.

(3) (a) Not relevant.

Department of Family and Community Services: Grants to Employer Organisations
(Question No. 2824)

Senator O’Brien asked the Minister for Family and Community Services, upon notice, on 24 August 2000:

(1) What grants or other payments were made to employer organisations by the department or any of its agencies in the 1998-99 financial year.

(2) In each case: (a) what was the purpose of the grant or other payment; (b) what was the actual value of the grant or other payment; and (c) was the grant or other payment made as a result of an application from the organisation.

(3) If the grant or other payment was made in response to an application from the organisation, in each case: (a) how was that application assessed; and (b) who approved the application.

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

(1) In 98/99 grants were provided to the Construction Forestry Mining Energy Union (CFMEU), the Council of Small Business Organisations of Australia, Victorian Employers Chamber of Commerce and Industry, and the Pharmacy Guild of Australia.

(2) (a) Grants were for:
   . CFMEU – disability employment assistance services in SA and wage subsidies to employers providing jobs for people with a disability;
   . CFMEU – disability employment assistance service in VIC and wage subsidies to employers providing jobs for people with a disability.
   . COSBOA – Special Employment Placement Officer (SEPO).
Victorian Employers Chamber of Commerce and Industry - to pay for a Centrelink staff member to attend a training course.

Pharmacy Guild - to pay for Centrelink Jobs, Education and Training customers to attend pre-vocational courses.

(b) The following amounts were paid in 98/99 to:

CFMEU (SA service) - $71,164 for employment assistance and $7,148 for wage subsidies;

CFMEU (VIC service) - $61507 for employment assistance and $27,695 for wage subsidies.

COSBOA – $2,873.

Victorian Employers Chamber of Commerce and Industry - $140.

Pharmacy Guild - $6,055.

(c) Only wage subsidy grants to CFMEU were made as a result of an application from the organisation.

(3) (a) Wage subsidy grants were based on a funding formula approved by the Minister responsible at the time and the number of organisations applying for the limited funds.

(b) The wage subsidy agreement was signed by Minister’s delegate in the State Office.

Department of Family and Community Services: Grants to Employer Organisations

(1) What grants or other payments were made to employer organisations by the department or any of its agencies in the 1999-2000 financial year.

(2) In each case: (a) what was the purpose of the grant or other payment; (b) what was the actual value of the grant or other payment; and (c) was the grant or other payment made as a result of an application from the organisation.

(3) If the grant or other payment was made in response to an application from the organisation, in each case: (a) how was that application assessed; and (b) who approved the application.

Senator O’Brien asked the Minister for Family and Community Services, upon notice, on 24 August 2000:

(1) In 99/00 grants were provided to the Construction Forestry Mining Energy Union (CFMEU), Printing Industries Association and the Pharmacy Guild of Australia.

(2)(a)

CFMEU - grants were for the provision of employment assistance and to provide wage subsidies for people with a disability through a service outlet in SA. Employment assistance and wage subsidy grants were approved for a service outlet in VIC but were cancelled as the service formed a separate organisation in its own right.

Printing Industries Association - for a Centrelink staff member to attend a printing sales training course.

Pharmacy Guild - for Centrelink Jobs, Education and Training customers to attend pre-vocational courses.

(b)

CFMEU - $71,439 was paid for employment assistance and $9,602 for wage subsidies.

Printing Industries Association - $1,476.

Pharmacy Guild - $13,530.

(c)

CFMEU - had to apply for wage subsidy funding.
Printing Industries Association and the Pharmacy Guild of Australia payments were not made as a result of an application from the organisation.

(3)(a)
CFMEU - wage subsidy funding distributed according to a funding formula approved by the responsible Minister and the number of organisations applying for the funding.
Printing Industries Association and the Pharmacy Guild of Australia – not applicable.

(b)
CFMEU - wage subsidy agreement was signed by Minister’s delegate in the State Office.
Printing Industries Association and the Pharmacy Guild of Australia – not applicable.