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Thursday, 2 November 2000

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

NOTICES

Presentation

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

That the time for the presentation of the report of the Select Committee on Superannuation and Financial Services on its initial terms of reference be extended to 15 March 2001.

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

That the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund be authorised to hold a public meeting during the sitting of the Senate on 9 November 2000, from 4 pm to 7 pm, to take evidence for the committee’s inquiry into indigenous land use agreements.

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

That the Senate—
(a) notes that the University of Newcastle will receive $5.66 million in new research grants, as announced by the Minister for Education, Training and Youth Affairs (Dr Kemp) on 31 October 2000, after recommendations from the Australian Research Council;
(b) congratulates the efforts of academics and researchers at the university, who have demonstrated a high level of professionalism and work in order to receive such recognition through grants;
(c) welcomes the Federal Government’s commitment to research at regional universities, with the Minister’s announcement of $210 million worth of grants for Australian universities; and
(d) welcomes funding for universities, which remain a major driver of employment in regional areas.

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

That the Senate—
(a) notes:
(i) that people using the Internet now have access free of charge to the pictorial collections of Australia’s leading cultural institutions through an initiative called PictureAustralia by the National Library of Australia, and
(ii) that Internet users will be able to see pictures depicting Australia in a range of areas from food, to fashion, to the famous; and
(b) congratulates the National Library of Australia for collecting the various images of Australia into an accessible resource and an excellent historical archive.

BUSINESS

Government Business

Motion (by Senator Ian Campbell) agreed to:

That the following government business orders be considered from 12.45 p.m. till not later than 2.00 p.m. this day:

No. 4—Patents Amendment (Innovation Patents) Bill 2000;
No. 5—ACIS Administration Amendment Bill 2000;
No. 6—Veterans’ Affairs Legislation Amendment Bill (No. 1) 2000;
No. 7—National Crime Authority Amendment Bill 2000 (No. 2); and
No. 8—Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Bill 1999.

General Business

Motion (by Senator Ian Campbell) agreed to:

That the order of general business for consideration today be as follows:

(1) general business notice of motion No. 741 standing in the name of Senator Carr, relating to the Australian Broadcasting Corporation; and
(2) consideration of government documents.

NOTICES

Postponement

An item of business was postponed as follows:

General business notice of motion No. 743 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, proposing an order for the production of a document by the Special...
Minister of State (Senator Ellison), postponed till 28 November 2000.

COMMITTEES

Rural and Regional Affairs and Transport Legislation Committee

Reference

Motion (by Senator Calvert) agreed to:

That the following matter be referred to the Rural and Regional Affairs and Transport Legislation Committee for inquiry and report by the last sitting day in March 2001:

The administration and management by the Australian Quarantine and Inspection Service and the Department of Agriculture, Fisheries and Forestry Australia's Biosecurity Australia group of all aspects of the consideration and assessment of proposed importation to Australia of fresh apple fruit from New Zealand.

Employment, Workplace Relations, Small Business and Education Legislation Committee

Extension of Time

Motion (by Senator Tierney) agreed to:

That the time for the presentation of the report of the Employment, Workplace Relations, Small Business and Education Legislation Committee on the provisions of the Education Services for Overseas Students Bill 2000 and four related bills be extended to 28 November 2000.

BUSINESS

Days and Hours of Meeting and Routine of Business

Motion (by Senator Ian Campbell) agreed to:

(1) That the order of the Senate of 30 November 1999, as amended, relating to hearings by legislation committees on the 2000-01 budget estimates, be modified as follows:

Omit: ‘Wednesday, 29 November and, if required, Friday, 1 December’;

Insert: ‘Wednesday, 22 November and, if required, Friday, 24 November’.

Omit: ‘Thursday, 30 November and, if required, Friday, 1 December’;

Insert: ‘Thursday, 23 November and, if required, Friday, 24 November’.

(2) That the Senate shall sit on Wednesday, 29 November 2000, and Thursday, 30 November 2000.

(3) That on Tuesday, 7 November 2000, Tuesday, 28 November 2000, and Tuesday, 5 December 2000:

(a) the hours of meeting shall be 2 p.m. to 6.30 p.m. and 7.30 p.m. to 11.10 p.m.;

(b) the routine of business from 7.30 p.m. to 10.30 p.m. shall be government business only; and

(c) the question for the adjournment of the Senate shall be proposed at 10.30 p.m.

(4) That on Thursday, 9 November 2000, Thursday, 30 November 2000, and Thursday, 7 December 2000:

(a) the hours of meeting shall be 9.30 a.m. to 6.30 p.m. and 7.30 p.m. to 11.10 p.m.;

(b) the routine of business from 7.30 p.m. to 10.30 p.m. shall be government business only;

(c) divisions may take place after 6 p.m.; and

(d) the question for the adjournment of the Senate shall be proposed at 10.30 p.m.

(5) That the Senate shall sit on Friday, 10 November 2000, and Friday, 1 December 2000, and that:

(a) the hours of meeting shall be 9.30 a.m. to 4.25 p.m.;

(b) the routine of business shall be government business only;

(c) the sitting of the Senate shall be suspended for 45 minutes from approximately 12.30 p.m.; and

(d) the question for the adjournment of the Senate shall be proposed at 3.45 p.m.

SARDAR SAROVAR PROJECT

Senator BROWN (Tasmania) (9.34 a.m.)—I ask that notice of motion No. 731 standing in my name for today relating to the Sardar Sarovar dam and project in India be taken as a formal motion.

Leave not granted.

Suspension of Standing Orders

Senator BROWN (Tasmania) (9.34 a.m.)—Pursuant to contingent notice, I move:
That so much of the standing orders be suspended as would prevent Senator Brown moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 731.

This is a very important motion to hundreds of thousands of our fellow human beings. I do not believe that it ought not be a matter for urgent discussion in this chamber because of the fixed view of the opposition that anything to do with matters outside our national boundaries is not a matter for debate in this chamber—certainly under the process of motions at this time. The motion reads:

That the Senate—

(a) notes the 2 to 1 judgement of the Supreme Court of India to allow the Sardar Sarovar project in the Narmada Valley—

for those who do not know, that is to the north of Mumbai and inland from the western Indian coastline—

to proceed to completion ‘at the earliest’, and that this will lead to progressive increases in the height of the dam wall to 90 metres and beyond with the agreed consequences—

that is, agreed by the three judges—

of displacing thousands of minority peoples from their ancient living areas against their will, without the promised rights to rehabilitation and despite the drowning of affected environments; and

(b) respectfully calls on the President (Mr Narayanan) and the Prime Minister (Mr Vajpayee) of India to implement the precautionary approach of the minority Judge J Bharuch recommending that further construction ceases until a committee of experts gives it an environmental clearance.

This is an extraordinary project. This is going to drown the lives of not just hundreds, not just thousands, but eventually hundreds of thousands of poor people who have no say. We know from past progress that they are going to have, through lies and cheating at the highest level, displacement without restitution.

I point to an earlier project in India—the flooding of the Pong dam in 1961—where a high official, Morarji Desai, said to the people being flooded by that project:

We will request you to move from your houses after the dam comes up. If you move, it will be good. Otherwise we shall release the waters and drown you all.

I am quoting from Arundhati Roy’s recently printed book, *The cost of living*. Ram Bai, whose village was submerged when the Bargi dam was built on the Narmada, the system we are talking about—I think there are some 3,000 dams proposed for this one river system—now lives in a slum in Jabalpur instead of getting the rehabilitation they promised. This woman now says:

Why didn’t they just poison us? Then we wouldn’t have to live in this shithole and the government could have survived alone with its precious dam all to itself.

We are in a world where it is very important that we stand for the rights of poor people, particularly indigenous people. The process now for the people on the Narmada is to stay with their homes. Some of them are threatening to stay there and drown rather than be moved because it is, indeed, the end of their lives.

Let me finish by quoting from Arundhati Roy’s new book. She says:

Even as I write, the monsoon is raging outside my window. It’s high noon, but the sky is dark, and my lights are on. I know that the waters of the Sardar Sarovar reservoir are rising every hour. More than ten thousand people face submergence.

I believe we should express our concern for our fellow human beings and this environment. We should be sending this message to the authorities of India. I am at least grateful that in this democratic chamber I have had the opportunity to speak up for those people in this awesome circumstance.

**Senator O’BRIEN (Tasmania)** (9.39 a.m.)—I thank Senator Brown for deferring this motion from yesterday. As he knows, we have a process of consultation about motions that appear in the Senate and our process had
not been completed at that time, so I thank Senator Brown for that courtesy. It was conveyed to Senator Brown’s office this morning that we do not support the motion, although we could only leave a message on the telephone answering machine—that is not a criticism, just a statement of fact. Indeed, we do not support the suspension or the motion and there is a variety of reasons why.

I am charged with addressing why this matter should not be given precedence. Even having heard all the comments of Senator Brown, I have to say that this motion is not a motion that cannot be dealt with in the ordinary course of the business of the Senate. There are good reasons why this matter ought to be given proper consideration. I do not think that anything Senator Brown said indicated that this matter was so imminent that it had to be dealt with today. The opposition have for some time had a policy in relation to these matters and that is that, where they are controversial, they should be properly debated rather than dealt with on a formal basis, and we do not resile from that position. We simply say that, in relation to this matter, there is nothing in the matters that have been put before us that indicates that it is a matter which is so pressing that not dealing with it today would mean that the subject would not be available to us to consider later. For that reason we will be opposing the motion.

Senator BARTLETT (Queensland) (9.41 a.m.)—I would like to speak briefly to this issue. It is an important one. Whilst it concerns a development—perhaps that is not the right word—or an operation in India rather than Australia, it is very significant. It highlights again some of the problems and difficulties that ordinary people in developing countries have in trying to retain basic human rights. There is any number of examples that could be pointed to of inappropriate projects and developments that have caused immense disruption to everyday people in many parts of the world. In this context, it is worth drawing attention to the Democrat legislation, put forward by Senator Bourne, aimed at trying to ensure appropriate standards of behaviour by Australian companies overseas, and that would include projects such as this. This project does not involve Australian companies, but any Australian company involved in any project or proposal would need to operate in a manner that met appropriate standards. That is one example of the Democrats’ attempts to try to raise the standards of behaviour and to try to prevent unfortunate occurrences like this one continuing to happen as they do.

If they have the opportunity, it would be worth while for all senators to obtain a copy of a speech that was given yesterday during lunch time at the National Press Club by Anita Roddick, the founder of the Body Shop. She spoke about corporate behaviour and the need for greater morality in the business world. The power of economics nowadays far outweighs, in many cases, the power of governments. In that context, it is crucial that we try not only to bring attention to issues like this but also to raise the standards of behaviour in corporations, governments and citizens around in the world, and the belief in their actions. It was a fascinating and very inspirational speech, and I very much recommend it to everybody. It goes to the heart not specifically of this project but of why these things continue to happen and why it is such a problem that they do. The precautionary approach that was recommended by the majority judge in this case is a crucial one not just in environmental terms but in terms of human rights and human lives. It is, I think, appropriate that we seek every opportunity to incorporate that not just into law but into behaviour and into the ethos of the global community.

Question resolved in the negative.

**REVIEW OF PARLIAMENTARIANS’ ENTITLEMENTS**

Motion (by Senator Murray) agreed to:

That the Senate requests the Auditor-General:

(a) to review all expenditures and entitlements accruing to parliamentarians and ministers as administered by the Department of Finance and Administration, the parliamentary departments and, in the case of ministers, their home departments; this review to cover the 1999-2000 financial year;

(b) to report before 30 June 2001;
(c) to consider in the review or audit matters including:

(i) the identification of where the rules and guidelines on expenditures and entitlements are unclear or imprecise,
(ii) whether the administration of such allowances, entitlements and expenditures is adequate, and whether the bureaucracy has sufficient resources and means to do the job required of them,
(iii) which line items should in future require regular audit,
(iv) which line items should be publicly reported singly or in the aggregate,
(v) which line items should be benchmarked to determine unusual or excessive expenditure, and
(vi) which line items should be subject to comparative assessment between parliamentarians; and

(d) to determine which expenditures and entitlements are potentially at risk of abuse and should be tightened up.

COMMITTEES

Public Accounts and Audit Committee

Report

Senator CALVERT (Tasmania) (9.45 a.m.)—On behalf of Senator Gibson, I present the following report of the Joint Committee of Public Accounts and Audit: Report No. 379, Contract management in the Australian Public Service. I move:

That the Senate take note of the report.

I seek leave to incorporate a tabling statement in Hansard.

Leave granted.

The statement read as follows—

Madam President, on behalf of the Joint Committee of Public Accounts and Audit, I have pleasure in presenting the Committee’s Report No. 379, Contract Management in the Australian Public Service.

The search for excellence in contract management is one of the most pressing challenges for the APS. With the move to greater outsourcing of programs and services, public sector agencies must equip themselves with a range of skills, knowledge and experience to ensure that contract management is efficient and effective.

The following figures help to give some context to the scale of contract management in the APS:

- in 1998–99, there were just over 111 000 purchasing transactions of goods and services of value greater than $2 000 reported by Commonwealth Government agencies, totalling $7.9 billion; and
- over 30 000 suppliers are awarded contracts of value greater than $2 000 by the Commonwealth annually.

Madam President, in view of the public monies allocated to purchasing goods and services, and the complexities of managing government contracts, it is essential that this aspect of public administration be given sufficient and ongoing scrutiny.

The Committee, therefore, examined the following issues:

- the adequacy of the accountability framework;
- major contracting fundamentals including contract specifications and performance monitoring; and
- the key challenges for contract management personnel.

The Accountability Framework

Madam President, the key issue that has arisen as part of this and other inquiries is the growing extent to which executive government is applying commercial-in-confidence status to all or parts of government contracts.

The Committee concluded that accountability and parliamentary scrutiny is being eroded through the application of commercial-in-confidence status to all or parts of government contracts.

The Committee concluded that accountability and parliamentary scrutiny is being eroded through the application of commercial-in-confidence status to all or parts of government contracts.

The Committee, after reviewing a range of accountability options, recommended an accountability framework that would, if implemented, be effective and practical. The framework includes the following key principles:

- that all contract management staff must have the highest regard for public and parliamentary accountability, and accept, in the first instance, that all government contracts will be subject to full public scrutiny; and
- if it can be shown that public access to a government contract is not in the Commonwealth’s best interest then a claim can be made to exclude certain clauses of a contract from public access but not the entire contract.

Madam President, if Commonwealth agencies maintain that part of a contract must be confidential then they must give reasons to the parliament. The Committee, therefore, recommended that all CEOs under the FMA Act should, whenever claiming commercial-in-confidence, issue a certificate stating which parts of a contract and why these parts are to be withheld.

Each agency is expected to respond to this recommendation. Those agencies that reject the recommendation will need to state this and give reasons to the Committee.
In addition to this measure, the Committee proposed that all agencies:

- must establish and maintain an effective contract register;
- must indicate in their Annual Reports if they have exempted any contracts, exceeding $2000 in value, from notification in the Purchasing and Disposals Gazette;
- the Auditor-General should conduct a review of agency performance in complying with the reporting requirements of the Gazette Publishing System; and
- that the Ombudsman Act 1976 be amended to extend the jurisdiction of the Ombudsman to include all government contractors.

The Committee again reviewed the access powers of the Auditor-General, and reaffirmed recommendation five in Report 368 which stated that the Auditor-General must have access to contractors’ premises for the purpose of inspecting and copying documentation and records directly related to a Commonwealth contract, and to inspect any Commonwealth assets held on the premises of the contractor. This power is an essential part of the accountability process and will be another tool in protecting the Commonwealth’s interests.

The overwhelming evidence to this inquiry, from both industry and government agencies, is that Auditor-General access to contractors’ premises is accepted by contractors and has not led to them raising their prices. In addition, the equivalent of the Auditor-General in the United States, the Comptroller General, does have the power to access contractor premises.

**Contracting Fundamentals**

Madam President, I now turn to the Committee’s examination of key contracting fundamentals. Drafting appropriate and effective contract specifications is considered to be the key element from which all other contracting responsibilities are tied. The Committee noted the support for the use of functional/performance based specifications over process specifications. Functional specifications help to develop innovative approaches in achieving outcomes.

Madam President, the Committee’s examination revealed a case of excessive monitoring which, based on the evidence, the contractor could not fulfill. BUSY Inc has a contract with the Department of Employment, Training and Youth Affairs to provide Entry Level Training Support Services. One of the key performance specifications of this contract requires BUSY Inc to visit every employer every six to 10 weeks to ensure adequate service provision. Visits must be personal.

The problem is BUSY Inc has 20,000 ‘files’ which relate to clients at various progress stages. The Committee suggests, that if this performance requirement is correct, then BUSY Inc would not be able to complete the task using email let alone by personal visits. The Committee draws this example to the attention not only of DETYA but all agencies as a constant reminder to appropriately specify monitoring exercises that are cost and time effective yet produce adequate decision making information.

In relation to performance monitoring, the Committee noted that the Auditor-General has revealed several weaknesses with agency contract performance management. These include not specifying adequate performance information, not using the information to adequately monitor performance, and not undertaking regular consultation with the service provider. In view of the this, the Committee concluded that all agencies should, as part of their internal audit program, review the adequacy and effectiveness of their contract key performance measures and monitoring frameworks.

In relation to risk management, the Auditor-General found that there was minimal consideration of the contract management risks associated with the final two phases of the contract lifecycle, namely contract administration and performance monitoring and contract succession. Therefore, the Committee concluded that the Department of Finance and Administration, in its next edition of *Competitive Tendering and Contracting Guidance for Managers*, should ensure that advice and guidance on risk management addresses all phases of the contract lifecycle.

Madam President, one of the major issues examined under risk management is the allocation of risk between contractors and the Commonwealth. The Commonwealth’s approach to risk allocation is that risks should be managed by the party most capable of controlling that risk. The Committee notes concerns by industry organisations that government agencies often sought to transfer as much risk as possible to contractors.

While the Committee supports the position that risk should be managed by the party best able to control it, agencies should take note of industry concerns. Risk allocation, however, must remain a negotiation issue between the Government agency contracting out and the service provider.

**Contract Management Personnel**

Finally, I turn to the Committee’s examination of contract management personnel. Madam President, legal aspects of contract management are critical. It is essential that all contract managers...
have legal awareness. Apart from day to day management, this legal awareness will ensure that a contract manager, who must have a broad range of skills, will know when to seek legal advice. Agency CEOs must provide the training opportunities for contract staff to acquire critical skills and knowledge such as legal awareness.

The Committee noted that corporate memory is a vital part of effective corporate management. While agencies understand this, there was little information on strategies for retaining and strengthening corporate knowledge. Therefore, the Committee concluded that CEOs should undertake an internal audit of contract staff focusing on skills, expertise, and separation patterns.

Madam President, the Committee is pleased to note that more agencies are reporting that they have centralised purchasing units which provide a source of procurement and contract management expertise which other staff can use for guidance and advice. This trend follows a finding made by the Committee in *Report 369, Australian Government Procurement*.

In conclusion, Madam President, I would like to express the Committee’s appreciation to those people who contributed to the inquiry by preparing submissions and giving evidence at public hearings.

I would like to thank the members of the sectional committee for their time and dedication in conducting this inquiry. I also thank the secretariat staff who were involved in the inquiry: the Secretary to the Committee, Margot Kerley; sectional committee Secretary, Stephen Boyd; research officer, Ms Paola Cerrato-D’Amico and administrative officer Tiana Gray.

Madam President, I commend the Report to the Senate.

Senator HOGG (Queensland) (9.46 a.m.)—I rise to speak on this report, as it is a report of great significance arising out of an earlier report of the Joint Public Accounts and Audit Committee on Australian government procurement. This report is entitled *Contract management in the Australian Public Service*. It goes one step further in examining the processes involved in Australian Public Service procurement, which is a very large area indeed. Paragraph 1.6 on page 3 of the report outlines the reasons for the inquiry. I will elaborate on this as I go through a brief examination of the report. Paragraph 1.6 states:

With the move to greater outsourcing of programs and services, public sector agencies must equip themselves with a range of skills, knowledge and experience to ensure that contract management is efficient and effective.

At the end of the day, what we are seeking is that the Commonwealth gets value for money in the massive number of contracts that are let. The report referred to that: there were some 111,753 in 1998-99, and the value of contracts greater than $2,000 reported by Commonwealth government agencies totalled $7.9 billion. So we are indeed dealing with a large amount of money, and we are indeed dealing with a real need for accountability to ensure that those contracts are, firstly, proper contracts and, secondly, pursued properly and delivered to the Commonwealth in a fit and proper manner.

Chapter 2 of the report goes to the issue of accountability. Paragraph 2.1 of the report says:

> Previous inquiries have concluded that this trend— that is, the trend to commercial-in-confidence—is reducing parliamentary accountability and the public’s ‘right to know’.

One of the things that I have pursued in this place is the right of the parliament and the public to know of the expenditure of the Commonwealth in its various departments over a period of time. One of the obstacles that has been put in place against people such as me trying to inquire into the efficacy of some of these contracts is that very issue of commercial-in-confidence.

The second part of paragraph 2.5 goes on to point out the mechanisms available to the parliament and to the public for accountability. One of the mechanisms that I am closely associated with is estimates. It is in the estimates process where I and many of my colleagues have run into the difficulties of commercial-in-confidence. This report is timely because it notes that this greater trend to application of commercial-in-confidence is reducing parliamentary accountability and the public’s right to know.

It is interesting to note the comments of the Australian National Audit Office at paragraph 2.37 when they say:
From our perspective, it is probably too easy at the moment for agencies to claim commercial-in-confidence. We think that the weighting should come back the other way, but I would still say that there would be instances where we have to be very careful with that information.

So the situation is that the ANAO have run into difficulties with commercial-in-confidence. They are saying that the weighting has moved too far the other way, resulting in many of these contracts where commercial-in-confidence is claimed not having the transparency that should and must apply.

The report goes on, quite rightly, to point out at paragraph 2.38:

The ANAO in addressing the application of commercial-in-confidence to government contracts supports a reverse onus of proof test. That is, ‘information should be made public unless there is a good reason for it not to be.’

That seems fair and reasonable. The ANAO go on to say in paragraph 2.38:

The ANAO indicated that this would ‘require the party that argues for non-disclosure to substantiate that exposure would be harmful to its commercial interests.’

That is a very important tenet that has been placed in this report to draw attention to the fact that commercial-in-confidence is being used; it is being weighted against public accountability and transparency. There needs to be a shift, and that shift needs to come back very much the other way. The report went on to say that the committee would not endorse the codification of a set of principles for determining whether commercial-in-confidence should be able to be claimed in the writing of a contract. Nonetheless, the committee did urge in its report at para 2.76 that there should be:

... preventative measures, suggested by the ANAO, that would help to change the culture and approach of contract managers towards accountability. In particular, contract managers must accept the premise that government contracts should be subject to full public scrutiny.

That is what the public wants; that is what the parliament wants; that is what we must have. This cloak of secrecy caused by the claim of commercial-in-confidence is insufficient. Whilst the committee would not codify a set of principles for the claiming of commercial-in-confidence, it recommended at para 2.80:

That all CEOs under the Financial Management and Accountability Act 1997 should, whenever claiming commercial-in-confidence, issue a certificate stating which parts of a contract and why these parts are to be withheld.

It will be interesting to see the response that we get from the government on that recommendation, but it may well be just a small start in removing this grab that seems to be going on to claim commercial-in-confidence within contracts. The report went on at para 2.127 to reaffirm an already stated recommendation of the committee in its report 368 in respect of the access by the Auditor-General to appropriate records such that the Auditor-General can be reasonably confident that the delivery of the contract has been covered for the Commonwealth government. The recommendation bears reading. It says:

The Committee recommends that the Minister for Finance make legislative provision, either through amendment of the Auditor-General Act or the Finance Minister’s Orders, to enable the Auditor-General to access the premises of a contractor for the purpose of inspecting and copying documentation and records directly related to a Commonwealth contract, and to inspect any Commonwealth assets held on the premises of the contractor, where such access is, in the opinion of the Auditor-General, required to assist in the performance of an Auditor-General function.

There we have a recommendation, where we now have a great deal of outsourcing, to give the Auditor-General the appropriate access so that accountability can be assured for the parliament and for the government of the day.

In concluding, I just want to say that there are some other important issues which I have not touched on, one being the need for corporate memory to be retained within the Public Service such that the management of contracts can be handled in a fit and proper manner. The other issue, of course, is the training and the education of those people who are managing the contracts, because we believe as a result of this inquiry that there is a need for best practice to ensure that value for money is being given to the Commonwealth in the management of contracts in the Australian Public Service. I commend the
report to the Senate and I seek leave to con-
tinue my remarks.

Leave granted; debate adjourned.

WOOL SERVICES PRIVATISATION
BILL 2000

CHILD SUPPORT LEGISLATION
AMENDMENT BILL (No. 2) 2000

First Reading

Bills received from the House of Repre-
sentatives.

Senator IAN CAMPBELL (Western
Australia—Parliamentary Secretary to the
Minister for Communications, Information
Technology and the Arts) (9.56 a.m.)—I indi-
cate to the Senate that those bills which have
just been announced are being introduced
together. After debate on the motion for the
second reading has been adjourned I shall be
moving a motion to have the bills listed
separately on the Notice Paper. I move:

That these bills may proceed without formali-
ties, may be taken together and be now read a
first time.

Question resolved in the affirmative.

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (Western
Australia—Parliamentary Secretary to the
Minister for Communications, Information
Technology and the Arts) (9.57 a.m.)—I
move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

WOOL SERVICES PRIVATISATION BILL 2000

The Wool Services Privatisation Bill 2000 is the
final step to deliver privatisation of the wool in-
dustry services provider, the Australian Wool
Research and Promotion Organisation (AWRAP)
and its operating subsidiary, The Woolmark
Company. It passes ownership of the manage-
ment of wool industry services into the hands of
wool growers and reduces Government’s in-
volvement to overseeing statutory funding and
accountability. The process to establish the most
appropriate structure to replace AWRAP has been
comprehensive, and well supported by wool
growers. It has been a strong example of Gov-
ernment and industry working together to achieve
a common goal.

The initial impetus for reform stemmed from the
low demand and poor prices for wool over the
last decade. In response to the uncertainty felt by
many in the wool industry, the Government ap-
pointed the wool industry Future Directions Task-
force in December 1998, chaired by the Hon Ian
McLachlan AO, to define the issues facing the
wool industry and to identify appropriate re-
sponses. The Government supported the broad
thrust of the recommendations in the Taskforce
report.

A voluntary wool grower ballot, known as Wool-
Poll 2000, was conducted in March this year, with
wool growers indicating their preferences for a 2
per cent wool tax to be invested in R&D, technol-
yogy transfer and delivery and some information
services. In response to the WoolPoll result, the
wool tax rate was lowered to an interim rate of 3
per cent from 1 July 2000. This interim rate is to
cover the costs of transition to a mainly research
and innovation body, and from a Government
authority to private ownership. The levy will be
further reduced to 2 per cent as soon as these
costs are met following the establishment of the
new arrangements.

Following WoolPoll, a process to identify the
most appropriate Corporations Law structures to
replace AWRAP was undertaken in conjunction
with the wool Interim Advisory Board (IAB) and
the Woolgrower Advisory Group (WAG). The
preferred structure received unanimous endorse-
ment from the IAB and the WAG.

The new structure

The bill provides that AWRAP will be converted
to a Corporations Law holding company limited
by shares, to be called Australian Wool Services
Ltd. It is proposed that AWRAP’s successor will
have two principal subsidiary companies. The
boards to be established under the new arrange-
ments will be responsible primarily to their
shareholders, rather than to Government.

One subsidiary of the holding company, nomi-
nally called “CommercialCo”, is expected to be
AWRAP’s current subsidiary, The Woolmark
Company. CommercialCo will be involved in the
commercial development of the Woolmark and its
sub-brands and the commercialisation of intel-
lectual property matters.

The other subsidiary, nominally called
“R&DFundCo”, will manage the proceeds from
the wool levy and will outsource wool industry
R&D. It will also manage intellectual property
arising from this research.
The creation of the two subsidiaries allows for transparency and contestability in the expenditure of levy funds, as well as maximising the commercial potential of the assets.

These arrangements also provide flexibility for the new main Board to consider the demerging of the holding company from its subsidiaries within 12 to 24 months, leaving the two subsidiaries as stand-alone commercial companies directly owned by shareholders.

**Wool tax to a wool levy**

The bill allows for the establishment of a wool levy to replace the current wool tax. This change will see the compulsory industry contribution arrangements harmonised with all other agricultural industry levies. The wool levy will continue at the same rate as the wool tax, currently 3 per cent. The establishment of the wool levy will also help in the future conduct of wool levy rate ballots and will also assist to maintain the accuracy of the shareholder register by ensuring accurate wool levy information is passed onto the register managers.

**Shareholder arrangements**

A List of Eligible Woolgrowers as provided for in the bill allows for shares in the holding company to be issued to eligible wool growers. This list of shareholders will form a dual-class register which gives voting entitlements to shareholders in relation to activities of the R&DFundCo subsidiary and the CommercialCo subsidiary.

The bill also provides for a period in which incorrectly issued shares can be removed from the register to ensure its accuracy.

Wool growers will be invited to apply for shares by providing evidence of wool tax paid over the three-year period to 30 June 2000. The establishment of a voluntary shareholder register is a major logistical exercise. At this stage, the intention is that I will sign off on the list of woolgrower shareholders in time for the company to be established on 1 January 2001, subject to appeal procedures and dispute resolution procedures being completed by the company over the following 6 months.

**Taxation Issues**

In relation to tax treatment, Government worked on the simple principle that neither the new company nor its shareholders should be disadvantaged in moving to the new privatised arrangements. To achieve this, the bill includes provisions which exempt the company and shareholders from certain taxes in relation to specific steps involved in the re-structure process.

There will be a nil cost base for CGT purposes for shares issued in the new arrangements. This was a decision based on two good reasons. Firstly, wool growers will not pay for the shares they receive and in the payment of their wool tax for industry research and other services, there was no expectation that this would lead to realising equity. Secondly, growers have already been able to claim a deduction for the wool tax they have paid which results in their share allocation. To establish a cost base now would essentially mean wool taxpayers would receive a double benefit.

**Accountability**

Whilst Government is committed to minimising its involvement in the new arrangements, as long as payments continue to be made to the company by the Government, it is appropriate for Government to responsibly monitor the expenditure of those payments. The bill provides for the Government to enter a contract with the company in relation to payments of wool levy and matching Government R&D contributions.

**Commencement**

The bill provides for the new arrangements to commence on a date to be proclaimed. This is to ensure that all outstanding issues are completed prior to the privatisation of AWRAP and its subsidiary, The Woolmark Company. It is intended that this will be before 1 January 2001.

**HR Strategy**

Consistent with the Government’s policy for guiding decision-making on staffing and employees conditions matters in privatisation processes, a strategy is being developed to ensure that AWRAP staff are transferred to the new arrangements without breaching their employment contracts.

**Inaugural Board**

It has always been intended that the new Board will be drawn from the existing IAB and supplemented as necessary where additional members or skills-mix are required. The new Board will not have a Government member, consistent with the commitment to the wool industry to minimise Government involvement in the new arrangements.

**Benefits of privatisation**

The process to privatise AWRAP is in response to industry calls for reform. The new arrangements differ from AWRAP in a number of key areas which address industry concerns:

- Wool taxpayers will be the owners of the new arrangements;
between those parents who have little or no contents of ongoing contact. It also distinguishes acknowledgment of the costs to non-resident parents between 10% and 30%. This provides a modest transparent allowance for the costs of contact of administrative formula to introduce a specific and effective service delivery; shareholders in CommercialCo will have the opportunity to realise future capital gain as a result of share trading; and the new companies will operate as commercial entities under the Corporations Law.

Conclusion

The first suite of amendments will modify the Child Support Scheme in a balanced way, resulting in a fairer scheme.

I take great pleasure in commending this bill.

CHILD SUPPORT LEGISLATION AMENDMENT BILL (No. 2) 2000

This Government values families and children and has worked to improve the circumstances of all Australian families. The major benefits of the family assistance package and the $240 million Stronger Families and Communities Strategy are prime examples of the Government’s commitment to families and children.

This bill builds upon these initiatives by addressing key issues for the wellbeing of Australian families following separation. It provides for a fairer Child Support Scheme that addresses the needs of parents and children alike, and that encourages parents to continue to be involved in the lives of their children.

A package of child support measures was announced in the Budget to address key concerns of separated parents. The measures in this bill will improve the Child Support Scheme in a balanced way, resulting in a fairer scheme.

The first suite of amendments will modify the administrative formula to introduce a specific and transparent allowance for the costs of contact of between 10% and 30%. This provides a modest acknowledgment of the costs to non-resident parents of ongoing contact. It also distinguishes between those parents who have little or no contact and those who have regular contact with their children. Non-resident parents typically face fixed costs, such as providing a separate bedroom, household items and clothing, as well as the recurring costs of food, health care and entertainment. By recognising that parents incur costs during contact, the measure will improve the ability of non-resident parents to maintain contact with their children. Contact with both parents is important for the emotional needs and development of children. If parents have ongoing contact with their children, they are also more likely to meet their child support obligations.

The measure used to set the upper limit (or “cap”) on payer taxable income that can be subject to child support formula assessment will be aligned with that used in relation to the payee’s income. The result will be a lower cap of around $79,000. The current level of the cap means that some high-income payers are paying more in child support than the costs of their children. The new level of the cap will address this. The new cap will still see resident parents of these children receiving child support of over $12,000 a year for one child, $18,000 for two children and higher amounts for three or more children.

Parents who take on additional work to support their new family will be able to apply to the Child Support Agency to have the additional income excluded from the assessment of child support. Parents will have the income disregarded only if they can demonstrate that the income was earned for the sole purpose of providing support to the children in their new family. To qualify, the additional income cannot be earned as part of the normal earning pattern of the parent prior to establishing the new family. The amount of income that can be excluded will be limited to a maximum of 30% of the parent’s total income. This measure will assist parents in their efforts to improve the position of their new family, without unduly affecting their first family.

The fairness of the means testing arrangements for Government provided family assistance will be improved by allowing a full deduction for all child support paid. Currently, if a payer forms a new family, only half of the child support they pay is deducted from their household’s income when their entitlement to family assistance is calculated. A full deduction will mean that child support payers with children in new families will have their family tax benefit and child care benefit assessed on income that reflects the actual income available to their new family.

Among the non-Budget measures in the bill are changes that reflect the relocation in late 1998 of the Child Support Agency from the Australian
Taxation Office to the Department of Family and Community Services. These changes will mean that the Commissioner of Taxation is no longer the Child Support Registrar. Instead, the Registrar will be the General Manager of the Child Support Agency. The changes are designed to ensure a seamless transition to the new arrangements and will ensure the CSA continues to operate effectively by preserving the existing arrangements for exchange of information between the ATO and the CSA.

Amendments made by the bill will also enable the Registrar to issue a departure prohibition order to prevent a payer who has persistently failed to meet his or her child support obligations from leaving the country. In practice, the CSA will use this power if the payer is able to pay the outstanding debt but has consistently refused to do so and other attempts to collect this debt have been unsuccessful. If the payer makes satisfactory arrangements to pay the debt, the CSA will be able to revoke the order and will also be able to authorise a specific departure if appropriate. The provisions are consistent with the existing departure prohibition order scheme in place in relation to taxation debtors.

The requirement is being removed, in the CSA’s change of assessment process, for the CSA to provide each party with a copy of all documents provided by the other in support of his or her application—instead, the CSA will provide only the application without the supporting documents. This change is intended to protect the privacy of both parents in that process.

The bill will set up a regulation making power to allow certain amounts to be excluded from income so that the current $260 annual minimum child support liability will not apply. Other amendments will overcome problems that have arisen when a child has (effectively) run away from his or her parents to live with a third party against the parents’ wishes, and the third party carer applies for child support from the parents. This change relates to situations in which the child is living with someone other than his or her parents. The carer in this situation will not generally be an eligible carer if the parents have not consented to the child living with that person. However, if it would be unreasonable for the child to live with the parents (because there has been extreme family breakdown or the child’s safety would be at risk), the person can be an eligible carer.

A range of technical amendments are also being made to overcome drafting errors or omissions, and unintended consequences of previous changes to the legislation.

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

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

INDIGENOUS EDUCATION (TARGETED ASSISTANCE) BILL 2000

In Committee

Consideration resumed from 1 November.

The TEMPORARY CHAIRMAN (Senator Hogg)—The committee is considering the Indigenous Education (Targeted Assistance) Bill 2000 and amendments Nos 1 and 2 on sheet 1196 moved together, by leave, by Senator Carr.

Senator CARR (Victoria) (9.57 a.m.)—The minister is not here at the moment, and I am waiting on a response to some questions that have been raised. He will have those, I am sure. He will be able to tell me the date on which the guidelines cleared the legal and audit branch of the department, I have got no doubt. Here he is. There have been some discussions this morning about this bill. My concerns concerning the guidelines were canvassed with officers and the minister’s office this morning, and I understand that there have emerged some proposals with regard to the amendments I have moved to this bill. I have not actually seen the government’s response to these matters so is it possible, Minister, for me to have a look at the wording that is being proposed?

Senator ELLISON (Western Australia—Special Minister of State) (9.59 a.m.)—I gather, Senator Carr, that there has been some discussion between your office and that of the minister for education in relation to this matter. I have before me a draft proposed amendment which I can provide to you so that we can go through it. It basically states, under the heading ‘Report to parliament’:

The Minister, as soon as practicable after the information is available and at least annually, from 2002, must cause to be laid before each House of Parliament, a report on:

(a) how funding appropriated under this Act has been distributed, annually, by institution and by State and sector;
(b) all performance information requested and collated, aggregated by State and sector as re-
ported in the National Report on Schooling in Australia; and

(c) the reason for any decisions to reduce funding to any provider.

That relates to I think clause 19 of the bill. It would come in under part 5 as a fresh clause which would be added on after the previous clauses of the bill. So it would not amend any particular clause in that bill but would come in as an amendment to the bill. I do not know how you find that, Senator Carr.

Senator CARR (Victoria) (10.02 a.m.)—

Minister, I appreciate that these things have been done in a hurry. Unfortunately, the proposal that we spoke of this morning, before the commencement of business, went to the issue of the agreements being made public. That proposal has been excluded entirely from this proposition, and that is not what we discussed. What we discussed was the concern of the department about the agreements being made public prior to their commencement. Why is it the government’s view that these agreements should not be made public at all?

Senator ELLISON (Western Australia—Special Minister of State) (10.02 a.m.)—

There is, of course, a commercial-in-confidence argument there, Senator Carr. I know that you will shake your head at that. I think Senator Hogg, who is in the chair, was talking about this this morning in relation to a report from a committee. It is dealing with agreements relating to indigenous education and it would provide information on commercial matters. It is not normal for those sorts of agreements to be published. The principal is fairly clear. The Commonwealth does not, as a rule, publish all of its commercial contracts. These are contracts and they touch on commercial matters. I really think we cannot take that matter much further.

Senator CARR (Victoria) (10.04 a.m.)—

Minister, I am very disappointed with that response. We spoke this morning of the concern the department had about commercial-in-confidence. I was prepared to discuss what their concerns were in that regard but, frankly, this is a device that is used far too readily by this government. I need to have it explained to me. What is it about educational providers that is so commercial in confidence? We are talking here about moneys being paid by this parliament to educational providers. This is not even contestable in the open market. This is the relationship between schools and other educational institutions and the Commonwealth department. That is the nature of these agreements, as I understand them. If I am wrong on that, can you please explain that to me? If there is something that is so secret about this, I think we need to know what it is because my suspicions are immediately aroused as to why it is that this government does not want to have any level of serious public accountability on this matter.

We are talking here about $600 million going to some of the most disadvantaged people in this country. We are entitled to know how those people are being treated by educational providers. We are entitled to know how it is that this government intends to spend the money we are appropriating. I may well be entirely satisfied with the current administration of this particular section in the department, but what if it changes? What if the government policy changes? This gives us no opportunity to explore those questions. I come back to the central point: this is not about saying that we are trying to get into the nitty-gritty of commercial relationships in terms of the provision of contestable moneys. That is another argument entirely. This is, as I understand it, about moneys going to help people who ought to be getting a much better go. We are talking about Aboriginal and Torres Strait Islander students, their communities and their families. I tried to put a view in terms of the second reading debate about the context of this particular issue. The levels of disadvantage for Aboriginal communities defy description. It is a great tragedy that so little is being done by the parliaments of this country in this regard. Whatever good intentions there may well be in sections of the government, unless we can be certain that this money is being spent properly I will continue to remain sceptical as to whether or not this is the best allocation of the moneys concerned.

The real problem that is emerging in this debate is essentially the cargo cult mentality of state public services—that is, the Com-
monwealth parliament is here to provide a very large brown paper bag and that there should be no essential accountability for how that money is spent. Education departments around this country think it is their right to receive a truckload of money and not have to argue about how they are going to use it. That is a position that I find very difficult to accept. As I said, in the context of mortality rates in the community amongst Aboriginal people being so high, when you see the health concerns in general terms being so high, when you see the appalling conditions in which people are expected to live and when you see basic services like telephones and electricity not being provided, is there any wonder that Aboriginal kids are not able to as well at school as we would all like to see. Frankly, unless we can be certain that the money is going to those communities and being spent by those communities to alleviate those concerns, then I am not satisfied. The days are gone when we could hand out very large sums of money to top up the administrative costs of the public services in the states. Minister, I need to know: what is it about these agreements that is so secret that you do not want to see them made public?

Senator ELLISON (Western Australia—Special Minister of State) (10.09 a.m.)—They are not that secret, because I can recall an instance, Senator Carr, at estimates when we provided copies of indigenous education agreements to you. As I recall, that was a couple of years ago, and I was at that Senate estimates and there was no secrecy there. What you are talking about is tabling these agreements; what we are saying is that in the Senate estimates process we have provided information. There is nothing secret there. But the other thing is that, if you look at our proposed amendment, you will see that it deals with a number of aspects that the minister has to provide: how funding under the act has been distributed annually by institution, by state and by sector. That is not secret. That is showing where the money is going. You have been saying, ‘We want to know where is the money is going.’ We have an annual report which shows how it is distributed for that year by institution, by state and by sector. That is the start.

The next step is that any performance information requested, collated and aggregated on a state and sector basis is provided. That performance information goes squarely to the point that you are making, which is that you want to know that this money is achieving what it is setting out to do—the outcomes. That is contained in that performance information, so this is the second part of making that information available. Also, it makes public the reason for any decisions to reduce funding to a provider, which is always a hot issue. If a provider has funding reduced in the normal course of events, there is always some controversy surrounding that. This would require reasons for that decision to be provided in this report.

Senator Carr, that is a fairly transparent process. You can take that, which is in our proposed amendment, and combine it with the Senate estimates process where we have provided copies of these agreements to you. We do that on the basis that you will act responsibly with those agreements. We are saying that the opposition and other parties of course—I see Senator Allison from the Democrats in the chamber here—can have that sort of scrutiny. What we are saying is that the Commonwealth as a rule does not table or publish in a comprehensive form all of its contracts across the board, and that when we provide information to senators we hope they will use it responsibly.

You recall that with the issues of university funding and the financial details surrounding universities we asked that comments be constrained in the public arena because people were saying that various universities were in strife financially. That can unfairly visit upon a university all sorts of problems. People start thinking that that institution is in trouble. It is like saying that a bank is in trouble. You have to be careful with how you use your public scrutiny, and that is all we as a government are saying. We are saying that you just cannot use that information irresponsibly because you can cause all sorts of problems and create a misunderstanding that things are worse for an institution than they otherwise might be. There is that process of scrutiny with the estimates process, and we have provided
copies of these agreements in the past. When you combine that with our proposed amendment, you have a system which is transparent and accountable.

Senator Carr (Victoria) (10.13 a.m.)—Minister, I can see that you have been rushed this morning—you obviously have not understood the problem. What you are doing is amending our amendment—these are our proposals in terms of the reports to parliament. It is our amendment. What you are doing with that particular provision is inserting the words ‘from 2002’—that is all you are doing. You are basically accepting that amendment but imposing a date of 2002, as I understand it.

Senator Ellison—We agree with you.

Senator Carr—I am delighted to hear that. In this business it is not often that you get the government to agree with propositions put forward, but it demonstrates again how reasonable I am on these matters. I am pleased to see that the government has seen sense in accepting the opposition’s amendment and that provision, although I would be interested to know why 2002 was the date you selected rather than next year. That is my first question. Minister, you should be aware that you are dealing with a quadrennium which starts with 2001. If you had a report for 2001, you would not have anything to report because you would be talking about March 2001, the beginning of the quadrennium. So the first report will be March 2002, which will report on the previous year. There is nothing untoward and no magic in that, and I think you accept that, Senator Carr.

That is simple mathematics as to how the quadrennium works. In relation to the other matters that you raised, it was my understanding that that was not the agreement, although I was not party to the discussions. I can pursue that further with the officials who are here. I had been advised that the proposal, as I have indicated, was the one that was canvassed, but you are saying no, it was not. You are saying that the proposal included publishing of the agreements. I will seek some advice on that.

Senator Allison (Victoria) (10.17 a.m.)—I wonder whether the minister could clarify a couple of other changes to the ALP amendments. I notice that item (b) of the second ALP amendment asks for ‘all performance information requested and collected’, whereas the government’s amendment says ‘collated’. Could that be explained? I also ask about the significance of including ‘as reported in the National Report on Schooling in Australia’. Why was that inserted by the government in their amendment?

Senator Ellison (Western Australia—Special Minister of State) (10.17 a.m.)—I am advised that it should be ‘collected’ and not...
‘collated’; that is a typographical error. In relation to the National Report on Schooling in Australia, that is something which is in place in any event and provides a good mechanism which can be relied on, so it was thought that could be usefully employed here. It is in operation. It is nothing more than that. You have a system where you have this National Report on Schooling in Australia, so why not use that as a touchstone, so to speak, for the information that is to be included in item (b)? I do not think there is any problem with that, but if you have any queries, Senator Allison, we can pursue them.

Senator ALLISON (Victoria) (10.18 a.m.)—Perhaps the ALP can enlighten us on whether they think that would limit the scope of the information being requested. I wonder about the purpose of inserting it, whether it is an attempt to exclude other information.

Senator CARR (Victoria) (10.19 a.m.)—Senator Allison, the question you ask is a reasonable one. I would like further clarification from the officers. Our original amendment did not go to the form of the presentation of the report, and it may have been an oversight in our case. I do not know whether we would necessarily get any more information, other than that provided by the National Report on Schooling. My concern about the National Report on Schooling has been the issue of delay. I know it has improved in recent years, but it has often been many years out of date. In the past, that was certainly the case. Given that we have a specified date here—2002—does that mean the report will be issued in 2002, or does it mean reports concerning 2002?

Senator ELLISON (Western Australia—Special Minister of State) (10.20 a.m.)—I will add to that previous point that I made to Senator Allison. The National Report on Schooling is a useful mechanism which is in place. It is a report from MCEETYA, the ministerial council of education ministers across Australia. There has been some delay in the report, but that has been because it is a report of that council. I think it is important to remember that this is a national report which comes from that ministerial council; it is not something which comes solely from the minister for education’s office or from the Commonwealth government. I think that is what gives it its force and integrity, if you like, because it is a report coming from a ministerial council and truly is a national report. It was thought, rather than have a separate mechanism which is costly and an administrative burden, why not use that vehicle which is there, particularly so when it comes from the ministerial council of education ministers? So that is some expansion on that point and it also addresses Senator Carr’s point.

I go back, Senator Carr, to the situation you mentioned vis-a-vis the discussions with the officials in the minister for education’s office. I understand it was made clear that your amendments dealing with clause 10 and the insertion of (1A), which provided for making these agreements available for public scrutiny, were not acceptable and that the government would come back to you with a proposal which would deal with how this might be dealt with in an annual report. It was not accepted that that be done and that the government would then come back to you with a counterproposal. There was not any agreement, as it were, of, ‘Yes, we’ll make it available for public scrutiny.’

Senator Carr—I accept that. The word ‘agreement’ is too strong.

Senator ELLISON—Yes. So we are clear on that, that there was not an agreement in relation to that. We have come back with a counter proposal. Your position, as I understand, is that you want to persist with the first part of your amendment, which provides that the minister must make a copy of that agreement available for public scrutiny prior to the agreement’s commencement. We think that is undesirable, particularly so when you look at making an agreement available before its commencement. I think that is another troubling aspect of this. As I have said before, scrutiny is available in the process we are proposing not only through annual reporting but also through Senate estimates committees where we have provided copies of these agreements. Two years ago I think we provided every indigenous education agreement that we had, or a copy thereof, to Senator Carr. I seem to remember that quite
clearly. I do not think I can take that too much further on behalf of the government.

Senator CARR (Victoria) (10.23 a.m.)—Thank you, Minister. I appreciate your frankness and, given that you cannot go too much further on behalf of the government at this stage, I suggest that we press on with the existing proposals. That will provide some opportunity to discuss the matter when the message returns, and I presume it will return, from the House of Representatives. Otherwise, the government then has a choice of accepting our proposals as they are. I do not know what Senator Allison’s view is on that matter but, frankly, I think we could probably spend a lot of time going round in circles.

Senator ALLISON (Victoria) (10.24 a.m.)—I do not want to further the debate other than to indicate that we are still supportive of the ALP amendments. It has always been our view that the public expenditure of money should mean that the contracts associated with that public expenditure should be made public. That is consistent with Democrat policy and views. It would also appear to me that the government’s reluctance on this issue cannot be justified by saying that commercial-in-confidence means that if a university gets into trouble everybody knows about it. A contract rarely, in my experience, goes into that kind of trouble issue. So we would be happy to support the ALP amendments as they stand.

Senator CARR (Victoria) (10.25 a.m.)—We do believe the issues of public accountability in these matters are critical. We are not flat-footed in terms of the precise wording that has been proposed. As we discussed earlier this morning, I am prepared to consider the issue of timing in regard to the publication of agreements. But we do believe that agreements ought to be published at some point through the parliamentary processes. I do not believe that the arguments in regard to commercial-in-confidence are sufficient reason not to publish them in this particular context regarding this program.

Amendments agreed to.

Bill, as amended, agreed to.
until 2002, and they will not complete this obligation until 2017. These are very long time frame measures, and this fact is the cause of much of the controversy that has erupted since this bill and the associated draft contract were made public. The way the scheme has been designed means that its contribution to medical treatment in this country will occur only in the long term and other strategies are needed to underpin this approach.

Country people are desperate about the shortage of doctors and the absence of bulk-billing in many places. Increasing the number of doctors is a starting point, but this needs to happen in the short term as well as the long term. Restoration of some balance between the number of doctors and other health professionals in rural Australia and the accessibility of medical infrastructure is one of the major challenges facing rural Australia. The roots of this problem go deep as there are difficult social and professional pressures that push doctors towards the cities as they grow older and gain more seniority and specialised skills. Long-term solutions are needed to tackle these social roots of the problem.

Essentially, this bill provides a legislative mechanism for the Commonwealth to enforce a bond on the scholarship holder. The proposed new section 19ABA provides that, if a medical practitioner breaches the commitment to work in a rural or remote area for six continuous years, the Commonwealth will be able to restrict payment of Medicare benefits in respect of that practitioner’s services for up to 12 years. As I have indicated, the ALP’s rural health policy at the last election included a bonded scholarship scheme of $20,000 per year for up to 100 medical students. Labor’s policy required medical graduates to work in a rural area of need for the same number of years for which they received the scholarship. In 1998 the minister dismissed Labor’s proposal as fundamentally flawed and in a press release dated 10 September 1998 claimed:

The Rural Doctor Placement Scholarships are probably unconstitutional due to the limitation in section 51 preventing civil conscription of doctors.

The AMA also embraced bonded scholarships as a means of providing an incentive for young doctors to plan a career in the country. However, since they have seen the conditions of these contracts, they have become quite concerned about issues of fairness and enforcement. I think a number of senators attended a recent breakfast function at which the President of the AMA outlined those concerns. The key features that the AMA are concerned about are that the legislative mechanism for enforcement could be too harsh, people are committed to work in rural areas for too long and there is no provision for review of hardship cases. The Australian Medical Students Association has also expressed grave reservations about the proposed scheme in the belief that “such scholarships will do nothing to aid rural health”.

Unfortunately the minister has designed a less effective and less fair scheme than Labor’s proposal and along the way lost the support and goodwill of the AMA and the young doctors.

There can be no doubt that the shortage of doctors in rural areas is a major problem in the Australian health system that has been growing for some time as a result of the combined effect of social and economic factors. This was recognised by the previous Labor government, which put in place a number of measures to reverse the leakage from rural areas and these made good progress up to 1996. Unfortunately the Howard government’s efforts regarding rural doctors have been unfocused and the targets it has set for itself have not been achieved. On 13 May 1998 in the Norman Cowper Oration the minister said:

We are making important gains. In 1997 the number of doctors in rural areas went up 4%. We are hoping that the figures for 1998 will show a similar or greater increase.

In fact, the increase in effective full-time doctors for the two years up to 1998 was only 0.4 per cent. Over the last four years more than a dozen new programs have been announced without making any great noticeable inroads. A number of these programs have been outright flops, while others have provided some assistance. The 1997 clinical assistantship program was intended to pro-
vide additional training places for rural based doctors to do supervised training in rural areas. There was not a single applicant to participate in this program, despite the expenditure of significant funds developing and advertising it. Similarly, the register of medical availability was intended to provide a list of qualified doctors willing to undertake locum work in rural areas. Of the eight people who put their names on the list, it is understood that none were qualified to practise medicine in Australia and most were not Australian residents. This scheme was also quietly axed.

Some $2.5 million has been spent on projects run by rural undergraduate steering committees at Australia’s 10 medical schools to promote interest in rural medical services. These projects have not yet been evaluated and details of how the money has been spent are unavailable. The John Flynn Scholarship Scheme is a holiday program designed to encourage 150 medical students to take two-week placements in rural areas to experience the realities of rural service. Problems have been experienced getting students to take placements in areas of need, with too many applications for some attractive destinations where local doctors have a limited capacity to supervise students during those times. The scheme is yet to be evaluated to determine whether the availability of these placements has any long-term impact on the likelihood of graduates moving to rural Australia. I note that the recent Rural Stocktake comments on the John Flynn scholarships and, at page 100, states:

… as with many of the rural health incentives there has been delayed consideration of the management of the program … The challenge will be to integrate the scheme as one of the complaints voiced during the Stocktake was that it was not known what some of the scholars were doing with their time and there was a lack of coordination with other student placements.

The list of failed or partially executed programs goes on and on, but there has been little progress in developing real solutions. I sincerely hope that the Woolrdridge bonded scholarships are more successful than these previous programs.

The government has repeatedly claimed that it has solved the problem of doctor shortages in rural Australia, but the official statistics prove otherwise. In January 1999, the member for Farrer, whilst Acting Prime Minister, claimed that rural doctor numbers had jumped by 7.2 per cent in two years. The health minister repeated this claim in parliament in December 1999. Questioning by a Senate estimates committee exposed the truth. The Acting Prime Minister and the minister had misled the public by using figures that included any doctor who had made a Medicare claim in a rural area. In fact, there had been only a meagre 0.4 per cent increase in the actual number of equivalent full-time doctors in the bush. Over those two years, the 3,550 full-time equivalent doctors in rural and remote areas had increased by just 13.

The department has since refused to release more up-to-date figures on an equivalent full-time basis, and I know that is something Senator West will be pursuing in estimates again in a few weeks time. It appears that some progress has been made, but it is time that the government released the full figures so that some dispassionate analysis can be done on the impact of recent measures and the sorts of problems that need to be addressed.

Any improvement in the total number of doctors in rural health areas also has to be seen in the context of the large increase in the number of temporary resident doctors coming to Australia for long- or short-term work. The latest figures from the Australian Institute of Health and Welfare indicate that, up to 1998, there was a net inflow in the permanent migration of medical practitioners of 176 per year. Since then, a large number of additional people have been approved under the scheme, which requires five years of service in a rural and remote area. The exact numbers approved under this scheme since early 1999 have not as yet been disclosed, but it is understood to amount to several hundred during the last year across all states. If this is the case, then one can only draw the conclusion that we are actually going backwards in relation to getting Australian trained doctors into rural areas. The small net
increase in the number of doctors in rural and remote Australia reflects the sizeable increase in the number of overseas trained doctors who are filling the gaps left by retiring Australian doctors or doctors moving out of the bush. Increasingly, seeing a doctor outside of the cities means you get to see a trainee or an overseas trained doctor.

Let us turn to the details of the government’s proposed scheme. The bill is a very general empowering piece of legislation that permits contractual undertakings to be made by young doctors and for these contracts to be enforced through the nonpayment of medical benefits in the future. A lot of public comment has focused on the implication that young doctors who default will be banned from Medicare for 12 years. The legislation actually provides that, if a person defaults, they will be prohibited from receiving Medicare benefits for the period agreed in the contract if a breach occurs and that the maximum shall be twice the period that the practitioner agreed to work in a rural or remote area. This is a very significant obligation. Anyone signing such a ‘Wooldridge contract’ should take great care to ensure that there are adequate clauses to protect their interests and to provide just terms in the event of that person being unable to fulfil their original intention of working continuously in a remote or rural area for the contracted time.

As the AMA has pointed out, it is important that there be a mechanism for dealing with hardship cases to enable the contract to be varied in circumstances where the person is unable to continue with the plans for reasons beyond their control, such as poor health. The contract suggests that this will be done as a ‘personal discretion’ of the minister. In the opposition’s view, this is not the best way to handle such complex matters. This is another significant issue, because the advice from the Parliamentary Library is that legally there will be no ban on accessing Medicare for twice the period in the contract. This ban will come into effect automatically when default occurs, for whatever reason.

I also note that the guidelines require the six years of service in rural areas to be continuous, which might be hard for many students. Most doctors would be at least 27 years old by the time they get vocational registration, and 33 by the time they complete their six years of bonded service. Many women doctors would be thinking of having children around that age. Hence, their work as a doctor might be interrupted, even if they were continuously a rural resident and went back to being a rural doctor when they resumed work. It would seem sensible for the contracts to be amended to allow students to serve out their six years including approved periods of suspension of service where this became necessary for personal reasons, such as parental leave. Senators would be familiar with bonded university scholarships that used to exist in some states for rural teachers, and with the range of problems that would arise from time to time where a person was unable to fulfil their contract as they had intended. We should learn from those experiences and ensure that the new scheme is fair and just to all concerned.

There will be a lot of confusion about these scholarships because they sit side by side with other schemes—most noticeably, the RAMUS scholarship, which gives $10,000 a year without bonds to students from rural areas; and the HECS remission arrangements, which provide for forgiveness of HECS debt for university graduates doing training in rural areas. The relationship between these schemes and the eligibility to participate in more than one at the same time has not been made clear.

As I have indicated, the opposition will be supporting this bill, but we believe that there is a need to establish some minimum requirements about the contracts that the minister envisages will underpin his scholarship scheme. The opposition circulated draft amendments to the bill when it was first debated in the House and has subsequently discussed those amendments with the government and young doctors, resulting in the revised amendments which will be before the Senate today. These touch on several aspects of the scheme, with the intention of making the scheme fairer and ensuring that key information is included in a standard form contract which students can rely on over the years.
The major provisions will: provide greater flexibility about the areas in which specialists might serve in order to meet the needs of regional towns; provide for an independent person to consider and approve applications for suspension of the contract obligation or variation on hardship grounds; ensure that the participants receive advice about the contract before it is signed; require the contract to be of a standard form and regulation; and ensure that the contract explicitly stipulates the obligations that must be met if the person does not become a medical practitioner, including the amount to be repaid and the interest rate that will apply.

These amendments are very important. We should listen to the letters that senators have received expressing concern about the pressure that will be placed on young people as they enter university. It is important that people taking up a contract understand fully the implications of the contract they are entering. Let us remember that many of these people will be 17-year-olds entering university for whom the offer of a place in medical school and $20,000 a year will be very attractive. It is important that they are fully aware of the significant commitment they will be making to rural medical service and of the length of time involved in meeting this commitment. The minimum requirement should be that the person entering the contract should be required to obtain independent professional advice about the contract so that they fully understand the obligations they are entering into. This is the kind of protection that is now commonplace in major credit contracts. It seems to me that it would be very wrong not to insert such a measure here.

I will conclude by saying that I hope these bonded scholarships will work to achieve the goal of getting more doctors into rural Australia. The impact will be apparent only in the long term because of the long cycle involved in this scheme. But the bonded scholarships are only a part of it, and there must be a range of supporting policies to ensure the health work force is appropriately distributed around Australia and able to meet Australian citizens' demands. Unless the social and economic barriers are overcome and the attractions of working in rural areas are equal to the attractions of city locations, there will continue to be a geographical imbalance in the distribution of health workers. This is not just a problem that affects doctors; it is just as serious for nurses, pharmacists, dentists and health workers in virtually every field.

Logic would suggest that graduates will continue to look for opportunities to practise in a field which they find challenging and financially rewarding and that, if the rewards and challenges remain concentrated in the main cities, the outcome is likely to bear little difference to the schemes of the past. It would be desirable for the future rules to be clear and remain consistent over a long period of time. This will require a consistent long-term approach going beyond the term of any one government. The opposition are strongly in support of strategies that will get a real increase in rural doctors, and bonded scholarships are a key part of the overall strategy. The opposition will be supporting the passage of the bill and hope that the Senate will support the amendments we are putting forward, which we think will make the scheme fairer and more effective.
similar scheme for nurses, whether it is simply relieving their HECS debt and encouraging them through that incentive to work in rural and remote areas or whether it is a recruitment program of young men and women from rural schools to support them through nurse training. As we know, it is now done in the tertiary sector. Nurses can no longer train in their local hospitals; they have to travel. Often that means that, if they do get together the resources, they do not return to rural areas. They form partnerships and make friends in the city, and that is where they stay.

Once we have dealt with this, I would encourage the government to look at creative ways of dealing with what is probably becoming one of the critical issues in health in this country, and that is the shortage of nurses. We are now seeing wards in public hospitals shut, not because of the lack of funding but because of the lack of qualified nurses. Certainly in the aged care sector, nursing home after nursing home says to me that it cannot even get relief nurses out of private nursing pools to fill vacancies. When you have nurses regularly working four, eight and more hours of overtime after their own shifts or before their own shifts, you see pretty quickly that burnout will set in and we will have even fewer nurses.

But I would like to get back specifically to this bill. We see that the health status of people who live in rural and regional Australia is significantly worse than the health status of those of us who live in the cities. They have a shorter life expectancy. Their levels of mortality and illness increase as the distance from metropolitan centres increases. There is no doubt that reduced access to health services plays a part in all of this. Other factors include lower levels of employment—that is, greater unemployment. We know about the link between unemployment and poor health. Also, out in the bush many occupations are highly hazardous. From farm work through to mining, there is a raft of occupations that are inherently more dangerous than sitting behind a desk in an office somewhere in a high-rise in a city. Also, road accidents in rural and remote areas tend to be far more serious than those on city roads. Our indigenous population tends to be concentrated a long way out from major cities and, unfortunately, the health of our indigenous peoples is abysmal and needs far more resources. Rather than just put in more doctors, we really need to look at a complete package of services in rural and remote areas for Aboriginal Australians.

This is basically why we are supporting the bonded scholarship scheme. It is a good start in getting together the health teams that we need in rural and remote Australia. In fact, our call for some sort of scholarship scheme goes back to 1994 under Labor. I acknowledge that, by 1998, Labor were actually calling for it. It is going to be with some interest that we deal with the amendments to this bill, because I think some of the amendments that the Labor Party are moving would actually undo a lot of the good work that is currently in this bill.

I do have to acknowledge here the opposition that is raging, particularly from the AMA. Although they have supported the principle of bonded scholarships, we have to put on record that they do not like the coercive nature of these contracts and that they are concerned about the contracts. But we have to say that bonding is bonding: you undertake a commitment and, if you do not fulfil that commitment, there is bound to be a penalty. I hope that we will see them come to understand that, while it is not going to be absolutely watertight—because so much is reliant on the contracts, which the potential students will freely sign or decide not to sign—inevitably, there has to be a stick as well as a carrot. The carrot is the $20,000 a year scholarship that in many cases helps these students to be able to move to the city to study, but the stick is that they have to pay the money back if they do not then fulfil the requirements in the contract and, also, that they cannot get a Medicare number in areas where we do not want them to work.

Yes, there is a shortage of GPs in a number of city areas, but if we have a shortage of GPs in, say, the western suburbs of Adelaide, we can always go to the Queen Elizabeth Hospital or, at worst, to the Royal Adelaide Hospital at night. If there is a shortage of GPs down in Noarlunga—which there is—you can hop in the car and perhaps travel up
ou can hop in the car and perhaps travel up as far as Brighton or travel towards the city and you will access a GP in one of the clinics there—for example, the one on Anzac Highway. But you do not have a doctor in some of these regional and rural areas. It can be a trip of 20 minutes minimum—you are probably looking at several hundred kilometres in a lot of areas—before you can access even the most basic medical treatment. So we have to start where the greatest need is, and that is out in rural and remote areas.

There are many reasons for the shortage of GPs out there, and these include recruitment practices from medical schools. In the past—I am pleased to say it is changing—they concentrated on the top 0.01 per cent of students, the very top students at matriculation. They did not worry about any interviews, they did not look at any post-school qualifications—it was not a second degree as, in many places, it is now—and there was no check to see what sorts of interpersonal skills or commitment to medicine that particular person had. It basically meant that the brightest students in the country struggled to get into medicine. If you went to an inner city private school, if you were able to do the extra weekend work and the extra tutorials and if you had access to all the excursions and all the additional support, the resources, the smaller class sizes and everything else, you could have a much better chance of getting into medicine.

The potential, capability and real desire to do medicine of the brightest of the bright students in rural areas was often all irrelevant. I hope that, through these scholarships, we will see them going to the universities that have the best record as far as rural students are concerned. I note that the minister has given me some detail on this—for example, I have the South Australian details. I think 10 of the extra places are going to Flinders University, which has an excellent record of attracting rural students, whereas only five of the extra places are going to the University of Adelaide, and that does not have a good record. The course at Flinders is now a postgraduate course.

Not surprisingly, many of these students in the past—once qualified—stayed in the cities. They came from the cities, they stayed in the cities and they often headed down the path of the more technical specialties. They were obviously doing a very important and worthwhile job but not out in rural and remote Australia. I hope that we will have some more discussion as the minister briefs us—particularly during the committee stage—on some ongoing commitments from the government that the universities that will continue to get these scholarships and the additional places for those students will be those with the best record in terms of getting rural students in and, also, where the doctors end up. We need to keep track of where these doctors are going and any difficulties we do have as far as people not being completely comfortable with the requirements of these scholarships, and that will obviously take some monitoring.

Another issue as far as shortages of doctors is the actual cost of getting to university for rural students. Even now, with some changes in the assets test, there are still many students for whom it is simply beyond their means to do a full medical degree and, indeed, they are lucky if they can access tertiary education at all. If they do, it is often by correspondence. If you look at some of the other issues the Commonwealth government and the state governments are addressing for attracting doctors out to the bush—in particular, I look at some of the housing programs, where housing for doctors is part of the package—all of this will go together. I do not see these bonded scholarships as out there on their own. There is a raft of different issues that need to be tackled to keep doctors out in the bush.

We need to acknowledge that it is a complex problem, and I want to here acknowledge the success of the John Flynn Scholarship Scheme and the RAMUS scholarships, which are providing students with rural experience and which are encouraging students to then continue working in rural and regional Australia. All of this must be a continuing part of the government’s strategy. This is just complementing what is already being done at both state and federal levels. Another very positive aspect of this legislation is that these are additional places. We
are not looking at existing places being diverted into the scholarship program. We have, each year, 100 additional doctors.

I strongly dispute the government’s suggestion that we have too many doctors in Australia. I think they need to go back to the drawing board to look at work practices and to look at the fact that we now have in our medical schools a ratio of male students to female students of about fifty-fifty. But it is not just the young women who are choosing not to work the 80 or 100 hours a week; many of the young men are also choosing to spend some time with their families. The government need to think again as to what the total medical work force in this country is and they need to look back through the statistics and realise that many of those showing up are actually working very short periods of time. The government need to realise that we have a large number of doctors who are at or beyond what would reasonably be considered to be retirement age—again, particularly in rural areas—and that these 100 extra doctors will literally disappear overnight into rural Australia. We are shortly going to have to completely review the number of doctors that we have actively working—just the number of doctors coming in from overseas should start ringing alarm bells.

As we look at the compulsion—a word that I know some are having difficulty with—for these doctors to go to rural and regional areas, we need to look at the issue that this is public money. We should not be spending public money where it is not needed. If we have these doctors finding a way, through the contract system, to get back into the cities then we will basically be paying public money—either through Medicare or through public hospital funding—for doctors that are not really needed. It is not unreasonable for the community to object to this and to say that, if we are going to spend this amount of public money, it should be spent where we actually need it to be spent.

Due to population increases and changing work practices, I think that we are also going to have to look carefully at our specialist training programs. Also, as I mentioned on another piece of legislation, while the government is saying that there are no students coming out of medical school still looking for a training place, the message we are getting is that some of the vacancies in training places are going begging because of the extraordinary workload and the absolutely ridiculous hours that trainees are expected to work, particularly in the public hospital system, and the way these programs are structured in some specialties. So I say again to government: as we look at getting specialists out into rural and regional Australia, we need to look at some of the training programs and why it is that people are voting with their feet and simply not doing some of these courses. We are going to be facing shortages not just in regional hospitals but also in city hospitals.

We do have a number of concerns, and I acknowledge that the minister has dealt with some of them. As we move through the committee stages, some commitments will be tabled specifically regarding exceptional circumstances. If a student finishes their course and begins work as a doctor, I think it is only reasonable that if they become temporarily or permanently incapacitated—while they will not ever need to use their Medicare number in the city; that restriction will stay—they should not have to pay back any of the bond money that they would normally have been required to pay back. However, if a doctor comes back for temporary purposes, there is always the ability to negotiate some part-time work, maybe in a public hospital or in some other area, and not have to question the use of a Medicare number. I am sure that, once we get these amendments in place, students will see that the expectations on them are reasonable and that there is a limited opportunity, in genuine extenuating circumstances, to make sure that they are dealt with properly and that the minister’s discretion is used wisely.

We will talk through all of this once we get to the committee stage. In particular, the Democrats are keen to see that those who sign up do so with their eyes open, in the full knowledge of what they are signing up to, and that they get the legal advice they need. Some have even suggested that there may be some insurance policies which they could
sign onto in the event of some extraordinary circumstances where they find themselves having to pay back the bond money. So it may be possible to insure against the very odd circumstance where they would not have an opportunity to have the debt waived. We will deal with that further in committee. I will close by saying that we are happy to support this scheme, both because it will get more doctors into rural and remote Australia and because we will get 100 extra places in medical schools.

Senator DENMAN (Tasmania) (11.03 a.m.)—I too wish to address the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000. In a perfect world, rural and remote areas would not be in the position of needing bonded scholarships. Indeed, doctors would choose to move there based on the fact that it was the best place to live—as it once was, and it certainly was when I grew up in a country area.

Unfortunately, rationalisation has hurt our country areas. It has closed banks, schools, hospitals, hotels, sporting clubs and many other amenities that contribute to the social viability of a fulfilling life. In some ways, a shortage of doctors in rural and remote Australia is a symptom of a far more complex issue related to rural decay. While bonded scholarships are to be commended, they will solve only part of the problem.

As my colleague Mr Sidebottom, the member for Braddon, highlighted in his speech in the other place, the average number of doctors per 100,000 is 260 nationally, compared with Tasmania’s 247 per 100,000. As Mr Sidebottom also highlighted—and as I said in an earlier speech—there is an average of one general practitioner for every 1,300 people in the Mersey-Lisle area of Tasmania. I will address that issue later, because I have something more to say on that. This compares with Hobart, our capital, which has one doctor for every 800 people. As shown by James Houlahan in his research for the Centre for Agricultural Health and Safety, given that farming—not banking or being a public servant—has the highest accident and death rate of any occupation, one could think that the ratio of GPs should be higher in the country than in the city, given the need and the lack of major hospitals within close range.

This problem of access will not be immediately remedied by bonded scholarships, as those doctors will not come online for at least 10 years. Nor will access to specialists be resolved by the scholarships. This is a big issue in my electorate—in fact, through the whole of rural Tasmania. Often people from the north-west and west coast of Tasmania are referred to specialists in the south and the north of the state. This involves a day’s travelling and often an overnight stay. Numerous accounts have been given to me of people travelling only to find their appointment has been cancelled, moved to the next day or even moved to the next week. Waiting lists of two years or more for some specialists are not uncommon in rural and remote Australia.

On the coast where I live, specialists fly in from Melbourne, so if you need a specialist urgently either you are flown to Melbourne or you have to wait until that specialist comes—they usually come once a month. Some of them come once a fortnight. Accounts of waiting lists of two or more years for specialists are not uncommon in rural and remote Australia. This is most often outside the ability of the specialist to resolve, as undue demands or unforeseen complications have impacted on their ability to run to time. I am sure we have all experienced long waiting times when we have had to visit specialists, particularly when they fly in from Melbourne to see a number of people and then fly out again. However, this does not help those who have travelled. If they are on welfare payments, the cost of finding a place to stay is prohibitive. Additionally, if the appointment is put off until the following week, the transport costs can be impossible to meet. This can obviously affect those who are working with the patient, as even hospitals are finding the costs of transporting their patients to a larger health facility is creating an unreasonable impost on their budget, taking away scarce resources that could have gone into much needed other areas of health. One member of the medical profession put it to me like this:
When did hospitals become bus services? We are not funded to supply those health care transport costs to the level that is needed, but our patients need those costs.

It is a catch-22 situation.

Often, without the specialist’s input we cannot proceed any further in our treatment—so it is a need, not a luxury. If we pay for the transport costs, the money has to come from somewhere in our budget, and that means other areas have to go without.

The bonded scholarships will not fix the shortage of nurses. I think I may have heard Senator Lees refer to this. One of the hospitals in my area has the equivalent of eight full-time nursing positions that are proving difficult to fill. Some nurses I know have suggested to me that they will not work in the nursing profession again as the job is not what it was. By that, they mean that their patient contact is limited because there is a shortage of nurses. Fewer nurses means that time with patients is scarce, stress high and personal satisfaction low as many feel that they are unable to achieve the level of care for patients that they feel the patient needs.

Adequate support health care professionals are vital for GPs. Ancillary services supplied by dentists, psychologists, counsellors, podiatrists, speech therapists, et cetera are part of health. Many are in short supply in rural and remote areas. Again, I can refer to the north-west coast where I know there is a shortage of psychologists, and quite often people have to go to Launceston. This is further supported in a media release from the National Rural Health Network, who say:

We are also disappointed that there is still no equivalent support for nursing and allied health students ...

Thus, unless some of the other gaps in health care are remedied, in 10 years time we may well have enough GPs but they will have no support services. This would obviously impact on the likelihood of them staying past the time of their tenure.

As mentioned earlier in my speech, doctors don’t just work in the country—they live there too. Thus, having vibrant rural communities is extremely important, as doctors will have families, and their wives or husbands will need jobs and their children will need schools to attend. None of those issues are addressed by bonded scholarships, and one of the biggest deterrents in doctors not choosing rural practices is the view of their partners. The partners of doctors need fulfilling lives and many complain of the difficulty of finding work—even part-time work. Some complain of the narrowness in some elements of rural communities. That is not putting down rural communities. That is simply saying that people who come from universities and city hospitals have not experienced rural life, and quite often find it difficult to find a group with whom they can relate. It is not to say that narrow-minded groups do not exist in urban societies, but rather that they are less likely to intrude into your private lives. This phenomenon would be helped by increasing the range of professionals living in and around rural Tasmania, not only doctors.

We must not fudge the figures, so we should not count part-time doctors as full time. Often one doctor will work across many areas in the country—one day here, one day there. Thus, having five doctors listed on the plaque outside the surgery may not mean that there are five doctors available five days a week, but rather that there may be the equivalent of two or three full-time positions. This is a classic situation where I live. Quite a number of doctors in my area have spoken with me about this issue. They are at an age where they would like to retire but, because of commitments to patients, feel they cannot do so. No-one has come forward to buy into their practices, so those doctors are working part time now but still meeting their obligations. Once the bonded scholarships are in, it would be great for these doctors to be able to retire as they deserve to. As my colleague from Capricornia Ms Livermore pointed out in her speech, claiming there was an increase of 301 doctors in rural Australia is disingenuous. That figure included locums working for short periods in country areas. When that was factored in, there was an increase of only 13 full-time doctors in rural Australia. Thus there was no increase of seven per cent at all. This cloud does not help rural Australia, in fact it amounts only to about 0.4 per cent increase in full-time doctors.
We are concerned about some aspects of the bonded scholarships. First, will the students receive independent advice before entering into the agreement? Second, what of those who do not complete their degree? Will they have to pay back some of the benefits received? Unforeseen circumstances will arise, for example illness or family breakdown. Third, will any mechanism be in place to help deal with these situations? Fourth, who will adjudicate—the minister or an independent body? These issues need to be addressed and are obvious problems with the legislation.

In their submission to the Productivity Commission, the National Rural Health Alliance states:

More broadly, poorer health outcomes also reflect socio-economic disadvantage. Incomes are lower, job and career opportunities fewer, and access is poorer. If there is to be equality in health outcomes between metropolitan and non-metropolitan Australia, then there will have to be equality in lifetime opportunities. In short there will have to be regional development.

This really gets to the nub of the problem. Doctor shortages are in essence a symptom of years of rural neglect throughout rural Australia, coupled with the unintended consequences of rationalisation. If we continue with this narrow application of economies of scale, we will see smaller communities often subsumed by an ideological agenda that separates and segments society into non-interrelated areas. No wonder they are caught on the hop, for if rural Australia teaches us anything it teaches us that everything is connected. Thus, without increasing the vitality of the whole of rural Australia, the bonded scholarships for doctors will merely put some band aids on the wounds. As good doctors will tell you, without treating the cause the injury will eventually return.

I want to refer to a letter in my local press yesterday from Mr Vic Wilson, District Manager of North West Community and Rural Health, concerning the Queenstown hospital. Apparently, the surgeon at Queenstown, Mr Fraser Young, is to retire at the end of the month, and they are finding it difficult to find a surgeon to replace him. Mr Wilson said:

The department has been working hard to attract a visiting surgeon to Queenstown, to ensure that surgical services are maintained.

This is a classic example of the difficulties the west coast of Tasmania have in attracting surgeons. Hopefully they will be able to resolve that situation, but that has not been made clear. Also, at Rosebery on the west coast there are two GPs, both of whom live in Melbourne. They fly in, service the area during the week and fly home to their families at weekends, which leaves the west coast uncovered for medical purposes during the weekend. The doctors are trying to service the community, but they also have families and the families do not want to live on the west coast. The problem is exacerbated because these two doctors fly in and fly out again. Apparently, one of them occasionally stays over for the weekend. But this situation means that these doctors are on call for 24 hours a day. Doctors serving communities which are dispersed, as is the case on the west coast, do have difficulties. They also sometimes, apparently, dispense medicine. There are enormous problems, particularly on our Tasmanian west coast.

Senator O’BRIEN (Tasmania) (11.17 a.m.)—As we have just heard, the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 is all about providing services to people living in rural and regional Australia. I support what Senator Denman just said, particularly about the state that I represent, the state of Tasmania, and the problems on the west coast. The problems on the west coast of Tasmania are indicative of problems being experienced in other parts of the rural community of Tasmania. Another example I could put forward is the problem that has been experienced by the community of St Marys. This government trumpeted St Marys as being the site of one of the rural transaction centres that it was funding to provide an extension to the services that were available. But, while all that was happening, the community was losing its doctor; and losing its doctor in circumstances resulting in the community being faced with having no doctor in that community. There was a potential for a medical practitioner to be available in a nearby community. But that doctor was under great pressure to service
that community—the community of St Helens—as well as the community of St Marys. There clearly is a crisis in the medical services available to people in rural and regional communities of Australia, as exampled by those problems in Tasmania.

This bill is intended to provide legislative power for the minister to implement his design for bonded scholarships for medical practitioners in remote and rural areas. It has taken some time to come. Bonded scholarships were originally proposed by Labor at the 1998 election, and I might say that initiative was opposed by the Howard government. Labor strongly supports the need to get more doctors into rural Australia. Labor believes that there is a need for comprehensive reform of the current training arrangements to provide short- and long-term solutions to the problem, because there is no doubt that the shortage of doctors in rural areas is a major problem in the Australian health system which has been growing for some time as a result of the combined effect of social and economic factors. Senator Denman just spoke about the amenity of the community that is available and the effect that that has on the willingness of medical practitioners to set up their family arrangements so that they are present in, part of and available to the community. If some of the more remote communities are condemned to a situation where doctors simply operate for the period of, say, normal business hours so that they can leave the area and travel to a place where their family is prepared to live, then that solution will be less than desirable for rural and regional Australia.

Unfortunately, it has to be said that the Howard government’s efforts on rural doctors have not been properly focused and that the target it set for itself has not been achieved. I stress that people living in the bush are not only facing problems with the provision of health services; they are also facing problems with diminishing access to a whole range of services, including access to a number of other things which I will come back to later. It has to be said that country people are desperate about the shortage of doctors, and the absence of bulk-billing is, as Senator Evans said, a matter that contributes to the problem. It is a fact that increasing the number of doctors is a point at which the program could commence, but this is a short- and a long-term problem which has to be addressed.

The situation is, of course—as has been outlined earlier in the debate—that doctors and medical practitioners are finding it difficult to justify to their families establishing themselves in rural and regional Australia. That challenge to rural and regional Australia, one would hope, would be addressed by a measure which, as I indicated earlier, is the sort of measure that Labor was proposing. The problem of doctors seeking to move from rural and regional areas into the cities exacerbates as their children reach the age where they are looking for tertiary education, universities or even just a high school or a secondary college—the system that applies in Tasmania—that supplies them with access to subjects which will allow them to progress to tertiary training of the sort they would like to undertake. The problems within a whole range of services in rural and regional Australia impact greatly on the willingness of medical practitioners to remain for long periods in country areas.

That brings us to the question of how this bill is intended to be enforced. As Senator Evans pointed out, there is a fairly draconian provision under the bonded scholarship arrangement which under section 19ABA provides that medical practitioners who breach their commitment to work in rural or remote areas for six continuous years can be restricted in terms of their access to payments of Medicare benefits for a period of up to 12 years. That restriction will impact on their ability to successfully practise in general medicine or, I suspect, in most other areas. Labor had quite a different policy, which tied the period of the scholarship to the period of time which they were required to perform the bonded work. In this case the government is, I think, applying a measure to these doctors which will in fact militate against them taking up the scholarships.

That is the position which I think the AMA has raised. They are quite concerned about issues of fairness and enforcement. They are concerned that it is too harsh. They
are concerned that people are being committed to work for too long a period in regional areas. As Senator Evans pointed out, there is no provision in the legislation to review hardship cases, and one can imagine a great many circumstances where a bonded doctor might find circumstances which strongly militate against remaining in the country area for good and what one could imagine might be justifiable and acceptable reasons. The Australian Medical Students Association also expressed those grave concerns, to the extent that they say that the scholarships will not in fact aid rural health, that they will militate against people taking up the scholarships. This scheme is, therefore, less effective and less fair than Labor’s proposed scheme and, unfortunately, along the way appears to have lost the goodwill of the young doctors and the AMA.

Senator Evans pointed out the record of failure of this government in terms of providing health services to rural Australia. The fact that the targeting has not been properly focused was outlined. He did, for example, say that between 1996 and 1998 there was only an effective increase in full-time doctors of 0.4 per cent. Over the last four years more than a dozen new programs have been announced to aid this, without any noticeable inroads. In fact, a number of those programs failed completely. The clinical assistants program of 1997 was a failure. There was actually not a single applicant to participate in the program, and that was despite significant funds being expended on its promotion and development.

The register of medical availability, which was intended to provide lists of doctors available for locum work in rural areas, led to the situation where no qualified practitioners—that is, registered to practise medicine in Australia—put their names on the list. That scheme was also quietly axed. The Rural Undergraduate Steering Committee’s medical schools promotion programs have—although $2½ million has been spent—not been evaluated, and there are no details available on how the money has been spent. The John Flynn Scholarship Scheme has yet to be evaluated. No-one is able to say whether there has in fact been any long-term impact on the likelihood of graduates moving to rural Australia, which I guess is why the government is pursuing this measure.

So there have been a great many programs—and I will not enumerate them—which have attempted to provide assistance to rural communities in this area. I go back to the point that you cannot just take this thing in isolation. The Australian government, and other governments, can take measures to address this problem in isolation, but the problem is one—and Senator Denman touched upon this—where a variety of measures need to be put in place to ensure that not only can we provide a system which has an encouragement, an incentive, for medical practitioners to remain in rural and regional Australia but also they find that the communities in which they live have the amenities which justify them keeping their families there and experiencing the very good things that rural and regional Australia has to offer in terms of lifestyle. I think that should also be said.

But one of the issues, for example, that is quite topical in terms of what is important for people in rural and regional communities is access to the world—access to information. One concern is of course public broadcasting. As we have heard quite recently, the problem of public broadcasting and regional Australia has been given sharp focus by the new managing director of the ABC, Mr Jonathan Shier, who told a meeting of Labor members yesterday that in the ABC news and current affairs, for example, is a core business—not the only core business but a still core business. I would have thought the National Party would have agreed with that. They have made a number of pronouncements about the maintenance of news and current affairs, and one hopes that on this occasion they will be effective and actually get something done. They have been a notable failure in most other areas.

Senator McGauran—Name one.

Senator O’BRIEN—I do not want to take that interjection, because I wanted to deal with other matters in this speech. I do not have time to deal with all of the failures of the National Party, but you do tempt me, Senator McGauran. The National Party and
Mr Shier have said that the issue of funding of the ABC is a key one, and they are both correct. Mr Shier told us that there would be a cut in news and current affairs funding of three per cent but was not able to identify the areas where the cuts would be made. He also told us that news and current affairs programs had spent more than their budget by borrowing money from other areas of the corporation over the past two years—presumably so they could maintain the sort of service that is ancillary to the needs of rural and regional communities and provide part of the social amenity that is part of the issue which I say is important in terms of retaining medical practitioners and their families in those communities. Mr Shier said that borrowing had been achieved because news and current affairs know how to work the political issues.

I suppose that is an issue for Senator McGauran and his party, because Mr Shier has clearly had enough of all this and has put news and current affairs on notice. Their budget has been cut back from $120.1 million, which was the level of funding required to maintain current production levels, to a starting point of $115 million. As I said, from this new starting point he wants to cut another three per cent or $3.7 million. Mr Shier told us that, if his managers come back to him and say that they cannot make the cuts, he will have to buy that argument or find someone who can find the savings. He meant the latter, I take it.

Part of the new structure of the ABC is the establishment of a production resources department. This department houses all the technical staff, such as camera crew, sound people, lighting technicians and editors. It is headed by a Shier appointee, Mr Drew Lean. I understand that a review of staffing levels in that department is currently under way. I further understand that it is the intention of Mr Shier and his appointee Mr Lean to cut staffing numbers in this department by 100 people. This reduction is not to be achieved by way of voluntary redundancies or natural attrition—I am advised that 100 people will be sacked. This will mean the loss of more regional jobs, the loss of skills from regional Australia and more hardship for regional families. The government will stand by and say, ‘This is nothing to do with us; it is a matter for the ABC board.’ The ABC board will say, ‘This is nothing to do with us; it is a decision for management.’ And so the responsibility will be passed down the line, but in the end it will be regional Australia that will have to wear the result. While all this is happening, Mr Lean will be enjoying a three-week holiday in Tuscany.

This is the environment which surrounds the legislation before this chamber. We are going to put in place a mechanism for bonded scholarships for doctors—a mechanism which has lost the support of the AMA and the Young Doctors Association—which seeks to place doctors in rural and regional Australia but to attempt to do all that they can to ensure that there are the sorts of resources and that there is the sort of amenity which will encourage doctors to remain in those communities.

Short-term fixes are not the solution. They will lead only to the failure of yet another program with good intent—one badly planned, badly delivered and with a bad outcome. We can see with the example I have given of what is happening with the ABC that, if 100 jobs go from news and current affairs, that will impact across Australia and affect a number of communities. It will see the withdrawal of resources and, I suspect, centralise the news gathering ability of the ABC. There is no doubt that the ABC is one of those organisations which provides to rural and regional Australia the sort of information amenity that means they are not left behind.

So, as I say, the Labor Party will be supporting this bill. It is unfortunate that, while all of this is going on, the cuts that I have just mentioned, the 100 people that will be sacked, will do nothing to create the amenity that is so necessary to supplement measures,
ill-designed and possibly ill-fated—but I hope not—to provide proper medical services in rural and regional Australia. Hopefully, at the end of the day, when Labor are returned to power at the next election and we fix the problems that have been created with this legislation, as they are revealed, places like St Marys on the West Coast of Tasmania will be able to get the medical services they need. This would not be on a fly-in, fly-out basis or on the basis of overtaxing the few doctors who wish to remain; it would be on the basis of the provision of medical services on an ongoing basis from medical practitioners who are quite happy to locate their families in rural and regional Australia—which, as I said, provides in many other respects an excellent lifestyle and an excellent place to raise children—and of providing support for a very important part of the Australian community: rural and regional Australia.

Senator CROWLEY (South Australia) (11.37 a.m.)—I rise to speak on the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000. I spoke here not too long ago suggesting that Health Amendment Bill (No. 4) was an insufficient title which did not give you a clue of what it was about. So I commend the title of this bill, which actually does give you a clue to what it is about. It does not of course give you the detail of what is in this legislation, and those are some of the points that I want to address, as my colleagues already have. I also want to pick up on Senator O’Brien’s point that it is a very curious business to be taking people out of the country, whilst arranging to send doctors there. I believe Senator O’Brien’s point is very powerful. It is not only the people from regional ABC who are affected; it is people from schools, people from banks and people from any number of walks of life in rural Australia. Even some of the stores that provided agricultural products, to say nothing of food and clothing, have closed. So we may indeed, according to the timetable on this legislation, just get our bonded doctors to the country in time to find that everybody else has left. I hope that that is not the case.

There is nothing like a good exaggeration, I suppose, to start a discussion or at least my contribution. But, as we know, there is a very big problem confronting people in politics, people like us, who are listening to the continuing story of complaint coming from rural and regional Australia about the loss of services, about the retreat of all sorts of infrastructure—and, with that, go the people. When the people have gone, the provision of services for the few who are left becomes more expensive and much harder. Certainly one of the major concerns for people living in rural and regional Australia has been health care and the provision of adequate health services of whatever sort. I always think it is wonderful, along with Crocodile Dundee and a few other romantic things about Australia, that we established the Flying Doctor Service. It is one of the great characteristics of this country and perhaps we should make some more movies about that.

We have to recognise the tyranny of distance in this country, and we have to try to see if we cannot get services to people, but in a way that acknowledges the distances and the remoteness. We cannot expect sometimes to have the full service of the health complement in every rural and regional town in Australia. It is really not the same, even in just basic costs, as providing care in our major capital cities. The Flying Doctor Service has got a flavour that is particularly Australian and a character of make-do health care and provisions. I have always enjoyed flying along with the doctors in the aeroplanes; there is often a pilot, but quite often the pilot is the doctor.

Senator West—Or nurse.

Senator CROWLEY—I have noticed that, and that is very important, Senator West. We are becoming a very good song and dance team here. I think the message needs to be said again and again. Quite often it is indeed the nurse who flies the plane, helps the doctor, fixes up the patient and maybe stays around longer, but not if she is flying the plane back. It is daft to be looking at health care that is doctors only, without the ancillary staff and, in particular, the good sisters. Senator West has made the point a
number of times in this chamber that health care that talks about doctors and does not talk about the support network, particularly nursing care, is fraught; it is creating a way of looking at health care that is not real. Indeed, in rural and remote Australia it is the nurse who is very often the person who is the first point of contact for health care. Often you will find a nurse has stayed around, is living in the area, is providing rural and remote health assistance, and may often be the first point of contact who may then locate, contact or call in the ambulance or flying doctor assistance.

Let us now turn to what we are doing in this legislation, which is providing bonded scholarships to encourage doctors to go and work in rural and regional Australia. I think it does need to be noted that this proposal that is now being adopted by the government is similar to, but worse than, the one that was proposed by Labor and which was so scathingly dismissed by Minister Wooldridge at the time. Minister Wooldridge dismissed the Labor government’s proposal—the rural doctor placements scholarships—as ‘probably unconstitutional’, he said, ‘due to the limitation of Section 51 preventing “civil conscription” doctors’. It is clear that the minister has had a change of heart and also has modified the Labor Party policy to try to deal with the difficulty of getting more doctors into rural and regional Australia, but the proposal he has come up with is not nearly as good as the Labor one and is not satisfactory. That is why the Labor Party will be moving amendments to try to improve this legislation. It is clear, and any number of Labor Party people have said, that we support the idea of bonded scholarships to assist young doctors to take up training and to work in rural and regional Australia, but the proposal he has come up with is not nearly as good as the Labor one and is not satisfactory. That is why the Labor Party will be moving amendments to try to improve this legislation. It is clear, and any number of Labor Party people have said, that we support the idea of bonded scholarships to assist young doctors to take up training and to work in rural and regional Australia, but the proposal he has come up with is not nearly as good as the Labor one and is not satisfactory.

Senator West—Often in a private school.

Senator CROWLEY—Indeed, often in a private school, but wherever students will be making this decision, it is a tough call when you are 17 to know what on earth you will be thinking about and doing when you are 27. I do not know how many of you would honestly admit that you know doctors who actually graduated and then decided that practising medicine was not for them. There are a number. I met a few on a football field not too far from the heart of Adelaide a little while ago. They had just finished medicine and said, ‘No way could I work as a doctor.’

I think it is a terrible tragedy that people would actually spend six years competently studying and then graduate very well only to discover that practising postgraduate is not the sort of thing they want to commit to. I have met more than one young doctor who has made that decision recently, which actually indicates to me that we should be talking to doctors not only about scholarships but about the nature of medical practice when they graduate. We want to try to take into the medical profession and into those many years of dedicated study people who want to practise medicine at the other end, but I always expect and allow that they will make a few mistakes from time to time. I know a lot of people who have gone to university and studied law with the clear intention of never practising it. I think we have to allow that some people will make that decision.

If you are talking about a bond where people will take some 11 years to complete a university degree, undertake the internship and then complete paid vocational training as a GP specialist before they actually get to do the six years minimum to work off their bond, then that is a fairly large decision for people to make, particularly at 16 or 17 years. I do not understand from reading anything about this legislation that people will be able to work for three or four years, take out a scholarship for three years and then work for three years later. I ask the minister to tell me whether that is possible in his comments. I do not understand from reading anything I have read that you can do that. It looks as though it is go to whoa—six years, all in or none in. I think I am getting the suggestion from the advisers that it is all in or none in. Some people who have had the experience of growing up in the city and then doing a placement as a student in a rural practice may think, ‘Hey, this would be
great,’ so they might seriously think when they are in their early 20s of taking up a bonded scholarship for the last three years and then having to work off a bond for three years. If that is not a possibility, I would certainly suggest it might be worth considering at some stage. But there is nothing like talking about what is not in the bill.

I am particularly concerned about the harshness of the bill, and I want to talk about some of the provisions that the Labor Party wants to address in its amendments. First of all, we will be moving amendments to provide greater flexibility about the areas in which specialists might serve in order to meet the needs of regional towns. We will be moving amendments to provide for an independent person to consider and approve applications for suspension of the contract obligations or variations on hardship grounds. I think it is quite reasonable to expect that there will be some people who, for reasons outside of their control, will not be able to fulfil their obligation for six continuous years. We think it is very important that there should be somebody to actually adjudicate on the conditions of an individual’s life and see whether there is a way in which the hardship grounds and variations of that contract can be taken into account. I do believe that having an individual person, council or whatever—but an independent person—to assess that is very important.

Senator Denman—Yes, like I did.

Senator West—Yes.

Senator CROWLEY—A few of us remember well. Welcome, colleagues, all of you who can remember as I can. I remember all sorts of students happily went off and did their three years training. I remember all sorts of students who graduated and had to wait for the ballot to see where they were sent. I remember the gross injustice when some teachers finished in beautiful public schools in city areas and other teachers, after having done the same scholarship bond, finished in very rural and remote Australia with minimal assistance and so on. There was an unfairness about that, in the sense that they had the same teaching and the same scholarship but some finished here and some finished there. I guess most of us can remember some—no names, of course—who crossed the border so as to never have to serve out their bond for teaching, because their teaching scholarships were associated with the state.

Senator McGauran—Like draft dodgers.

Senator CROWLEY—Senator McGauran, were you remembering one?

Senator McGauran—I was just comparing them to draft dodgers.

Senator CROWLEY—Oh, Senator! I think there may be examples, but we will leave the draft dodgers to you, and we will stay with those people who have made decisions at 17 but then found it hard to act on them when they graduate because all sorts of other things have happened in their lives. They may have fallen in love.

Senator McGauran—Oh!

Senator CROWLEY—I am glad that upsets you. Doesn’t that change your view of the world? Doesn’t it mean that your whole prospect of vision is completely different? I hope it does because I think you senators over there sound like a very dull lot if falling in love has not changed your view of the world or what you want to do.

Senator Tambling—Are we just going to put it on the taxpayers’ bill?

Senator CROWLEY—No, no. The taxpayers are not necessarily going to be defaulted on; I am just suggesting that these are situations that 16- or 17-year-olds may not necessarily have full experience of. They do certainly change one’s life, and so does getting married or deciding to join the armed forces and practise your medicine in a slightly different way or with a different group of people in a different area. It is true that some people might decide that the idea of this bond is so appalling that they will slip the country and hope that, in 25 years of living somewhere else, they will be forgotten.
and the government will not require them to pay back their debt. I think we have to be pretty careful about what kind of information and assistance we give young students if they should sign on to this very serious contract.

We have to also deal with what happens to not only the students who finish their medicine and decide not to practise but the students who fail and do not complete their medicine. What kind of obligation have they got for repayment? Are there interest terms and so on? The Labor Party will be moving amendments concerning that, and they are all important additions to this legislation because they go to dealing with some of the difficulties that the Labor Party has with it. It is stern stuff, and I think we need to make sure that the people who sign on to these scholarships are given fair assistance in signing on to the contract and fair assistance in coping with it if they have to, for whatever reason, come off it.

We know about the shortage of doctors in rural and regional Australia. One thing that was told to me very recently which I thought was pretty disturbing was that there is an absence in rural Australia of doctors who bulk-bill. That is very important for the people of Australia, people who depend on those doctors. I have heard my Liberal-Country Party colleagues pouring on me all sorts of encouragement, to say nothing of abuse, about how they offer choice. But they are not seeing that the choice of bulk-billing is provided to consumers in rural and regional Australia, then I believe we have to allow those doctors to make choices about how they ask patients to pay. I believe we should be putting that seriously, if not hard, into the contract, at least within the ambit claim of the contract.

What is the point of sending doctors out there if they are going to be charging like wounded bulls and denying the patients the right of the option of bulk-billing? Bulk-billing has been a core part of the Medicare arrangement in this country and a core reason why so many people now know that they do not have to fret about going to the doctor, unlike before we came to office in 1983 when some two million Australians had no protection against the cost of their medical bills and thousands of women left their children to be sick rather than worry about whether or not they could pay the bill to the doctor. Those fears went with Medicare, and the community has been assisted by the option, agreed by the doctors before the introduction of Medicare, of bulk-billing. That option should extend to rural and regional Australia. I know we walk on glass saying, ‘You cannot tell doctors what to do.’ Yet here we are saying, ‘If you sign this contract, Doc, for $20,000 a year, then for six years you will serve in rural and regional Australia, and if you do not we have a fantastic penalty for you: we will take two times each year that you did not serve and deny you the full medical benefits.’ That is tough and that is telling doctors a fair amount.
You say, ‘We are not really telling them. They are going to have to sign on to all of this.’ Yes, they are. But if you are determining conditions fairly stringently, as you are in these contracts, I would like to challenge you to take up the option of choice for people in rural Australia to have bulk-billing. I was astounded to hear how vicious and vehement the campaign was against the doctor who dared introduce bulk-billing and how that doctor has been significantly paid out. If we are going to ask these doctors to go into rural and regional Australia to work out their bonded scholarships, can they bulk-bill? Or, in the year 2012 when you finally get them there on their bonded scholarships, will they be allowed to bulk-bill or does this contract arrangement say, ‘No bulk-billing’? I know it does not say that, at least not that I can read. I would like to know, Minister. I would like you to give me an assurance that these doctors, when and if they finally get there, will be allowed to bulk-bill without any harassment or subtle nasty pressure from their colleagues. (Time expired)

Senator WEST (New South Wales) (11.57 a.m.)—I again advise that I have some interest in the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000: I am a member of two colleges of nursing in this country and a member of the Health and Research Employees Association. Many resident doctors are also members of that union. This government are again attempting to fix the problem of the maldistribution of doctors in this country leading to shortages in rural areas and over-supplies in the city areas. They have actually pinched part of the Labor Party’s policy, and for that I say we must have been on the right track, even though Minister Wooldridge certainly laid into us, saying that we could not possibly do this, that it was wrong and everything else prior to the last election. Anyway, we do not mind him taking the good parts of our policy, but we need to look at how he is going to implement it and we need to look at a number of issues that relate to this. I again have concerns with this government, and I repeat what I said the other night: this government seems to be of a mindset that health care equals doctors and acute hospital beds. You cannot deliver a health service of any quality and standard with just doctors. They are not able professionally to provide the full range of care that is needed for people, be it in a hospital or be it in a community. Nor are they able to make nursing diagnoses and outline nursing practice or make physiotherapy diagnoses and physiotherapy practice or occupational therapy diagnoses and occupational therapy practice or be dieticians—the whole gamut.

The government are moving more and more down the line of saying that doctors are the be-all and end-all—that is where supreme power will reign—who will tell all other health professionals what they should and should not be doing. Before the government go much further with the negotiations that I know are continuing, I urge them to think again. The other health professionals will not tolerate or cop it—and nor will the people when they understand that doctors and the other health professionals have their specialty areas in which they have trained. I repeat: a health service is not just about doctors and acute hospital beds. If we are to run a good health service, we must have a multidisciplinary team comprising doctors, nurses, physiotherapists, speech therapists, occupational therapists, rehabilitation counsellors, psychiatrists, psychologists, mental health nurses and social workers. They are only part of the team that we need to run a good health service. Each profession complements and cooperates with the other and should consult with the other. No one profession has knowledge of health issues that is superior to any of the others: health professionals have expertise in differing areas in the provision of health care.

Yet this government seem able only to look at doctors in rural areas. They are incapable of considering the health delivery and workforce needs of the other health professions in rural areas. I refer senators to a press release issued by the New South Wales College of Nursing and Professor Judy Lumby, the executive director of the college, following the last budget. The release is entitled ‘Rural health not just about doctors’, and it states:

The NSW College of Nursing has expressed its bitter disappointment in the narrow focus of rural

“Once again we are being told that rural health means rural doctors,” said Professor Judy Lumby, executive director of the College. “The Budget papers talk about measures ‘designed to provide more doctors and better health services’ but what they really mean is better doctor services.”

“There is a real shortage of nurses—not just a distribution problem which is the cause of the shortage of rural doctors—and yet there is not one measure aimed at promoting the recruitment and retention of the nursing workforce in rural areas.”

The NSW Ministerial Advisory Committee on the Health Services in Smaller Towns (the Sinclair Report) recognised the very real problems rural health services had in attracting nursing and allied health staff (which, despite the Budget attempts to combine them, are actually two separate professional groups). It noted “that without an adequate nursing workforce it will be impossible to maintain current rural hospitals”.

“Measures such as the HECS exemptions and scholarships currently only being offered to medical students would go a long way to enticing not only young people into nursing but encouraging those who have left the workforce to retrain,” said Professor Lumby.

“This is not just an issue of money—although the cost of education is just as much a disincentive for nurses to train as it is for doctors.”

“What really hurts is the message from the Commonwealth Government—once again—that nurses are not valued. This is one more piece of evidence that the Government doesn’t take into account (or perhaps is just not aware of) the central role played by nurses in health care.

“It is especially sad that this blatant disregard for the contribution nurses make to health in Australia comes just before International Nurses Day (Friday 12 May).

“The theme for this year—Nurses: always there for you—may not be true for much longer.”

The Royal College of Nursing Australia made similar comments as did the nurses association, the ANF. It bewilders, concerns and alarms me that the Commonwealth government does not see that it has a major and significant role to play in addressing the work force shortages of nursing and the allied health professions. When I ask in estimates committees about the Commonwealth’s role and what it intends to do in this regard, I am told continually, ‘We only worry about doctors; the states look after the rest.’ That is denying the Commonwealth’s responsibility for the provision of total and adequate primary, secondary and tertiary health care for the people of this country.

The Commonwealth does have a role in this area. It provides funding to the higher education institutions for initial training and collects the HECS debts that people owe. Yet it is not prepared to look at what happens after that. Once people graduate, the Commonwealth says, ‘Go away, I don’t want to know; I am not interested in you: I am just interested in the doctors.’ As I have said before, the problem with the medical health work force is that there is a maldistribution. The problem with all the other health professionals is that there is not enough of them. There is a shortage of nurses not just in Australia but world wide. This government must look at some way of addressing the nursing shortage in this country; and perhaps devise a plan or program that will solve the worldwide problem.

Yet we see this government encouraging organisations and health areas to move away from using nurses. Let us take the government’s moves in the age care sector. The Howard-Anderson government is providing incentives for age care facilities not to bother employing registered, or even enrolled, nurses. This government is actively pursuing downgrading the level of care that is provided to people who need nursing and health care as part of their broad health needs. We heard some of the earlier speakers in this debate talk about the Royal Flying Doctor Service. The RFDS provides a great service: it is written up in history and there are myths and legends about it. However, I suggest that senators read some works by the historian Idriss. I refer to Betty Mitchell’s 48th annual oration to the New South Wales College of Nursing, in which she said:

Idriess, a historian of the Australian outback tells us:

In 1924, a nursing service was started, unique in the history of the world—‘The Border Sisters’. These nurses operated alone, each for a period of two years, within a district that embraced seven thousand five hundred square miles.

She goes on to say:
McPheat, another historian, further attests to the difficulties faced by the early remote nurses:

after clockwork city hospitals the Sisters must learn to travel through floods and dust-storms; to camp for nights in the bush on diets of dry bread and dry beef; to ride a horse and perhaps swim rivers clinging to its tail; to improvise splints from a nearby tree. These nurses shouldered responsibilities normally placed only on doctors and made decisions that caused their hearts to stand still.

If you talk to those nurses who are providing care in the remote and rural areas of Australia, including New South Wales, you will find that they are still providing care and making decisions that cause their hearts to stand still—because there are no doctors there. But we have to ensure that the skills of those nurses who are providing that care are recognised and rewarded and also that they are protected from litigation.

Mrs Betty Mitchell also goes on to talk about the role of nurses when the RFDS makes a trip. She says that nurses working in environments where they are 200 kilometres from their destination often have to drive on dirt roads, and after good rains or any rain this can be quite a challenge. She states:

Nurses working in these environments must have a diverse range of abilities and knowledge. How many metropolitan nurses in one day routinely attend personal care, manage clinics, give immunisations, administer medications, take x-rays, suture wounds, apply clinical judgements, use the UHF radio to give information or get advice from the RFDS or GP, visit people in their homes, take the ambulance out (usually with the handyman as a driver) to attend accidents, heart attacks or snake bites, then practice meteorology and relay wind and weather conditions to the RFDS pilot, all while clearing kangaroos and wild pigs from the runway?

They do all this while keeping their patient’s condition stable.

This is the sort of situation they are facing and the sort of work that they are doing. If we do not do something about addressing not just the issue of the maldistribution of doctors in rural Australia but the issue of the shortage of nurses in Australia across the entire board—in every place, from the major teaching hospitals to these remote areas—then we will not have anybody there to be able to give the meteorological reports to the RFDS pilot whilst actually clearing the runway of kangaroos and pigs and stabilising their patient or maintaining the stability of their patient’s condition. That is the reality of this world—and that is the reality that this government has to face.

This government has introduced a number of other scholarships and schemes also: the RAMUS scholarships of $10,000 a year and some HECS remission and exemptions. I see and hear nothing about how those scholarships and existing or future exemptions will work in relation to these bonded scholarships. They are one of the issues that this government has to address.

I go back to the issue of the minister saying that he would get the figures for us eventually—and, if he cannot give us those figures today, I will follow it up at estimates. In January 1999 the member for Farrer, then acting as the Prime Minister, claimed that rural doctor numbers had jumped by 7.2 per cent in two years. The health minister repeated this claim in parliament in December of last year. But questioning at estimates revealed to me that a meagre 0.4 per cent increase in the actual number of equivalent full-time doctors had taken place. The 3,550 full-time equivalent doctors in rural and remote areas had increased by just 13 over these two years.

What this government is doing is playing fast and loose with figures. It runs around saying that the number of doctors has jumped by 7.2 per cent. But it fails to tell us what number of doctors are working whatever is considered to be the equivalent hours of a full-time doctor. There has been feminisation of the workforce, and female doctors are often choosing to work part time. So, sure, we are seeing more doctors coming into the area, but we are seeing them electing to work part time.

This, of course, raises some concerns about those doctors who take this bonded scholarship up. They take it up at 17 years of age. They have between six to eight years of university, depending on which university they go to. If they go, say, to Sydney University, they do a three- or four-year degree, often in an allied health profession. They...
have to get sufficient grades there to get their degree, their standard qualification. Then they go on and do medicine. So that is an eight-year course they have to complete just at university.

They then have to do their internship before they even look at doing postgraduate further experience and training. So these people are in their late 20s when they start to look properly at what they will be doing and where they will be working. It might well be that they get their vocational registration in 10 years, at the age of 27 or 28, and then have to do six years on top of that. Many women, by 27, 33 or 34 in particular, are wanting to have children or have already started a family. There does not appear to be anything in this legislation that will enable female doctors—or maybe even male doctors—to work and spend some time being a parent to their children; there is nothing that answers those needs. This legislation talks of ‘continuing service’, and I think this government has a number of questions to answer in relation to this.

I keep repeating and turning back to the fact that this government seems to be concerned just about doctor numbers in the bush, the gross numbers, and has not provided us with the very minute details that we need. It will not tell us the number of full-time equivalents that are out there in the various categories. I warn the minister that, if he cannot give me the answer today, the department should be very ready for this answer to be given at estimates. So you have three weeks maximum to give me the figures. I will be performing and getting very upset and very annoyed if you do not.

Senator Crowley mentioned bulk-billing and I have to mention it also. I am seeing a decrease in the amount of bulk-billing in rural areas. I am getting complaints from pensioners down in the MIA, in the Riverina, around the Goulburn area and down at the South Coast of this state. We have doctors deciding not to even bulk-bill pensioners. There are some radiological practices that will not even bulk-bill their pensioners for some of their scans and ultrasounds. We are talking big money here. We are talking three-figure sums—$150, $200 or maybe even more. For people on fixed incomes, that is almost an impossibility. Bulk-billing is there to enable these patients to have tests and services provided to them on their health needs, not on somebody’s hip pocket desires. I will leave that point there.

I want to finish by saying that health care and the delivery of a good health system are about having a multidisciplinary team to provide the health services needed. You cannot run a health system with doctors alone. You cannot run a health system with nurses alone. Mind you, I think there was a time in Israel a few years ago when the doctors went on strike and the mortality figures actually dropped. Ponder that one. It is very important that we remember that health care is best delivered by a multidisciplinary health team. I speak here about multidisciplinary health care teams as somebody who has worked in a multidisciplinary community health team, and I know the respect for and the value and abilities of all of the other health professionals that I worked with. That was the way that we were able to deliver a good health service, and that is what this government has to look at doing—providing ways that we can have adequately trained health professionals from all of the health professions providing equal service and getting equal support to be trained, not just one group getting more support than the others. That is not fair, and it is not the way to go about addressing medical work force needs.

Senator FORSHAW (New South Wales) (12.17 p.m.)—I rise to speak on the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000. At the outset might I compliment my colleague Senator West on her remarks. I listened very intently. She has touched on a range of concerns with respect to the delivery of health services for people in rural and remote areas. I wish to come back to that a little bit later in my remarks. This legislation has a noble objective, and that is the objective of increasing the supply of medical practitioners, doctors, in rural areas. It has a noble objective. Indeed, the idea has a noble background. This proposal, which the government is now going to implement, follows a policy that was put forward by the Australian
Labor Party at the last election. At that time, when we dared to suggest that you could look at bonded scholarships as a means of attracting medical practitioners to work in rural areas, the minister abused us. He said that it would not work, that it was a stupid idea and that he and his government were not going to adopt it.

All good policies that come out of the Labor Party—and there are many of them—are eventually adopted or supported by the coalition parties. We have seen that historically with Medicare itself. It had its beginnings as Medibank, the universal health cover scheme introduced by the Labor government in the 1970s. Despite all of the attempts by successive Liberal-National Party governments to dismantle it, abolish it and destroy it, it is and remains the integral part of our health system in this country—one which clearly enables us to hold ourselves up as delivering one of the best health systems in the world.

Of course, there are continuing problems, largely due to the lack of funds made available to the states, particularly by this government, in order for them to fully deliver the services that are needed. In rural areas, where issues such as tyranny of distance are everyday problems to confront, this is even more difficult. I do not wish to spend much time on the specific details of the legislation, because it has been well canvassed by previous speakers. As Senator Evans pointed out in his speech in the second reading debate, the opposition support the legislation. We support it because, as I said, it derives from Labor Party policy. It is a system which we believe should be brought into place and which, hopefully, will result in an increase in the number of medical practitioners in rural areas. But we have also made it clear that, whilst we support the legislation, we will be moving amendments to deal with a number of the problems that have been identified by the Labor Party and indeed by other groups, including the AMA.

Those problems have been well documented. They go to issues such as the fact that, whilst this scheme will now be brought in, it could be 11 or 12 years before it has any real impact—because of the time it takes for medical students to undertake and complete their education, their training, their residential qualifications and so on. We hope this policy will have results, but they will be some time down the track, and the immediate problems of the shortages of GPs and medical specialists in rural areas will remain for some time. Problems have also been identified with respect to the draconian penalties that would apply under this legislation for persons who, for one reason or another, do not complete the period of work required under the bonded arrangements. That needs to be addressed, particularly to take account of issues such as hardship and so on.

There is no doubt that, if you were looking for the single minister who has most comprehensively failed in his or her task of managing a portfolio—and there are plenty of candidates in this government—it would be the Minister for Health and Aged Care, Dr Wooldridge. This minister has been roundly condemned by every single state and territory government in this country for his management of the health portfolio. We all recall the tortuous road that the states and territories had to travel to try and finalise a Medicare agreement. Each one of those state premiers and ministers for health—Liberal, Labor and National Party—condemned this minister and this government for the shortage of funds that the government was proposing in respect of that Medicare agreement. It even got to the stage where the premiers all walked out of a Premiers Conference over the issue of Medicare funding. It is unfortunate that the legacy of this current minister will remain for some time as the states try and repair the damage that has been caused by his mismanagement and, particularly, by the severe cuts to the states in the areas of funding for public hospitals, the inequities that have been produced through the private health insurance rebate scheme and so on.

I want to contrast that with the position of the New South Wales government and the great strides that they have made—notwithstanding those funding cuts and the general cuts in funds to the states that they had to suffer after this government came to office in 1996—in improving health services, particularly in rural areas. Senator West men-
tioned earlier the fact that the New South Wales government have established the Ministerial Advisory Committee on Healthcare in Smaller Towns. That was a tremendous initiative and, to show the genuineness of the proposal—which was implemented by Minister Craig Knowles in New South Wales—Minister Knowles appointed as the chair the very respected former minister and former Speaker of the House of Representatives Ian Sinclair. Ian Sinclair is a former National Party minister—indeed, I think he is a former Country Party minister, as well—of this parliament.

Ian Sinclair was not a Labor Party member—he was our political opponent—yet he has a long history of representing a rural electorate in this parliament as well as having ministerial portfolios in that regard. That was in the days when the then Country Party came into this parliament and represented the interests of people in rural areas. Sadly, that is not the case today. The National Party have no say and no influence and, consequently, the issues particularly affecting rural people—and health is a major one—go unheeded by this government.

The New South Wales government has implemented its Action Plan For Health which, over the next three years, will inject a further $2 billion into the health system of New South Wales. Communities in rural New South Wales, particularly, will be receiving an additional $317 million in annual recurrent funding for rural health. That is an increase of 15 per cent from the current amount. The New South Wales government has also sought to address some of the issues that this legislation is directed at—that is, trying to improve the position with respect to GP or medical practitioner services in rural areas. It has streamlined the assessment process for overseas trained doctors to be able to take up positions in rural areas. It funds areas such as the Rural Doctors Network, the rural health training units, the Rural Medical Officer Cadetship Program and the Rural Registrar Training Program. In the last two years, for instance, the NSW government awarded over 147 allied health grants to students undertaking rural clinical placements. So there is a range of issues and time does not permit me to go into the detail of all of those. I will just conclude, to allow the parliamentary secretary to wind up the second reading debate.

Senator West also pointed out that if you are going to deliver an appropriate health service, you have to look at the whole picture. She quite correctly drew attention to issues which relate to, for instance, the shortage of experienced nurses. The New South Wales government has tackled that problem by providing rural and remote undergraduate scholarships specifically to support rural nursing students. As I said, we are prepared to support this legislation because it is based upon a good objective—increasing the supply of medical practitioners in New South Wales. It is one of the few things, if not the only thing, that this government has done in the area of health that has been of any value to rural areas, let alone to any other parts of Australia. It is an initiative originally proposed by the Labor Party and rejected by this government, and it is good to see them getting on board for once and adopting our policies to deal with these important issues.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.31 p.m.)—I am very pleased to hear of the opposition and Democrats support for this bill. The bill, the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000, relates to the Medical Rural Bonded Scholarship Scheme. There is a real need to get more doctors into rural Australia. The scholarships available under the MRBS Scheme will provide $20,000 a year to medical students in exchange for an undertaking to work in rural and remote areas. After six years in a rural area, these doctors will have gained a greater understanding of rural medicine and its rewards and challenges, and this will provide a solid basis for a future career direction.

This legislation underpins the MRBS Scheme and ensures that it is sustainable. The legislation protects the medical students as well as the Commonwealth by ensuring that all parties are well informed about the extent of their obligations and by making sure that the rules cannot be changed. Leg-
islation is necessary to make sure that the promise to deliver 100 extra doctors per year to rural Australia is not compromised. The bill provides that Medicare benefits are not payable for professional services rendered by or on behalf of a doctor who is in breach of a contract with the Commonwealth to work in a rural or remote area. The bill states that Medicare benefits will not be payable for twice the period that the doctor has contracted to work in a rural or remote area. The period of this ban may be shorter, according to the details of the contract. This ban is necessary to prevent doctors who breach from adding to the oversupply of medical practitioners in urban areas, at least until they have fulfilled their contract with the Commonwealth to practise in a rural area.

The scheme is designed to be as flexible as possible without compromising the objective of delivering 100 extra doctors. The legislation must therefore be broad, so as to allow for flexibility for both the scholars and the Commonwealth. This is a very long-term scheme and will be in place for decades. The flexibility will allow the scheme to be improved as may be recommended by future reviews. The scheme will complement other schemes and scholarships which are designed to ameliorate the shortage of doctors and health professionals in rural areas, in the short and medium term as well as in the long term.

Should a scholar find that they cannot, or are unable to, work in a rural area, their career is not at an end. They will have to repay the Commonwealth, and their access to Medicare will be banned, but they will still be registered medical practitioners if they complete their training. The ban provision is to ensure that scholars who have promised to serve six years in the country do not go into private practice in the city where there are already some areas of oversupply. This is important. Scholars who breach will still be able to work as doctors, but they will not be a burden to Medicare. They can pursue several other career options; for example, in public hospitals, Aboriginal medical services, community health centres, public health units, STD clinics, educational or research institutions, local or state government bodies, private companies or journalism. There are many careers in medicine which do not require billing of Medicare in major metropolitan areas.

The obligation to work in a rural area is simply the value of the scholarship. There is no penalty for scholars who fulfil their commitment—that is, that they do what they are contracted to do when accepting a place in a medical school that would otherwise not have been offered. There have been concerns about the ability of these students to commit to a long-term career path because of their age. These students are not immature. The average age for first-year undergraduate medical students in 1999 was 21½ years, and for graduate first-year medical students it was 32½ years. I think that Senator Crowley’s comments about looking at issues of alternate lifestyle, which were so romantic, have their roots more in ALP philosophy than in common medical sense.

Students who enter into these contracts will be required to seek independent legal advice before committing to the serious obligation to serve as a doctor in a rural area. The Commonwealth is distributing comprehensive information packs to universities and students to ensure that they are all fully informed. For the very few applicants who are younger than average, they will not be required to sign a contract until they are 18 years of age. The scheme is flexible and the contract allows scholars to take up to 16 years to complete their training to fellowship level before being required to commence their service. Generally speaking, a scholar would complete training from undergraduate level entry in 11 to 14 years and from graduate level in even less time—approximately nine to 12 years. This provision allows scholars a number of years in which to travel, to take a break, to have a family, or to pursue other study interests prior to commencing service in a rural area.

Also included in the contract is the provision for scholars of either sex to break or defer rural service for up to 12 months in order to look after a newborn or newly-adopted child. This scheme gives scholars the freedom to practise wherever they choose in rural or remote areas for six years and to
change location within that time. Scholars will be able to choose from 90 per cent of the Australian landmass, including places such as Katherine in the Northern Territory, Albany in Western Australia, Coffs Harbour and Bathurst in New South Wales, Devonport in Tasmania, Port Augusta in South Australia, or Mildura in Victoria. In addition to these ample examples, the contract provides for ministerial discretion should a scholar seek to defer the period of their service. The contracts will state that the minister can allow deferrals of the bonded services or, in the event of a breach of the contract, reduce the subsequent repayment obligations or period of Medicare ban. This discretion is intentionally broad because it is not possible to foresee all of the circumstances in which a scholar would seek to apply for discretion.

The issue of an independent tribunal has been raised. It is entirely appropriate that the minister hold this discretion and not a third party. The minister, as the elected representative of the people, is in a good position to balance fairness to individual scholars against the benefit for rural communities of receiving medical services. It is important to note that the ministerial discretion can operate in only one direction—the minister can only defer or reduce obligations on the scholar. I have specifically noted the comments of both Senator West and Senator Forshaw in this matter. Very obviously, Senator Forshaw needs some history lessons on the achievements in office of the Minister for Health and Aged Care, Dr Wooldridge—or perhaps he needs treatment for the early signs of Alzheimer’s disease. What needs to be put on the record very carefully is that Dr Wooldridge has supervised and overseen a period of increased funding and innovation in areas right across the health portfolio. His four years in office compare very favourably with that of the 13 years under Labor.

Senator West raises a number of relevant and very proper issues with regard to health care. I hope she has also engaged the health minister from New South Wales, Mr Craig Knowles, in these areas—specifically with regard to nursing training. Has she also consulted and discussed with the AMA on the issues of bulk-billing? Senator West asked about other schemes that the government has put in place to deliver doctors to the bush, to ensure ongoing support for these medical practitioners once they are in the bush and to provide other health services to rural areas, including allied health and nursing. The MRB Scholarship Scheme is a long-term initiative to deliver more doctors to rural communities. It fits within an integrated range of initiatives covering the short, the medium and the long term, and provides support and incentives to deliver more doctors to the country. These include short-term initiatives to get doctors into the bush immediately, initiatives to support doctors who are already out there and long-term education initiatives which target doctors at the beginning of their careers. One immediate strategy to get more doctors to the bush is the Overseas Trained Doctor Scheme. The Commonwealth works with the states and territories to facilitate recruitment of overseas trained doctors to rural communities for urgent, short-term vacancies under the newly established state OTD Scheme for placements of five years or more. However, these are not ideal and are dependent on a continuing supply of overseas trained doctors wishing to come to Australia. The ideal is to get Australian trained graduates into rural areas.

Initiatives which will support doctors who are already in the bush include the Rural Locus Relief Program and the Rural Retention Program, which aims to recognise and retain long-serving general practitioners in rural and remote communities with high relative need for retention support. Also, in answer to a number of the other issues raised by Senator West, let me comment on the support to improve allied health services. Under the regional health strategy there will be more allied health professionals to work with local doctors in meeting community needs, and this can and does include nurses. There will be additional support to attract and retain pharmacists in rural areas, which will, in turn, build the professional links which are necessary to sustain rural practice. There will be a lifeline for small non-government country hospitals at risk of closure and an increase in the Regional Health Services Program by more than 50 per cent, which
will give another 85 communities services they would otherwise not have had. There will also be a framework of service for rural doctors to have access to a broader range of experience and allied health support.

Long- and medium-term educational initiatives which provide a stronger focus on rural health care in medical education are: the Rural Australian Medical Undergraduate Scholarship Scheme, the new General Practice Registrars Program, the Rural Undergraduate Steering Committee Program, the John Flynn Scholarship Scheme, Medical Student Vacation Scholarships and nine new regional clinical schools and three additional university departments of rural health at a cost of $117 million over four years. These initiatives are mutually reinforcing and will increase the accessibility and the viability of medical and health services in rural Australia in both the short and the long term. This legislation is necessary for rural Australia. It has the support of the universities and of more than 1,700 students who have contacted the department and the minister to register their interest to date. It will provide 100 extra doctors per year to areas of need in rural and remote Australia and it will do this through a sustainable and flexible scheme.

Question resolved in the affirmative.

Bill read a second time.

Ordered that consideration of the bill in the committee of the whole be made an order of the day for the next day of sitting.

BUSINESS

Government Business

Motion (by Senator Tambling) agreed to:

That consideration of government business order of the day No. 5 (ACIS Administration Amendment Bill 2000) be postponed till the next day of sitting.

PATENTS AMENDMENT (INNOVATION PATENTS) BILL 2000
Second Reading

Debate resumed from 7 September, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator O’BRIEN (Tasmania) (12.44 p.m.)—This bill, the Patents Amendment (Innovation Patents) Bill 2000, amends the Patents Act 1990 to repeal the petty patent system, implement the innovation patent system and make other minor amendments. The Patents Act currently provides two forms of patent protection: the standard patent and the petty patent. The petty patent was introduced in 1979 with the intention that it would provide protection for innovations typically developed by Australian small and medium business enterprises. It was intended to provide relatively inexpensive patent protection for inventions with a short commercial life. Although the petty patent system was directed at lower level inventions, it required the same inventive threshold as that required for a standard patent.

In 1995, the Advisory Council on Industrial Property published their report Review of the petty patent system and concluded that the petty patent system was not achieving its objectives. They recommended the replacement of the petty patent system with the innovation patent system. The innovation patent system would require a lower inventive threshold than the standard or petty patent, so it would provide protection for lower level inventions. It would have a shorter life of eight years compared with the 20 years of a standard patent. Based on overseas experience with similar systems, the Advisory Council on Industrial Property concluded that the innovation patent system would be better suited to the needs of small and medium business enterprises than the petty patent system. I understand that the government accepted most of ACIP’s recommendations in agreeing to establish an innovation patent system to protect incremental inventions that may not be inventive enough to warrant standard patent protection and are not covered by design legislation. I understand that innovation patents through this legislation will not be available for plants or animals,
biological processes or the generation of plants and animals.

An innovation patent will be granted after a formalities check and will provide the patent owner with a right that is quick and cheap to obtain, is relatively simple and that will last for a sufficient time to encourage investment in developing and marketing the invention. Substantive examination—that is, the time consuming and most costly process in which the invention is assessed against statutory criteria—will only occur if directed by the Commissioner of Patents or requested by the patent owner or a third party. If the patent meets the requirements of examination, it will be certified and, if not, it will be revoked. To reduce the scope for unsubstantiated threats, an innovation patent owner under this legislation can only enforce their rights if their patent has been certified.

This bill will also move many of the fee payment requirements from the Patents Act to the Patents Regulations 1991 to enable the administrative function to be handled more flexibly by the patent office. The bill will also correct a number of ambiguities and minor errors in the Patents Act. There is also a consequential amendment to the Income Tax Assessment Act as a result of the introduction of the innovation patent. There is some cost to revenue of this legislation, rising from half a million dollars in the next financial year—that is, 2001-02—to $2 million in the year 2004-05 and again in 2005-06. The opposition will be supporting this legislation.

Senator Patterson (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (12.48 p.m.)—I thank the opposition parties for their cooperation and for their contribution to this debate. The coalition government’s commitment to fostering innovation and maintaining a strong and effective intellectual property system in Australia is reflected in the National Innovation Summit held in Melbourne earlier this year and by the record $4.5 billion we have committed to major science and innovation programs in the 2000-01 program. The Patents Amendment (Innovation Patents) Bill 2000 is a key part of this process, building on the government’s commitment to providing a patent system which better meets the needs of Australian business and ensuring that Australian intellectual property laws remain internationally competitive. The bill seeks to introduce a new, innovative patent system which will provide an inexpensive, fast entry option into the patent system. As I said, I welcome the opposition’s support of the bill, which will enable both large and small businesses to profit from their investments in innovation. I commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT BILL (No. 1) 2000

Second Reading

Debate resumed from 5 September, on motion by Senator Ian Campbell:

Senator O’Brien (Tasmania) (12.50 p.m.)—I want to make some very brief comments on the Veterans’ Affairs Legislation Amendment Bill (No. 1) 1999, which the opposition is supporting. It is a bill which makes a number of controversial amendments to legislation dealing with veterans, the most notable of which relate to the formal recognition of the treatment of additional compensation payable on death or severe injury of veterans, the inclusion of counselling services in the services which may be provided to veterans’ children and the correction of obvious errors in decisions of the Veterans’ Review Board relating to the review of certain of their decisions. There are matters mentioned in the Parliamentary Library’s Bills Digest No. 23 2000-01 on this bill, to which I would refer colleagues, which deal particularly with the issue of the way that compensation might apply where the result leads to maximum payments being increased to $200,000 for death or severe injury—that is, 80 per cent or more whole person impairment—$50,000 in respect of each dependent child at the date of death or severe injury and $1,000 payable to severely injured members or dependants of deceased
members for obtaining professional advice. Having said that, I commend the bill to the Senate. The opposition will be supporting the bill.

Senator ABETZ (Tasmania—Parlia-
mentary Secretary to the Minister for De-
fence) (12.52 p.m.)—I thank the opposition for their contribution to this debate. The Vi-
terans’ Affairs Legislation Amendment Bill (No. 1) 2000 introduces a number of initia-
tives that will directly and indirectly benefit veterans and their families, and we as a gov-
ernment would like to see this simply as a continuation of our policies in support of the veterans community. We welcome the sup-
port from the opposition.

Question resolved in the affirmative.

Bill read a second time, and passed
through its remaining stages without
amendment or debate.

NATIONAL CRIME AUTHORITY
AMENDMENT BILL 2000 (No. 2)
Second Reading

Debate resumed from 11 October, on mo-
tion by Senator Ian Campbell:

That this bill be now read a second time.

Senator PATTERSON (Victoria—Par-
liamentary Secretary to the Minister for Im-
migration and Multicultural Affairs and Par-
liamentary Secretary to the Minister for For-
eign Affairs) (12.54 p.m.)—I table a correc-
tion to the explanatory memorandum relating to the National Crime Authority Amendment Bill 2000 (No. 2).

Senator COONEY (Victoria) (12.54 p.m.)—The National Crime Authority Amendment Bill 2000 (No. 2) amends the National Crime Authority Act to enable the National Crime Authority to do the work that Australian wants it to do. As was pointed out in the second reading speech, the National Crime Authority is a body which gathers together the powers the states might have and the powers the Commonwealth might have and uses those powers to make sure that crime in Australia is sought out and sup-
pressed. That is a good thing. Australia has a number of police forces. There are police forces in the two territories and the states, and there is the Australian Federal Police, a

most outstanding body, which has often been said here in the Senate.

The need for the National Crime Author-
ity was felt in the eighties and was set up according to legislation, and that legislation of course depends upon the Constitution. No matter how much we might desire to set up a body, if that body is not set up and it does not exercise powers provided in accordance with the Constitution then it cannot exercise the authority that we might want to give it. Bodies like the National Crime Authority are dedicated to stopping the use of arbitrary power against the citizens of a country, with the people trying to exercise arbitrary power being those who bring in drugs that we do not want, people who commit fraud and so

But just as we want the law to stop people who are criminals exercising arbitrary power against society, so too we need to have the policing authorities regulated in such a way that they do not exercise arbitrary power, and that is why these bodies must conform to the Constitution. There is some concern, pursuant to a decision by the High Court—which interprets what the Constitution means, and does it very well—that the National Crime Authority is not now exercising the powers that we as legislators, and the community, for that matter, want it to exercise and that some cure should be found. That is the point of this legislation: to ensure that insofar as power can be given to the National Crime Authority within the terms of the Constitu-
tion, that is done. Of course, the opposition supports that.

This amendment bill has been brought on
now. The last amendment that was brought on and passed in this chamber on this matter as a noncontroversial measure was an act entitled, ‘An Act to amend the National Crime Authority Act 1984, and for related purposes’. That was passed at the end of last year. That sought to correct any possible problem that there may have been with the National Crime Authority, going right back to its inception in 1984. We were assured, and we accepted that assurance at that time, that it had no retrospective effect, because we do not want matters dealing with crime to have a retrospective effect. I noticed soon
after that that the National Crime Authority was able to proceed against motorbike gangs, and there were some arrests made, and so on. That was interesting. But in any event there is no problem with retrospectivity here. This bill helps the National Crime Authority to get on with the excellent work it is doing.

Senator GREIG (Western Australia) (12.59 p.m.)—The National Crime Authority Amendment Bill 2000 (No. 2) attempts to ensure that the National Crime Authority legislation confers constitutionally valid powers, functions and duties on the NCA and of course arises out of the High Court case of this year which meant that some Commonwealth-state cooperations may be invalid—or, as more succinctly pointed out in the research done within the Bills Digest:

As a consequence of High Court’s decision in R v Hughes, the bill amends the National Crime Authority Act 1984 to clarify the powers, functions and duties of the National Crime Authority by: expanding the scope of Commonwealth references to include States offences which have a federal aspect; ensuring that where the Authority is under a duty to investigate a matter pursuant to a State reference, those references will be limited to matters that have a federal aspect; and clarifying that the Authority does not have any duty or obligation to perform any function or exercise any power conferred by a State law, unless there is a federal aspect.

In other words, this bill aims to ensure that there is no want of power for the NCA in terms of the work it carries out. In that regard, this bill is very much a clarification of powers, not an increase of them. Therefore, we Democrats are confident that this is not a situation which might involve concerns from civil libertarians.

As a member of the Joint Parliamentary Committee on the National Crime Authority, I acknowledge the important and ongoing work that the NCA does and I acknowledge also that it is keen to see the passage of this legislation, and with good reason. That being the case, we Democrats are supportive of the bill.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.01 p.m.)—I thank honourable senators for their contributions to the debate. I know all senators have been involved in this and have scrutinised the bill closely, and a number have sought personal briefings from officers before determining their position on the bill. The response to the bill is a good example of those occasions when groupings in the Senate can work together without an explosion of partisan politics and produce a good outcome for the community.

The NCA is vital to Australia’s effort to combat organised crime and it is imperative that any doubt about the scope of the operations it can undertake be put beyond doubt as soon as possible. The amendments proposed by the bill are designed to provide a valid basis for the broadest possible range of NCA investigations by giving them federal coverage. The roles of the Commonwealth and states in the management of the NCA and the issuing of references remain unchanged. I am grateful to honourable senators for their support and their contributions this afternoon to what is a very necessary measure, and I commend the bill to the chamber.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

CRIMINAL CODE AMENDMENT (THEFT, FRAUD, BRIBERY AND RELATED OFFENCES) BILL 1999

Second Reading

Debate resumed from 30 October, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator COONEY (Victoria) (1.03 p.m.)—This is a bill that must be right because it is non-controversial. The government is supporting it, the opposition is supporting it and I think the Democrats are supporting it.

Senator Bolkus—Do you support it?

Senator COONEY—That is a very interesting question, because I have some worries about it. Therefore, I must be wrong, which I admit right at the start. My concern with this bill arose from the deliberations of a committee of which I am very proud to be chair. It came before the Scrutiny of Bills Com-
mittee, which wrote to the minister, Senator Vanstone. In the way she always does, the minister replied by letter and helped the committee to the fullest extent possible. I would like to acknowledge the way she treats the committee generally, and particularly on this occasion. I also acknowledge the help of the people in her office, in particular Mr Paul Griffiths, whom I am going to embarrass by naming him. People from the Attorney-General’s Department are here, including Mr McDonald, who has been outstanding in that department over the years.

Having said all that, I should sit down now and not tell people about my concern. Why should I have any concern at all? The second reading speech, which I have here, starts off with the minister saying that in 1825 British clergyman and writer Charles Caleb Cottons observed:

There are some frauds so well conducted that it would be stupidity not to be deceived by them. The point of putting that in there is to show that crime is forever with us and that crime should be suppressed—something with which we would all agree. I thought of that perhaps more well-known statement by William Blackstone in 1765 that it is better that 10 guilty persons escape than one innocent person suffer. I know he said it in more robust times when they still had hanging, drawing and quartering. They had it going in those times in 1765. Indeed, as I recall, they had burning. Some crimes resulted in men being punished by being stripped and dealt with.

Senator West—They burned the women.

Senator COONEY—They burned the women because they did not want to strip them. Senator West has to understand that they burned the women because to strip them would be obscene.

Senator Mackay—Is that right, Senator Cooney?

Senator COONEY—That is absolutely correct.

Senator Patterson—And then the argument went up in flames.

Senator COONEY—We should not jest, even in these times, about those sorts of issues. In any event, this bill extends the geographic jurisdictions that Australia purports to exercise. It extends to the point where if Australian citizens overseas—say, in a country like Greece or Latvia—commit a crime under the definition of fraud, bribery and related offences, they can be dealt with in Australia even though the crime was committed overseas, and at the same time they can be extradited.

Recently, on another excellent committee on which I sit with Senator Ludwig, the treaties committee, a treaty was brought up that dealt with extradition, and we had a discussion about that. That treaty was with Latvia, but there are others. Under those treaties and based on the Extradition Act 1988, we would extradite Australian citizens to those countries for trial on the basis of the no evidence rule. If one of those countries sets out certain facts, sends for the accused here and the Magistrates Court looks at it and thinks it is all right, we are obliged to send that person to that country for trial. However, many of those countries do not extradite their citizens to Australia. They extradite other people, but not their citizens. Civil law countries do not extradite their citizens to our country. Why is that? One reason given for not extraditing their citizens to Australia for a crime committed here is that they try them in their own country. We as a common law country are most disinclined to prosecute people, whether they be citizens or otherwise, who commit crimes overseas.

We therefore attached riders to our approval of the treaty, but in any event we approved it. Part of the reason we approved it was the difference between civil law countries and common law countries. Common law countries will deal only with a confined jurisdiction; that is, crimes committed within their country but not crimes committed overseas.

Senator Ludwig—Or was it really Trimbole?

Senator COONEY—Yes, Trimbole. Senator Ludwig remembers it. That was only about two or three weeks ago. The legislation we are debating today will allow us to try Australian citizens if they commit a crime overseas even though no part of the crime was committed in Australia and it has noth-
ing to do with Australia. However, if the crime is committed overseas, we will nevertheless try these people.

What does that say about the advice we were given at the time we were dealing with the treaty with Latvia? As the committee honestly went about its work, it was told that the culture and the tradition is that civil law countries prosecute people who commit crimes in Australia and therefore they will not send their citizens to Australia when Australia wants to try them. What else does that mean? Does it mean that a person who commits a crime in Greece is going to be prosecuted in Australia?

To give an example, say an Australian backpacking around Greece is accused of theft. When he or she returns to Australia, they can be prosecuted in Australia for that crime after this legislation is passed, and everybody says that it is proper to pass it. Therefore, they can be prosecuted in the Australian Capital Territory, Sydney or Melbourne. After that person is convicted and serves his or her sentence, Greece can then say, ‘We want our go now. You haven’t prosecuted him or her in respect of all these matters. We want you to extradite him or her over here now.’ Greece would not have to produce any evidence; it would need only to make a statement of fact and we would be obliged to send him or her to Greece to serve another sentence. I have concerns that there appears to be a double jeopardy.

There are other issues in relation to this bill that worry me. If a person commits a crime according to Australian law in Greece and it has nothing to do with Australia, except that the person is an Australian citizen, and that person is brought back here, prosecuted and says that it was not a crime in Greece, who has the onus of proving it was not a crime in Greece? The person has an evidentiary burden to prove that it was not a crime in Greece. How is he or she able to do that?

In my young days, which were a long time ago, in civil cases if somebody had to prove a foreign law—say, the law of Turkey—they would get an expert and prove the law of Turkey as a matter of fact. That did not seem to cause the plaintiff or the defendant, as the case may have been, great distress. Yet it seems that the prosecution cannot bring itself to the task of proving what should be relatively easy for it to prove, because it has all sorts of connections around the world through the prosecutor’s office, through Interpol and so on. No, that is left to the young people. My children are not so young, but if my grand-daughter takes off to Greece in some years to come and she is accused of committing a crime there, when she returns to Australia she will have to prove as a matter of fact—and it would be as a matter of fact—what the law of a foreign country is. That seems to me to just be oppressive.

It seems to me that it also embeds in the law even more the fact that you need money to conduct a defence. I do not think that is a good thing. Why do I say that? What happens when a person of considerable wealth is prosecuted by the NCA or whatever through, of course, the DPP. I might say that Mr Bugg is an excellent Director of Public Prosecutions.

If I can just digress, I notice that a former Deputy Director of Prosecutions in Victoria, Mr Bernard Bongiorno, has been appointed to the Victorian Supreme Court. From my point of view, that is a most outstanding appointment. His Honour Mr Justice Bongiorno, as he now is, is a great man. I wish to acknowledge his great career, a career that has adorned the legal profession of Australia. He will make a most outstanding judge. He is a man of fair mind and of great ability with the law and a great finder of fact.

After that diversion, I will return to the bill. Why should this burden be placed on a young backpacker? That is what we have subjected backpackers to now—double jeopardy. An Australian citizen will be able to be sent back to Greece after being tried here for a similar crime that might well have arisen out of the same set of circumstances. People will say, ‘That would never happen,’ but the law allows it to happen. What, no doubt, will be said is, ‘The Attorney-General would never do that.’ Therefore, what this poor backpacker has to rely on is the wisdom of the Attorney-General. The present Attorney-General is, of course, quite an outstanding Attorney-General, but what about the attor-
neys-general of the future? There is no legal remedy for any of this. It is all executive remedy. So we have put our citizens at risk and the only protection we have given them is ministerial discretion.

I do not know whether any of these countries have any agreement with Australia to overcome these problems with the criminal law. But it just seems a bit poor that, in respect of the way a person can be prosecuted for a crime, an Australian citizen is worse off than the citizens of many other countries. I do not think that is a good thing, and it just worries me a bit because of my granddaughter.

Nevertheless, we have the wisdom of the parliament before us. Everybody seems to agree that this is an excellent piece of legislation. However, it is very worrying legislation if we do not go beyond it and do not say, ‘Look, the Attorney-General would never let this happen,’ or, ‘The system would never let this happen.’ Of course people will say, ‘The executive would never do that,’ and, ‘These countries that we have these treaties with are very reasonable countries.’ Nevertheless, under the law, if a magistrate is asked under the terms of a treaty to send a person back to Greece or to any of these other countries, so be it.

What might well happen is that the magistrate would be asked not to send the person back until that person had been tried and perhaps jailed here. There has to be some relief for people who have committed criminal acts. I hope that one of the beliefs of this society is that there is such a thing as redemption, of being able to return to society. We ought not have a system that just crushes a person for committing a crime, for making a mistake, for carrying out an act of theft in Athens and then be subject to the sorts of punishment that this act leaves open. In any event, it would have been nice to have this issue pointed out to us in the treaties committee when we were told that Australia’s culture in this area was not to go beyond its own shores.

They are the concerns that I have with this legislation. I would like to touch on some other issues in the legislation, but time is on the wing and this legislation is not controversial.

Senator PATTERSON (Victoria—Parliamentary Secretary to the Minister for Immigration and Multicultural Affairs and Parliamentary Secretary to the Minister for Foreign Affairs) (1.21 p.m.)—I do not know what to say to Senator Cooney. He is one person to whom I listen carefully, because I have worked with him on the Scrutiny of Bills Committee and respect his commitment to ensuring that the parliament is not railroaded by the executive. Obviously, I am not as au fait with this bill as he is, as I am standing in for the minister. But the bill will achieve many longstanding goals of the government in terms of clarifying, simplifying and ensuring that there are adequate offences in legislation to meet the challenges of the new century. The prosecution of theft and fraud offences is improved by replacing complex provisions dependent on common law terminology with codified offences that have been developed in cooperation with the states and territories. The opportunity has been taken to update fraud and forgery offences to take into account new technology and there are new offences previously not included in Commonwealth law, such as the proposed unwarranted demands offence, which is similar to state and territory blackmail offences.

The advisory report of the House of Representative Standing Committee on Legal and Constitutional Affairs, which was tabled on 26 June, agrees. It concludes:

This Bill represents one of the most significant changes to the Commonwealth criminal law in recent years. It arises out of the Commonwealth’s long-term aim of consolidating all of its criminal laws into one easily accessible, clear and consistent Act of parliament.

The committee has examined the bill carefully and produced an excellent report, which has led to improvements in the bill in the House. The government has taken action to address all of the recommendations of the standing committee’s 26 June 2000 advisory report.

Maybe Senator Cooney might have wished that there was a member of the Scrutiny of Bills Committee on the House of
Representatives Standing Committee on Legal and Constitutional Affairs. But the responsibility for the areas covered by the Scrutiny of Bills Committee and the Regulations and Ordinances Committee has been left to the Senate as the house of review. In response to some of the things that Senator Cooney said, it is the case that extended geographical jurisdiction will be allowed in future using the provisions of the bill on a case by case basis as approved by parliament in enacting future bills. That would be a very important area for the Scrutiny of Bills Committee to watch carefully to ensure that it believes the extension of geographical jurisdiction is appropriate in those particular cases. The defence in this bill is a major improvement to the extent that the existing provision in the Crimes Act 1914 contains no such defence. I believe there will be a briefing for the Scrutiny of Bills Committee next Wednesday to further explain the provisions and to listen to concerns.

I thank Senator Cooney for allowing this debate to proceed and for permitting the briefing to occur as a separate matter. But, as I said, it will be an issue. Because this is a template, the parliament will have an opportunity to look at it on a case by case basis as each bill comes before us and to examine whether it is appropriate for that power to be extended in that case and to what level. So it is not all water under the bridge. I am sure Senator Cooney and the Scrutiny of Bills Committee will be as vigilant as ever in examining each of those bills to ensure that the template we have set up does not result in the outcome as described by Senator Cooney. I thank honourable senators for their cooperation in the passage of this bill and I thank Senator Cooney for his contribution. I commend the bill to the chamber.

Question resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment or debate.

Sitting suspended from 1.26 p.m. to 2.00 p.m.

QUESTIONS WITHOUT NOTICE

Health Insurance Funds: Investigation

Senator WEST (2.00 p.m.)—My question is to Senator Herron, representing the Minister for Health and Aged Care. Can the minister confirm that the ACCC is currently investigating false, misleading and deceptive conduct by six health insurance funds? Can he confirm that this has resulted in Federal Court action against the federal government owned Medibank Private, which is the nation’s largest health insurer? Didn’t these false statements include that there would be no premium rises this year, when in fact they have risen, and that waiting periods would be waived, when they have not been? Will the government ensure that all promises of no increases and no waiting times are kept?

Senator HERRON—I thank Senator West for the question. There is no doubt that the Labor Party are very touchy in relation to private health insurance. If there is one thing that has been a great achievement for this government, it is the fact that we have been able to increase the number of people that have private health insurance, where 41 per cent of the population is now covered by private health insurance.

Senator Hill—A fantastic achievement.

Senator HERRON—A fantastic achievement, as Senator Hill just said—a great achievement. Inevitably there will be problems when dramatic changes occur. There will be an investigation done when allegations of this kind are made, because that is what it is all about. We have a Private Health Insurance Ombudsman to look into these matters, and appropriate action will be taken. Notwithstanding that, the great achievement of this government has been to increase the number of people that are privately insured. We are very proud of that record. The effect of it, of course, is that it will take pressure off the public hospital system because people can access private hospitals and, importantly, it gives freedom of choice—with this being exercised by nearly half of the population now. What was the Labor Party’s record on this? They took it down to about 32 per cent—to below 30 per cent in my own home state of Queen-
sland—because of the reduction in rebates and the charges put onto the private hospital system that did not exist before in a deliberate attempt at socialising the health system of this country.

**Opposition senators interjecting—**

Senator HERRON—Don't skirt around it. Socialism is a dirty word in the Labor Party now—they do not want to know about it. It was their official policy.

Senator Kemp—Like roll-back.

Senator HERRON—It is getting a bit like roll-back, as Senator Kemp just said. It is a dirty word, the big 'r' word—you do not talk about that.

Senator West—Madam President, I raise a point of order. I have great difficulty seeing how this is relevant to a question about investigating false, misleading and deceptive conduct by health insurance organisations and increases in premiums.

The PRESIDENT—I think, Senator Herron, you have perhaps allowed interjections to distract you a little.

Senator HERRON—With respect, Madam President, I talked about the Private Health Insurance Ombudsman, and that is the avenue available to anybody that has a problem. I did mention that in my previous answer, but Senator West obviously did not want to hear that. There has been an increase in the number of consumer complaints—we are not denying that. In fact, we welcome it because we want the system to function correctly. It can only function correctly if it is functioning in the best interests of the people that subscribe to the private health insurance scheme. But we have to put things into perspective. The total number of complaints for the year has increased by only 3.5 per cent over the previous year.

Senator Crowley—How many?

Senator HERRON—Senator Crowley asks me how many. Relative to the rise in membership, it was about 50 per cent over the same period. I am happy to answer that question. If there are any complaints, I would ask anybody listening to put them to the Private Health Insurance Ombudsman and we will investigate them.

Senator WEST—Madam President, I ask a supplementary question. Is the minister aware of criticisms by consumer organisations that the publicly funded ads on lifetime health were grossly misleading and lacked any detail on the complex issues that consumers needed to consider in choosing a health fund? Doesn't this mean that the federal government has spent $17 million for political purposes and ignored its obligation to properly inform the public?

Senator HERRON—This is hurting the Labor Party. You can see the effect it has had. They have been gazumped. I will not ask how many senators on the other side have private health insurance, because I have a fair idea.

Senator Robert Ray interjecting—

Senator HERRON—I am a member of a private health insurance fund, Senator Ray. I am happy to say so, and I have been all of my life.

Senator McKiernan interjecting—

Senator HERRON—A number over there—thanks, Senator McKiernan. We are happy to investigate any complaints—there is no question about that. We want the system to function properly. Even Senator Faulkner, if he were to get ill, would go to a private hospital if he were so insured to seek treatment when it was required. We would like the system to work correctly. We have an ombudsman to investigate complaints, and we will see that the proper procedures are followed.

**Environment: Salinity and Water Quality**

Senator SANDY MACDONALD (2.05 p.m.)—My question is to Senator Hill, the Minister for the Environment and Heritage. Minister, how will the government's commitment of $700 million to a national action plan on salinity and water quality assist rural and regional Australia to overcome these major environmental problems? With COAG due to meet in Canberra tomorrow, what role does the Commonwealth expect the states to play in this national challenge?

Senator HILL—That is an important question. Since coming to office in 1996 the government have consistently shown national leadership on environment and natural
resource management issues. For example, because we were honest and up front about our plans for Telstra, unlike the Labor Party, we have been able to invest $1.5 billion in the Natural Heritage Trust. The trust, which I remind you was opposed by Labor, has already funded around 10,000 environment and sustainable primary production projects in Australia, worth a total of about $1 billion. We have also recognised the big issues facing Australia—salinity and water quality—and acknowledged the need to act now. Up to 12 million hectares of land are at risk from dryland salinity, while one-third of our rivers are in extremely poor condition. The Prime Minister’s action plan targets these problems by identifying 20 key catchments across Australia and working with land-holders and local communities in these regions to set and achieve targets for salinity and water quality.

The Commonwealth has committed $700 million to this process. Tomorrow we will get to see how serious the states are about this important issue of salinity and water quality. We expect the states and territories tomorrow to financially back the Prime Minister’s plan and to commit $600 million—that will be their test. The states and territories have jealously defended their rights under the Constitution to control land and water management issues. They now have to accept that with those rights comes responsibility. The degradation of our land and water resources that has occurred is under the direct control of the states and territories. For us to fix the problem, they must now agree to dramatically improve their governance of natural resource issues.

I heard Labor premiers on the ABC PM program last night questioning the Commonwealth’s commitment to the COAG process on natural resource issues. It is not our commitment which is in question. For example, in 1994, the states all the signed up to the COAG water reform process in which they promised to restore environmental flows to stressed rivers by 1998. We are of course still waiting for that, having seen two extensions to the deadline. Of course, the worst performed states are Labor states. Mr Beattie’s record on water management is simply appalling. No caps have been introduced in Queensland and the water allocation management plans he promised are two years overdue. In relation to New South Wales, Mr Carr is not far behind. We remember the recent Murray-Darling Basin’s audit of the cap which referred to over-allocated rivers in New South Wales under Mr Carr’s leadership. Mr Bracks, since coming to government, has also made mistakes. One of his first acts was to abolish the capacity of regional catchment authorities to self-fund. Tomorrow we look to all the states, but particularly those Labor states of the east coast that are dragging their feet on these issues, to come to the table and get serious about these issues. We want them to sign up to the strategy tomorrow and commit $600 million, and only then will we get a sign as to whether they are finally going to become serious about these major natural resource issues.

Australian Broadcasting Corporation: Funding

Senator MARK BISHOP (2.09 p.m.)—My question is to Senator Alston, the Minister for Communications, Information Technology and the Arts. Can the minister confirm that the Managing Director of the ABC, Mr Jonathan Shier, and the head of the production resources department in the corporation, Mr Drew Lean, plan to cut 100 jobs from that department? Can the minister also confirm that these reductions in ABC staff will occur not through voluntary redundancies or natural attrition but through forced redundancies, otherwise known as sackings? Can the minister advise the Senate of the exact number of ABC jobs to be axed—I understand, within weeks—which are located in regional Australia?

Senator ALSTON—It looks as though we are embarking on a very interesting debate about the future of the ABC. On the one hand, you have the government, which takes the view that that ABC is governed by a charter and the responsibility for running the corporation is left to the board and the managing director, but on the other side of the chamber we appear to have an alternative policy approach which essentially says, ‘We are going to step in and tell you how to run the show. That is what we are going to do. We are going to say to you that we do not
think you should cut jobs there; we do not think that you should boost resources there. We don’t like you interfering with the balance of programming.’ Stephen Smith even put out a release the other day—

The PRESIDENT—Mr Smith, Senator.

Senator ALSTON—The shadow minister for communications, Mr Smith, put out a release yesterday saying that we had failed to rule out the privatisation of part or all of the ABC. In other words, Mr Smith is saying once again that, if he does not like the way the ABC is being run, he will step in and tell them not to do it. That even provoked your good friend Brian Johns. Brian Johns actually put out a press release bagging the Labor Party for political intervention. So there you go again—a serial offender: Senator Bishop simply does not realise what he is saying. He is asking us if we are outraged about the ABC managing its internal affairs. The short answer is, ‘No, we are not.’ That is what the board is there for; that is what the managing director is there for. They have some hard decisions to make, but the parliament has given them a budget of some $640 million, plus another $140 million from commercial activities—

Senator Conroy interjecting—

Senator ALSTON—You are trying to dissociate yourself from Senator Bishop—is that what you are saying? I can understand that because you know what the act says. The act says they are a protected area from political interference. What we normally understand is that the minister or the political process does not tell them how to run the show. That is what I understood it to mean, but if you have a different view, if you think that we should be saying to them, ‘Don’t alter the job balance here; don’t change the programming around; we don’t want you to do this; we want more of that; we like what we are getting, irrespective of performance,’ then let us have it out in the open. I think that is a very healthy debate because I do not think it is in tune with what ordinary Australians want. My reading of the general community’s approach is that they do not want politicians telling the ABC how to run their internal affairs. I know the trade unions—

Senator George Campbell interjecting—

The PRESIDENT—Order! Senator Alston, just a moment.

Senator ALSTON—As if you would know. All you know is how to take orders from your political masters, the trade union movement. This is just another classic example of it. This is straight from central casting. Do we have a view? Do I know the precise details of job cuts? No, I do not. Am I aware of what Drew Lean might be up to? No, I am not. Do I have a view that this is nothing more than sackings? No, I do not, because essentially I am not consulted on these matters, and nor should I be.

But what you are making clear in spades is that the unions are very upset about all this. The unions want political interference and you, as always, are dancing to their tune. You are saying, ‘We believe in political interference. If we do not like what they are doing, we will make a phone call to the managing director and tell him, ‘Not good enough. We do not want our people sacked. We are not concerned about how they are performing; we are not concerned about how the ABC manages matters; we simply want to tell you about our political agenda.’ That is a very interesting difference. I look forward to the next 12-month discussion about it.

Senator MARK BISHOP—Madam President, I ask a supplementary question. Did the minister receive a letter from the Prime Minister in February this year advising him of Mr Howard’s new red light system to alert the government to any cuts in regional services? Does he recall that Mr Howard advised in his letter that, if a decision was likely to result in a diminution of services, then it ought not occur? Given the decision by the ABC to sack 100 employees and its impact on both employment and service delivery in regional Australia, has the minister advised the ABC board of the Prime Minister’s ‘Nyngan declaration’ restrictions on cuts to regional services?

Senator ALSTON—Ah, the Nyngan declaration. I saw a press release from Mrs Kernot the other day whingeing about something going on in an electorate—I for-
get where it was now—and then she went on to talk about the electorate of Barker. In other words, she had got her electoratures mixed up, and one can understand that. She hardly ever got outside the capital cities, so understandably she had probably never heard of Nyngan until someone told her about it or presumably someone drafted a bodgie press release and said, ‘Sign here.’ Senator Bishop seems to be confusing the difference between jobs and services. It does not at all follow that, if there are reductions in jobs in one area, that necessarily results in a reduction in services. Indeed, there are such things as labour market efficiencies. I know you are not particularly interested in it and it has never been explained to you. Through that preselection process, they said, ‘For heaven’s sake, don’t ever become economically literate if you get in there. We have given you our riding instructions and we want you to protect us.’ (Time expired)

**Economy: Performance**

Senator PAYNE (2.16 p.m.)—My question without notice is to the Assistant Treasurer, Senator Kemp. Will the minister inform the Senate of the findings of the annual Heritage Foundation-Wall Street Journal Index of Economic Freedom? Does the index make any comments about the performance of the Australian economy under the Howard government? Would the minister also advise the Senate of details of today’s retail trade figures?

Senator Cook—Read the first paragraph of their assessment. I challenge you to do that. Go on. Be honest.

Honourable senators interjecting—

The PRESIDENT—The Senate will come to order so we can proceed with question time.

Senator KEMP—I thank Senator Payne for that very provocative question, which has clearly upset Senator Cook hugely.

Senator Cook—Read the first paragraph of their assessment.

Senator KEMP—Just settle down, Senator Cook. I will give you the answer, because it is a very important question. In recent times, I have outlined to the Senate the very strong performance of the Australian economy, which I think all Australians, with the sole exception of the Labor Party, welcome. We have had very strong growth in this economy. We have been able to cut the level of unemployment from the very high level we inherited from the Labor government. Some 800,000 jobs have been created. Underlying inflation has been kept low. Of course, many people will appreciate that interest rates are well below the levels that we inherited when we came into government, and certainly below the very record levels they reached under the Labor government of some 17 per cent and heading north. I have pointed to the productivity growth in this economy, which you could certainly use the word ‘sensational’ to describe.

Senator Cook—Madam President, I rise on a point of order: will you ask the minister to answer the question? None of the things he is now saying are in the Heritage Foundation report, and the first paragraph of that report praises the Labor government for the economic reforms it made.

The PRESIDENT—There is no point of order.

Senator KEMP—If that was the case, the Heritage Foundation certainly has not had the opportunity to meet Senator Cook. Today, we had further testament to the success of the Howard government’s policies with the release of the US based Heritage Foundation 2001 Index of Economic Freedom. The Heritage Foundation is a widely respected, leading US think tank. Its head is Dr Ed Feulner, a very distinguished American. Australia has been ranked in the top 10 for the fourth year in a row. Writing in today’s *Financial Review*, the director of the Heritage Foundation, Mr O’Driscoll, said that Australia: ...

... in adopting market-opening reforms — has achieved prosperity that would have been unimaginable years ago.

He went on to say, Senator Cook, and you will be interested in this:

With all this in mind, the Australians deserve praise. If trend lines continue, the “lucky country” will emerge at the cutting edge of trans-Pacific commerce.

Mr O’Driscoll also said that Australia’s ranking may further improve next year due
to ‘an income tax cut that meant 80 per cent of Australians are taxed below 30 per cent or less’. This is the direction that the Howard government is taking Australia. Further evidence of the strength of the economy is in the retail trade figures today which were released by the Australian Bureau of Statistics. These figures show that retail sales grew by almost five per cent in the year to September, with the increase above the median market expectations. What we have seen today is further confirmation of the very strong performance of the Australian economy. This government is committed to continuing reforms which will benefit the Australian people. Senator Cook, if you look back at the miserable performance of the Labor government, I think your record—

Senator Cook—The report gives us the credit.

Senator KEMP—despite all your blustering and shouting, was little short of appalling.

Telstra: Laptop Computers

Senator FAULKNER (2.21 p.m.)—My question is directed to Senator Alston, the Minister for Communications, Information Technology and the Arts. When was the minister informed that, in the 18 months to June 2000, Telstra had lost 423 laptop computers and had a further 123 stolen? Can the minister confirm that, using Telstra’s average replacement cost figure, Telstra has managed to lose or have stolen more than $2.7 million worth of laptop computers in 18 months? What action has the minister required Telstra to take on behalf of both taxpayers and shareholders—many of whom have to front up with their final T2 payment today—to stem this avalanche of laptop computers out of Telstra?

Senator ALSTON—I think the first time I became aware of this was when someone asked me to sign off on a question on notice from Senator Faulkner. I duly did that. I notice that this was a matter of some concern, as it should be, to the company and obviously to those whose phones might have been stolen in the process. If you seriously think that is going to have an impact on the share price and that shareholders are some-how very worried about the consequence of this avalanche, then I think you probably ought to go back and have a look at what it is that normally drives share prices. For a company with many billions of dollars worth of revenue, I do not really think this is a major item. Sure, it is a matter of concern, and I very much appreciate your standing up and wringing your hands on behalf of all of those who have unfortunately lost their phones, but I am not really sure there is much we can do about it. I suppose we could have a royal commission! We could probably invite everyone who has ever lost a phone in Telstra to come along to estimates. That might fill in a couple of weeks. I suppose there are a lot of things we could do. But, at the end of the day, it is pretty much micro-management, isn’t it? They might have some bad debts. I suppose we could give them advice on how they could recover those.

Senator Carr—You’re the No. 1 bad debt.

Senator Robert Ray—we know who’s had the bad debt.

Senator ALSTON—Just tell us the rules of engagement and how far you want to go in working out who owes what to whom and we can go down that path if you want to. All I am saying is that I would have thought that Telstra senior management probably have a lot of pretty important challenges on their plate at the moment. The PCCW deal in Hong Kong, no doubt, has involved quite a lot of very careful consideration, a lot of expert advice. I do not think, on reflection, I should be giving them a call and saying, ‘I think you should have a special agenda item at the next board meeting to worry about those phones.’ I think it is probably something that someone down the line could look after. Maybe the cleaners have a few spare minutes and I could get them to write to you about the results of their inquiries. By all means, I think you should certainly be concerned. But should we be concerned about it? Well, not really.

Senator FAULKNER—Madam President, I ask a supplementary question. I notice the contempt with which the minister dealt with the important matter of the loss or theft of some $2.7 million worth of laptop com-
puters. The record stands on that. Given, Minister, that apparently you neither care nor know about this and did not have it drawn to your attention until I asked a question on notice, did you think, having had it drawn to your attention, to ask whether the 423 laptop computers that have been ‘lost’ may be misplaced or whether that was code for ‘stolen’ and we do not know how? Let me ask you specifically, Minister, and if you do not know the answer to it—

The PRESIDENT—Senator, the question should be directed to the chair, not direct to the minister.

Senator FAULKNER—How many of these 423 cases of lost computers have actually been referred to the Federal Police for investigation? Instead of treating this with contempt, try to answer the question. (Time expired)

Senator ALSTON—I do not know that I can immediately assist Senator Faulkner in terms of what has been referred to the police, but I can clear up one matter. They are not all lost; they are lost or misplaced. So there is some room here for debate about what has actually happened. I can also tell you about a very important industry self-funded initiative called ‘Find a phone’. There is a database which uses the international mobile equipment identification number found on all handsets. The number can be accessed by dialling 006, checking under the battery and calling your mobile phone carrier. It has been operating very successfully since March this year. So it is a matter of serious concern to us. We do think it should minimise loss wherever it occurs. Certainly, if it was within the bureaucracy itself I can assure you there would be a very substantial inquiry going on. But all things considered—

Senator Faulkner—Have you gone completely mad?

Senator ALSTON—No. I am simply giving the question the respect it deserves. (Time expired)

Civil Aviation Safety Authority: Aquaflight Airlines

Senator GREIG (2.27 p.m.)—I direct my question to Senator Ian Macdonald, the Minister representing the Minister for Transport and Regional Services. Is the minister aware that, according to the Civil Aviation Safety Authority web site, the operators of Aquaflight Airlines have had their air operator’s certificate suspended on the grounds of allegedly breaching Civil Aviation Regulation 47(1): that is, failure to record major defects in aircraft in maintenance release? In light of this action by CASA against Aquaflight Airlines, I ask the minister: will CASA itself now receive the same treatment it meted out to Aquaflight Airlines, given that Mr Mick Toller, Director of Aviation Safety at CASA, has been reported as also breaching the very same civil aviation regulation, namely, 47(1)? Does the minister agree with Captain Bill Hamilton, as quoted in today’s Canberra Times, that a breach of this regulation is the ‘worst thing a pilot can do short of killing anyone’?

Senator IAN MACDONALD—Answering the first part of Senator Greig’s question, no, I was not aware of the particular airline he spoke of. But if Senator Greig wants some more information on that I will get that for him. I assume that the real purpose of Senator Greig’s question is Mr Toller’s alleged indiscretion which was reported in the Canberra Times a day or so ago. The Director of Aviation Safety, Mr Toller, was counselled by CASA after he failed to record a defect in the maintenance release of an aircraft that he had hired. It was not his aircraft; he had hired an aircraft and had flown it, I think, to the coast. Needless to say, he is chastened and humiliated by the experience, and the counselling has, he says, worked for him—and I am sure that is right—and he certainly will not be doing that again. I am advised that Mr Toller was dealt with in accordance with CASA’s normal compliance and enforcement procedures. I am advised that he was treated in the same way any other pilot who was privately flying a light aircraft would be treated. Mr Toller is an excellent Director of Aviation Safety and has the full support of the minister, me and the government. Based on the information I have at this time, I am certain that the government will not be looking to do anything more serious than support the action that CASA has already taken.
Somewhere in my brief I must have details of the actual incident. However, I read about it in the Canberra Times and I think Senator Greig would appreciate that, as disclosed in that newspaper, it was a relatively minor indiscretion. I think all would concede that the fault in the aircraft would not affect its flying safety in any way. It was a relatively minor incident that occurred in another aircraft that Mr Toller had hired. Notwithstanding that fact, as I have said, Mr Toller, as the head of CASA, has been counselled and he has committed to learning a lesson from the incident. He provided assurances that it will not happen again when he is flying an aircraft.

Senator GREIG—Madam President, I ask a supplementary question. I thank the minister for his answer—

Senator Conroy—Crawler.

The PRESIDENT—Senators on my left should make less noise so that I can hear the question.

Senator GREIG—While it may have been a minor indiscretion, it seems to me that this is a case of double standards. Is the minister aware that, in a report from the Senate inquiry chaired by Senator Crane into the administration of the Civil Aviation Authority on a matter related to Arcas Airways, the first recommendation called for the referral to the Director of Public Prosecutions of a deliberate breach of airworthiness by Arcas? If that is the punishment meted out to Arcas, why is the same standard not applied to Mr Toller?

Senator IAN MACDONALD—I am not sure of the comparison that Senator Greig is making. The facts of this matter are that Mr Toller hired an aircraft from a charter firm for a private flight between Canberra and the New South Wales south coast. During the flight he became aware that the flap control lever had slipped after the second position of 25 degrees was selected. The second position was not required operationally and the aircraft was operated totally safely throughout the flight. After returning to Canberra, he left a note about the matter for the next pilot. He concedes that he technically breached the regulations and he was dealt with in exactly the same way as any other pilot. He has been counselled, he acknowledges the error and he has assured all concerned that it will not happen again. Although I do not know the exact comparison that Senator Greig is making, I hardly think that it is appropriate.

Manufacturing Sector: Employment

Senator JACINTA COLLINS (2.32 p.m.)—My question is addressed to the Minister for Industry, Science and Resources. I refer to the minister’s claim on Tuesday that in the last 12 months an extra 76,500 people have been employed in manufacturing. Is it not a fact that this claim is not correct and that 50,000 of these supposed new manufacturing jobs are due to an ABS reclassification of wholesale retail employees as clearly explained in the ABS labour force November 1999 publication? Will the minister now apologise to the Senate for this misleading information and inform us as to the true manufacturing employment figure?

Senator MINCHIN—I am very proud of the success of manufacturing under this government. As I have stated repeatedly, manufacturing is the big winner from the tax reform that this government has introduced, which was bitterly opposed by those opposite. How dare those opposite get up and try to speak for manufacturing when they were the ones who opposed the most important tax reform in this country of which manufacturing is the major beneficiary. Manufacturing in this country has benefited from an 18 per cent increase in exports in the last 12 months, a three per cent increase in manufacturing output and, as recorded by the ABS, the increase in employment which I indicated in this chamber yesterday. They are ABS figures and cannot be refuted. Manufacturing is the big winner from this government’s policies.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question. I refer also to the minister’s claim that manufacturing output in Australia grew by 3.1 per cent in the last financial year. Is it not the case that this is also not correct and that the 3.1 per cent actually refers to the change between the June quarter 1999 and the June
quarter 2000, not the financial year? Is it not true that in the financial year referred to by the minister manufacturing output grew by only 1.5 per cent, not the 3.1 per cent claimed by him? When will the minister get his facts right?

Senator MINCHIN—If Senator Collins is so concerned about manufacturing she ought to talk to her government and her unions in Victoria and tell them to wake up to the industrial realities confronting this country and the fact that they are losing employment in that state because of industrial disputation and their dinosaur approach to industrial relations. That is why they are losing jobs across to South Australia, where the union movement has a realistic, sensible approach to industrial relations that is oriented towards job creation, not job losses—unlike Victoria.

Communications: Regional Australia

Senator GIBSON (2.35 p.m.)—My question is addressed to the Minister for Communications, Information Technology and the Arts. Will the minister inform the Senate of how the coalition is improving communications, and in particular phone coverage, in regional Australia? Is the minister aware of any alternative policy approaches, and what would be the impact if these were implemented?

Senator Carr—Ha, ha!

Senator ALSTON—I thank Senator Gibson for that very important question. I am pleased to hear Senator Carr confirm that the Labor Party thinks the provision of telecommunications services in regional Australia is a joke and that Labor has no particular interest in that subject.

Senator Carr—By you: your schemes are a joke.

Senator ALSTON—We will come to that in a moment. Last Friday, Senator Gibson and I were down on King Island launching Telstra’s new CDMA network. In addition, we were privileged to launch the wireless local loop adjunct. In a pilot project, 350 households will be able to get a whole range of services—including access to the Internet and the like—through this system.

Senator Murphy—Not before time.

Senator ALSTON—Not before time, that is quite true. You had 13 years and you did nothing about it—but not before time. Let me explain to you how we were able to do it. You might be very interested in this. The reason we were able to do it with it costing almost $2 million was that it came out of the Networking the Nation fund. Do you know that one? That is the one that is $250 million over five years. We have spent about $197 million on 409 projects to date. So it has been remarkably successful.

Senator Newman—How did it all come about?

Senator ALSTON—The short answer is: in the face of opposition at every step along the way to the privatisation of Telstra, without any attempt on the part of those on the other side of the chamber to ever suggest that these were worthwhile projects. They did not say, ‘Well, you ought to fund them from elsewhere.’ They just said no. They wanted to close them down. Poor old hapless Senator Schacht—has he gone off home, has he? Anyway, Senator Schacht was actually smart enough during the election campaign to give us one of the biggest free kicks in history, and that was that they would close it down, put the money in their pockets and not redistribute it to regional Australia. Pretty extraordinary stuff, I thought.

But no, these people are serial offenders and they are still at it, despite the fact that their state colleagues think privatisation of Telstra is a very good idea—certainly Mr Bacon does; he says so frequently. Carl Scully, the New South Wales Minister for Transport, said on regional radio recently, ‘Hand over $300 million to the people of Coffs Harbour from that Telstra sale and we’ll build a western bypass.’ So these guys know what you can do in terms of upgrading rural infrastructure. How do you think we get $25 million to have continuous mobile phone coverage on 11 major national highways? From the proceeds of the sale of Telstra.

So what are the ALP doing? Basically, they have been asleep at the wheel. They are not interested in tackling these big issues. We know that they wander surreptitiously around the business community saying, ‘We’ll privatise when we get to government.’ But it is
quite interesting that the reports I am getting are that there is a great mood of despondency out there about the performance of the leader. It is no surprise really, because when he should be talking about these big issues, how you provide funds to rural Australia, what is he doing? He is out there saying, ‘There are two things in contemporary household technology which have destroyed family life and the family educative process.’ Do you know what they are? The television set and the dishwasher. This is all in aid of launching some silly tea towel that he launched the other day for Senator Crowley. This guy, supposedly heading up a knowledge nation task force, thinks that the television set is very bad news. What on earth would he think of the mobile phone and the Internet? These are absolute family destroyers! The kids are actually in their rooms trying to download information, instead of sitting around the dinner table getting a lecture on the American Civil War and having to answer questions from dad. That is what Mr Beazley would think of as traditional family values. It is just an extraordinary proposition.

All I can say is that we will continue to pursue our agenda. We will continue to put regional Australia first, but I am glad that you have confirmed that you will put them last.

**Australian Quarantine and Inspection Service: Outsourcing**

**Senator O’BRIEN** (2.40 p.m.)—My question is addressed to Senator Alston, the Minister representing the Minister for Agriculture, Fisheries and Forestry. Can the minister confirm that the Howard government has commenced a process of market testing in preparation for outsourcing a number of functions of the Australian Quarantine and Inspection Service? Can the minister advise exactly which functions are being targeted for outsourcing?

**Senator ALSTON**—I know that there have been suggestions from the Community and Public Sector Union. I am not sure; is that your union or not? Is this body snatching? Is this a demarcation dispute? Maybe you’ve got multiple membership entitlements. That’s probably the answer.

**Opposition senators interjecting**—

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

**Opposition senators interjecting**—

**The PRESIDENT**—Order! The behaviour of senators on my left is disorderly. We will proceed with question time when the Senate comes to order.

**Senator ALSTON**—Thank you, Madam President. Perhaps it might be helpful to the Senate if I explained the process in the way that question time briefs operate—because I know that it is so long since you lot were in government, you have probably forgotten. What we normally do is we try to go to the source of the question first. So we have a media release from the CPSU on outsourcing. Then we have the article that the *Sydney Morning Herald* dutifully wrote about this problem. Then we have the brief itself. So, having gone through those things in order, I will now tell you what the issue is all about. There was an article in the *Sydney Morning Herald* suggesting that AQIS was on the market.

**Opposition senators interjecting**—

**The PRESIDENT**—Order! I have been extremely tolerant. The level of noise on my left is absolutely outrageous.

**Senator ALSTON**—There was some suggestion that there was an intention to privatise the border security programs. That is simply not the case. AQIS has for many years worked to ensure that it delivers its services in the most efficient way. The results are obvious in many of its programs—such as meat inspection, where costs to government have fallen from $80 million when the government took office to some $50 million this year. As the article in the *Sydney Morning Herald* notes:

> Industry appreciates that this has delivered substantial savings without compromising the quality of the service. So the next step forward will involve reviewing several areas of AQIS operations to assess the scope for further improvement in service delivery, effectiveness and efficiency in the context of continuous improvement. AQIS has no preconceived views on the outcome of these reviews.

So what this whole fabricated debate shows you, Madam President, is that the Labor
Party feels that pressing the outsourcing button is somehow to demonise a process. Poor old Senator Lundy; hardly a day goes by when you do not get this sort of shock campaign run about—what was it? —$91 million you claimed to have been spent on outsourcing. That has actually turned out to be a beat-up.

The PRESIDENT—Senator Alston, your remarks should not be addressed across the chamber.

Senator ALSTON—Madam President, the fact remains that there are people in the branches who think this is good stuff. They say, ‘Thanks very much for giving it a run again. You should be all right next time around. You haven’t done much so far. We know you would like to be the shadow minister for IT, but unfortunately you still have to play around in another puddle.’

The PRESIDENT—Senator Alston, I draw your attention to the question.

Senator ALSTON—I am grateful to you, Madam President. I was getting a bit excited, I know.

Opposition senators interjecting—

Senator ALSTON—There is a page and a half here. I do not know whether you want me to read it all out or not, but I thought I had comprehensively disposed of that beat-up. I know the union will probably ask you to have another go. We have already had Senator Faulkner demonstrating that the Reith issue has disappeared to the point where Labor clearly have nothing else to ask.

Opposition senators interjecting—

Senator ALSTON—Well, roll-back has disappeared. What are you left with? You have to scurry around trying to find things that will fill in time. The union agenda is always a very safe one to fall back on, and you have done what you are expected to do. But I do not think I can do much more than tell you that AQIS is very interested in pursuing opportunities to achieve efficiencies. I know you are not. Anything that you think you can characterise as somehow removing the power of the unions is very bad news indeed. We, however, have a non-ideological approach, and we will continue to pursue efficiencies wherever the opportunities arise.

Senator O’BRIEN—Madam President, I ask a supplementary question. Given that the minister took about a minute and a half to find the brief and from the answer I am not certain that he understood the question, I want to take him back to the question. I see that the minister is now going over the brief. Just to be sure that he understood the question in the context of the brief, I want the minister to assure us that there has not been a process of market testing of the services provided by the Australian Quarantine Inspection Service. I want him to assure Australian farmers particularly that there will be no outsourcing of those functions directly involved in maintaining a quarantine barrier at our borders to protect Australian industries from exotic pests and diseases.

Senator ALSTON—I thought I said that there was no intention to privatise the border security programs. But what I found particularly interesting in that was that he asked me to assure the Senate that there has been no market testing of AQIS’s services. In other words, the last thing we want you to do is find out whether they are meeting customer needs and whether they are really working in the marketplace. It would be an appalling outcome if they actually went out and did a bit of market testing!

Opposition senator interjecting—

Senator ALSTON—I see. You think that would be a shocking outcome, do you? You would much rather be concerned about how many more union members you can pump into this sector. That is really where it starts and finishes as far as you are concerned. We are interested in outputs. You are interested in inputs. I look forward to the next 12 months of discussion on the subject.

Atomic Test Sites: Licensing Obligations

Senator ALLISON (2.48 p.m.)—My question is to the Minister for Industry, Science and Resources. I refer to the Maralinga and Emu Field atomic test sites and the controlled facility licence issued yesterday by ARPANSA. Will the minister ensure that the licensing obligations that exist under the current licence will be maintained if Maralinga is decommissioned as a controlled facility?
Will the minister amend ARPANSA legislation to see that this happens?

Senator MINCHIN—I will have to seek information on that question and get you information as soon as I can.

Senator ALLISON—Madam President, I ask a supplementary question. Minister, if Maralinga has been removed from ARPANSA’s jurisdiction, who will actually do the monitoring and any remedial work that is required? Is he aware that the United States now acknowledges that similar atomic test sites will never be cleaned up well enough for unrestricted use? How does this sit with the fact that plutonium contaminated material at Maralinga was just buried in simple earth pits?

Senator MINCHIN—I think the Maralinga clean-up has been one of the great success stories in Australia. I congratulate the former government, the current government and the British government for participating in this and the South Australian governments of both persuasions. It has been an extraordinarily successful exercise. I was proud to go there in February to announce the completion of the clean-up as certified by ARPANSA. I think it is ridiculous scaremongering to suggest there is anything improper about what has occurred there. It has been successful, and I look forward to the full return of those lands to the Aboriginal people. But, as I said, I will seek further information on the first question.

Australian Quarantine Inspection Service: Outsourcing

Senator FORSHAW (2.50 p.m.)—My question is directed to Senator Alston representing the Minister for Agriculture, Fisheries and Forestry. I ask: is the minister aware that speaking notes provided to senior officers in the Department of Agriculture, Fisheries and Forestry for use in briefing the staff of the Australian Quarantine Inspection Service refer to the fact that AFFA has had its budget allocations reduced this year by $7 million for failing to deliver on the Howard government’s outsourcing agenda? Is this the reason Minister Truss is driving an agenda to outsource more of AQIS—in order to avoid the application of punitive financial penalties year after year?

Senator ALSTON—The short answer is that I am not aware of any such thing. If Senator Forshaw wants to table the document from which he is reading, we can have a bit of a look at it later, but I thought I had already dealt with the rest of that question. There is an obligation to ask the question a number of times, is there? It is the same issue of outsourcing. I have told you our position in relation to that. Maybe your union see it differently and you think, therefore, that you have to reinforce them. I do not know. Is this a unity ticket, is it? I cannot take it much further than that.

Senator FORSHAW—Madam President, I ask a supplementary question. Minister, I would ask you to take the question seriously, because the issue of quarantine is serious and affects the health of all Australians as well as, of course, our major export industries. I would ask you to take it on notice and get an answer. The question also specifically went to the issue of the reduction in funding for the department for not meeting its objectives. How can Australia’s farmers, especially our apple growers, be confident that the Liberal-National government is committed to retaining an independent and effective quarantine service when you are slashing funding and making preparations to hand great chunks of it over to private enterprise?

Senator ALSTON—I have answered most of that question but, to the extent that Senator Forshaw wants a sensible answer, I will continue. He asks me about the contents of briefing notes. I do not have them. He does not purport to quote from them. I do not know on what basis, therefore, he expects me to be in a position to comment on whether or not those matters are contained in the document. If he wants to table it, I will get some instruction.

Centenary of Federation: Australian Capital Territory

Senator TCHEN (2.52 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Given that it is only eight weeks until the centenary of Australia’s fed-
eration as a commonwealth, will the minister inform the Senate of any initiatives the federal government has taken to enhance the understanding of the history and development of our national capital?

Senator IAN MACDONALD—This has been a rather happy question time. I thank Senator Alston and Senator Kemp for making it such a happy question time and I thank Senator Tchen for asking a question that can allow me to give the chamber some more good news. This city, Canberra, is a national capital of which all Australians are rightly proud. It is a national capital that hundreds of thousands of Australians visit every year, and they show their pride in this, our national capital. I am very pleased to advise the chamber that, just this morning, the Prime Minister opened the new National Capital Exhibition at Regatta Point in Canberra.

We have provided some $4 million towards that project, and the exhibition will provide a magnificent display which tells the story of our national capital from the competition to select the site right through to the development and building of the beautiful city we see here today. Our founding fathers surely had a lot of vision when they decided in the 1890s that we needed a separate, distinct seat of government. The Commonwealth government has been involved in the project opened today. I am very pleased that the ACT government has used the exhibition as well to contribute to the development of Canberra as our national capital. Madam President, I am particularly pleased that you, as a Canberra senator, were able to be with us today in your exalted position as President of the Senate.

Senator Kemp interjecting—

Senator IAN MACDONALD—Yes, indeed, Senator Kemp. Senator Lundy, as a Canberra senator, was also there, and I appreciate her support for our national capital. Senator Ross Lightfoot, as Chairman of the Joint Committee on the National Capital and External Territories, was also there. A number of other distinguished persons were there, including the Chief Minister, Mr Gary Humphries, and Mrs Kate Carnell, who did so much towards the promotion of this city.

Opposition senators interjecting—

The PRESIDENT—Order! There is too much noise in the chamber.

Senator IAN MACDONALD—I know the Labor Party share the view of this side of the chamber that this is a delightful national capital, and I know they are excited about the things that we are planning for next year as part of the Centenary of Federation celebrations. Since our bicentenary, more than four million people have visited Regatta Point. Many of them have been schoolchildren. Some 70,000 young people last year visited the national capital and, Madam President, as you well know, in the year 2001 we are hoping to have 200,001 students visit this city and our Centenary of Federation displays.

The highlight of next year will be the opening by the Prime Minister of the magnificent new National Museum of Australia and the putting together and opening of the new and permanent home of the Institute of Aboriginal and Torres Strait Islander Studies. As well as that, the New Zealand government will be promoting and dedicating its memorial on Anzac Parade, which is significant because of its obvious appropriateness on Anzac Parade. The Menzies government went down in history as the government that built Canberra. I am pleased that the Fraser government continued that with a lot of work towards this national capital, and the Howard government will go down in history as significant in the promotion of this city as our national capital. I thank all senators who were involved and urge them to have a look at the exhibition and to participate in next year’s centenary celebrations. (Time expired)

The PRESIDENT—I call Senator Cook. I am sorry, Senator Tchen, do you have a supplementary question?

Senator TCHEN—Madam President, I ask a supplementary question. Given the special place of Canberra in the Australian Constitution and its importance in the centenary celebrations, can the minister further inform the Senate of any further initiatives affirming Canberra’s role as part of the Australian identity, particularly any joint action
with Britain celebrating our relationship in history?

Senator IAN MACDONALD—I thank Senator Tchen for that question. I am sure Senator Cook was about to ask me the same question, because I know Senator Cook would be interested in our national capital as well. We will be developing Magna Carta Place in conjunction with the British government. The Old Parliament House rose gardens—which those who have been around here some time will remember—are being upgraded, and I am hoping that members of parliament might play a part in that rose garden redevelopment. That is something that I will be writing to all of them about later. We will hopefully be building and opening Reconciliation Place in the parliamentary triangle in the year of the centenary of our Federation. As well as that, there is Commonwealth Place. So there are a number of initiatives and I know all senators will be excited by what is happening. (Time expired)

Goods and Services Tax: Petrol Prices

Senator COOK (3.00 p.m.)—My question is to the Assistant Treasurer, Senator Kemp. Does the government agree with the economic commentator Mr Terry McCrann that, on the basis of the ACCC’s petrol price findings, Mr Howard and Mr Costello have used the switch to the GST to add at least 1c per litre to the cost of petrol and diesel? Is the government further aware that Mr McCrann has claimed that this is an extra $400 million ripped out of the pockets of Australian motorists and into the hands of Mr Howard and Mr Costello? Isn’t this part of the fuel tax windfall which the government denies exists? And when will the government be handing these ill-gotten fuel tax windfall gains back to their rightful owners, the Australian motorists?

Senator KEMP—There is an old saying that they save the best for last, but I do not think that that rates. Senator Cook, as usual, is completely ill-informed. He may not appreciate this, but we have actually cut the excise by 6.7c per litre. If I remember correctly, there was a report he chaired which was critical of our cutting of the excise. He was very upset that we had cut the excise. Frankly, after adjusting for the effect of the state excise surcharge, fuel excise collections will actually fall by some $0.9 billion in 2000-01. Am I right in suggesting that Senator Cook was quoting Mr Terry McCrann? Yes, he was quoting Mr Terry McCrann. I, too, will quote Mr Terry McCrann because, according to Senator Cook, Mr McCrann is an expert. If I do not finish this, I would appreciate a supplementary question, by the way. In an article on Saturday, 15 April this year, the expert that Senator Cook is relying on, Mr Terry McCrann, said:

Whether or not he reads this, a Beazley-led government bids fair to be the worst in our modern history—worse even than Gough Whitlam’s disastrous three years which were the pivot of our journey from the “good old days” to the turbulence of modern times.

Mr McCrann, the expert who was quoted by Senator Cook, went on to say:
At least Whitlam & Co had an ideological compass, albeit one that took us on to the rocks.

Mr McCrann went on to say:
Beazley’s would be utterly ideologically empty, drifting from one populist position to the next, completely—policy and intellectual—substance free.

Senator Vanstone—They did save the best to last.

Senator KEMP—I have just been corrected by my colleague Senator Vanstone, who says that they did save the best for last. There is clearly a debate on our side as to what is the best question. From my point of view, Senator Cook, Mr McCrann was the person you quoted and Mr McCrann was the person I quoted.

Senator COOK—Madam President, I ask a supplementary question. Since the minister so glowingly endorses Mr McCrann, does he agree that there is a $400 million windfall ripped out of the pockets of Australian motorists by Mr Costello and Mr Howard, which is what Mr McCrann says? Can he confirm, as claimed by Mr McCrann, that 1c of the supposed 1.5c per litre savings with the new tax system, as predicted by Treasury’s model, would come from an increase in the value of the Australian dollar? Minister, when is the increase in the Australian dollar due? What level was the increase set against:
Honourable senators interjecting—

The PRESIDENT—Order! Calling at each other across the chamber is disorderly.

Senator KEMP—Let me make the point to Senator Cook. I will quote Senator Cook and the work he did. He was very critical that we had cut fuel excise and he was very critical because he felt that this would lead to the use of what he called polluting fuels rather than alternative fuels. He was very critical of us for cutting fuel excise, but we ignored him as we always do and we went ahead because we wanted to cut excise. That is precisely what we did—that is what we promised the Australian people and that is what we have delivered.

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

FEDERAL OFFICE OF ROAD SAFETY

Senator IAN MACDONALD (Queensland—Minister for Regional Services, Territories and Local Government) (3.05 p.m.)—The Senate yesterday passed a motion moved by Senator Harris in relation to the tabling of some documents. The resolution of the Senate required me to table something immediately after question time and at the same time make a statement to the Senate giving an explanation. Then Senator Harris, according to the resolution, would be able to move a motion to take note of my statement. I table the document referred to in paragraph (a) of the order of the Senate of 5 October 2000, as Senator Harris and the Senate required. I also give this statement: in response to the motion proposed by Senator Harris and agreed to by the Senate yesterday, I provide the Senate with that statement. The document is a letter from Givens Emerson loss adjusters to the Director of the Federal Office of Road Safety dated 26 February 1990. Material that identifies the owner of the vehicle referred to and the registration number of the vehicle has been deleted as it relates to the business affairs of an individual.

In relation to the rest of the material covered by the Senate order of 5 October, I can advise the Senate that the department’s work is nearing completion. I will present that material as soon as possible. As I advised the Senate at the time the order was made by the Senate on 5 October, the volume of material sought is significant and the task has been resource intensive and time consuming. I point out that the government has already made a very considerable effort to address the concerns raised by Senator Harris on this matter of the dynamics of heavy vehicles. Both the Minister for Transport and Regional Services, Mr Anderson, and I have met with Senator Harris. Senator Harris has also received written responses from Mr Anderson, Senator Boswell and me to his inquiries on a number of occasions. As I previously advised the Senate, the government will respond to the return to order as soon as practicable.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Australian Quarantine and Inspection Service

Senator FORSHAW (New South Wales) (3.08 p.m.)—I move:

That the Senate take note of answers given by the Minister for Communications, Information Technology and the Arts (Senator Alston), to questions without notice asked by Senators O’Brien and Forshaw today, relating to the Australian Quarantine and Inspection Service and outsourcing

Senator Alston represents in this chamber the Minister for Agriculture, Fisheries and Forestry. Of course, the Minister for Agriculture, Fisheries and Forestry is Mr Truss, and he holds a cabinet position. That, at least, tells you that it is an important portfolio area—but not, obviously, to Senator Alston. Increasingly now we find that, whenever Senator Alston gets asked a question to do with this portfolio, he simply does not know the answer. In addition, he has not even looked at the brief. He fumbles around at the table and, with his ideologically obsessive hatred of trade unions, hurls abuse whilst he desperately seeks an answer.

Today he was asked questions relating to proposals to potentially privatise core serv-
ices of AQIS in the quarantine area and questions relating to cuts in the funding of the Department of Agriculture, Fisheries and Forestry because they have not met the obligations imposed upon them with respect to the outsourcing agenda. Minister Alston knew nothing. This is an extremely important issue. The quarantine service provided by AQIS is vital to the health of all Australians; it is vital to our agricultural, forestry, fisheries and other industries, particularly our export based industries. It is also vital to those areas where we import products. As my colleague Senator Woodley, who is in the chamber, knows—as do other members such as Senator Crane, who is the chair of the Senate Rural and Regional Affairs and Transport Legislation Committee—our committee has constantly been looking at the performance of AQIS.

Senator Woodley—Lack of performance.

Senator FORSHAW—That is true, and in some areas we have been very critical of AQIS where they have deserved criticism. In their defence, they have been starved of the funds and resources they need to carry out their core functions. This government has an ideological obsession about market testing for outsourcing. You have to draw the line somewhere, and I plead with the government senators on this issue. It is unfortunate that none of the National Party senators are in the chamber at the moment to debate this issue. Senator McGauran is here, but the leader, Senator Boswell, is not here. The National Party should know the importance of AQIS’ core quarantine services, and any suggestion that you would outsource those core services to the private sector is just an absolutely crazy proposition. How could you possibly even suggest it? But no, the government says, ‘AQIS have to market test these services to set them up for privatisation and outsourcing.’ AQIS have been subject to some of the most rigorous reviews over recent years. Senators will recall the Nairn committee report. That committee was established by the previous Labor government to look at all the functions, operations and management of AQIS, particularly arising out of the meat substitution scandal. A lot of recommendations flowed from that committee and I know that the government—even this government—took that report seriously. You have to take it seriously because of the importance of the issues. In particular, that report recommended that governments:

... increase their commitment to budgetary funding of quarantine and quarantine related activities to reflect community expectations in line with the partnership approach to the development and delivery of effective quarantine.

Further, it said:

The committee recommends that the government increase its commitment to quarantine and quarantine related activities.

How can you carry out those recommendations if you are going to slash the funding year by year and if you are going to outsource the core services? This is a crazy proposition and it should be consigned to the bin. (Time expired)

Senator MASON (Queensland) (3.13 p.m.)—I congratulate Senator Forshaw: it is a great change to have a policy debate in this discussion on taking note of answers. I thank you. Senator Forshaw’s remarks are based on an article in the Sydney Morning Herald today.

Senator Forshaw—I didn’t refer to the article once.

Senator MASON—Senator Forshaw, the government has no intention to privatise the border security programs. Rather, there is an intention to do what is most efficient. In the past, the government has reviewed its AQIS program, and AQIS has, for many years, worked to ensure that it delivers its services in the most efficient way. The results are obvious in many of its programs, such as meat inspection where costs to industry have fallen from $80 million when the government took office to $50 million this year. The government does not have any preconceived views on the outcomes of any reviews of the border security programs. Senator Forshaw said that this government is ideologically obsessed with market testing and market forces.

Senator McGauran—Where’s their ideology?

Senator MASON—Thank you, Senator McGauran. That is just what I needed. Better
that than have no ideological compass and simply be based on pragmatism, opportunism and populism. The opposition pick up an issue and, every time they think there is a vote or two in it, away they run with it.

Senator Forshaw—This is not about votes.

Senator MASON—Senator Forshaw, I accept and the government accepts that quarantine is an extremely important issue. What always concerns me though, Senator Forshaw, is that the opposition’s form on these issues is so poor. They talk about our ideological obsessions consistently, yet they cherry pick liberal democracy; they pick the good ideas, and then say, ‘Ah, they won’t sell, so we won’t reform them.’ What about the GST and roll-back? You do not have any credibility on any issue to do with reform. The opposition has said nothing in recent times about any single issue of major reform facing this country, whether the issue is tax reform or welfare reform.

Senator Forshaw interjecting—

Senator MASON—Senator Forshaw, I forecast that, within your time in this Senate, the Australian Labor Party will adopt mutual obligation as their underlying philosophy in social welfare. They will do it because they will have no choice. In all these debates the ALP lean towards liberal democracy; they pick the good ideas, and then say, ‘Ah, they won’t sell, so we won’t reform them.’ What about the GST and roll-back? You do not have any credibility on any issue to do with reform. The opposition has said nothing in recent times about any single issue of major reform facing this country, whether the issue is tax reform or welfare reform.

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Senator O’BRIEN (Tasmania) (3.18 p.m.)—I thank Senator Mason for his usual humorous interlude, but perhaps we could get to the question at hand and not have to listen to the rantings that we have just heard. I am interested in addressing the comment by Senator Kemp following the questions to Senator Alston when he suggested that we might have ‘kept the best for last’. How could that be? How could one have had a more sublime—from the opposition’s point of view—response to questions than that presented by Senator Alston? I think he spent more time looking for his brief and particularly debating with Senator Calvert whether the document he was trying to hand him was the document that he needed to answer the question, because he clearly had no idea.

But let us get to the subject of the matter. Yes, there was an article in today’s Sydney Morning Herald about quarantine and outsourcing. Yes—and this is the point that Minister Alston was not prepared to concede—there is a document within AFFA, in the form of speaking notes, which provides an admission that part of the motivation for the process that Senator Alston conceded is being undertaken is that AFFA has suffered a $7 million reduction in its budget allocation for this year as a penalty for failing to implement the government’s outsourcing and privatisation agenda fast enough during 1998-99. What assurances do we have? ‘Oh, we’re not looking at outsourcing border protection.’ Not yet, maybe! The fact of the matter is that there is no doubt about what happened when the government took back into AFFA responsibility for Australia’s bio-
security and took from AQIS the quarantine import risk assessment process. They had in mind that, at the end of the day, there would not be much left of AQIS; that, after it had been outsourced, after it had gone through this process, after the department had been penalised and forced to undergo this process, there would basically be nothing left. What we see with the first step— that is, the taking into the department of Biosecurity Australia—is a blueprint for what this government is going to do. Perhaps the government will be saying to the states, ‘You can have your border security controls—we’ll do some deal with you to do that—but we’ll take that away from AQIS as well.’

I noted a comment from the thoroughbred industry about border security control, because it is a critical question in this country. Those who observed the quarantine measures which were used for horses for the Olympics and for horses that have come here for the Melbourne Cup will understand the precautions that have been taken to protect a very valuable industry. That is just one small example of the importance of AQIS and border protection control to this country.

We are seeing a process where this government is more concerned about outsourcing and privatisation than about the issues of importance to this country. Why else would they be seeking to impose pressure on the department to further outsource AQIS? Or was it that the minister’s hatred of trade unions meant that if there was within AQIS any part of its workforce that was organised then pressure ought to be put on them to outsource it, to privatisé it, to cost people their jobs, just as when the Prime Minister was talking about the Burnie dispute and the wharfies in Burnie were guilty by association because they were members of the MUA and then deserved to be sacked? Is this the same case—that the Prime Minister and this minister and the Minister for Agriculture, Fisheries and Forestry are all of the view that any part of AQIS any part of its workforce that was organised then pressure ought to be put on them to outsource it, to privatise it, to cost people their jobs, just as when the Prime Minister was talking about the Burnie dispute and the wharfies in Burnie were guilty by association because they were members of the MUA and then deserved to be sacked? Is this the same case—that the Prime Minister and this minister and the Minister for Agriculture, Fisheries and Forestry are all of the view that any part of AQIS available for sacrifice because they are guilty by association for being members of their organisation? Is that what it is all about?

**Senator McGauran**—It’s not a union driven thing? Perhaps Senator McGauran when he jumps up will explain why Minister Alston focused on it so much. Why did he focus on it so much in his answer if it is not the driving passion behind this government to punish these people and to punish Australia because of this ideological obsession of the government’s? That is what it seems to me to be all about. Frankly, from the body language of this minister at the end of question time, he knew he had made an absolute mess. *(Time expired)*

**Senator O’BRIEN**—It is not a union driven thing? Perhaps Senator McGauran when he jumps up will explain why Minister Alston focused on it so much. Why did he focus on it so much in his answer if it is not the driving passion behind this government to punish these people and to punish Australia because of this ideological obsession of the government’s? That is what it seems to me to be all about. Frankly, from the body language of this minister at the end of question time, he knew he had made an absolute mess. *(Time expired)*

**Senator LIGHTFOOT** (Western Australia) *(3.23 p.m.)*—It is really futile debating this, because the simple answer is that AQIS is not for sale. That was made very clear. But what is driving it again—and the senators on the other side speak of some ideological obsession—is the ideological obsession that the opposition have with the union movement and the union movement being their masters here. The problem is that AQIS has 1,800 staff members who belong to the Community and Public Sector Union. Anything that is likely to impinge upon that area, the opposite side take unbelievable exception to. It is not because Australia does not have the best inspection system in the world. The Australian Quarantine Inspection Service is the best system in the world, and we need it. We are an island nation. We do have special circumstances that require us to have world’s best practice with our quarantine service, and we do.

The *Sydney Morning Herald* article and the statements made here today by Senator O’Brien and by Senator Forshaw are simply wrong. AQIS is not for sale. But what we are trying to do—just as we have in fact lowered the costs of meat inspections from $80 million down to $50 million in a relatively short time, given the time that we will be here and that we have been in office—is to see whether we can spend better, more wisely and make the money go further without any diminution in the quality of the Australian Quarantine and Inspection Service. That is what it is about. It is not about reducing the ability or the standards or the world’s best practice that the Australian Quarantine and Inspection Service provides for our agricul-
tural imports and some of our agricultural and farm exports as well, as you would be quite aware, Madam Deputy President.

Let me say again: there is no intention to privatise our extensive border security programs, and they are extensive. We have one of the biggest coastlines in the world. It is often of course undefended. That is why when boats come in from Indonesia—a practice of bringing illegal immigrants here that I am diametrically opposed to—those boats are burned. That is why we have one of the most stringent inspections, even from state to state, because the states do play a large role in the prevention of some agricultural diseases that are in one state and not another. I often wonder whether this is not magnified by those states in order to perhaps enhance the product that they produce—cherries are one of those things, of course.

In terms of the opposition saying that AQIS is going to be somehow sold off and some of the other derogatory remarks that were made, that is not correct. Outsourcing I believe in. I believe that we have a responsibility in government that where we handle the taxpayers’ dollars we must do it with the utmost regard to those prudential and other responsibilities that we have. All the government is saying is that where there can be savings made without impinging upon the world’s best practice, then those savings are going to be identified and implemented.

In terms of the other reason that Senator O’Brien uses—the ulterior motive—there is this element of scare tactics on the other side that comes from the trade union movement. We know that they use this to the detriment of Australia. This is not a good thing for Australia, to put Australian agricultural people in doubt as to whether AQIS—world’s best practice inspection service—is in fact the best. It is categorically the best. I acknowledge that, and the other side would do well to acknowledge that as well. It is simply one method—a tedious method—that they use to try to bring discredit upon this government. I do not think that is fair, and I do not think that is at all reasonable. I remember the scandals that involved the trade union movement in the Territory when an export abattoir was shut down for a couple of years. That is just one example of the trade union movement acting against the best interests of Australia. (Time expired)

Senator LUNDY (Australian Capital Territory) (3.28 p.m.)—It is not very often in question time that we get to see a minister make such a complete fool of himself. Today Senator Alston exposed himself as knowing so little about what is going on in his own government. He did so when he was unable to respond to Senator Forshaw’s question regarding the $7 million that AFFA has lost as a result of not being able to participate in the IT outsourcing program. For Senator Alston’s benefit, I would like to inform him and others on the other side of the chamber that this is not an affliction peculiar to AFFA. In fact, the coalition government’s IT outsourcing program imposed a series of budget cuts across most of the agencies and departments in the federal government a number of years ago now—in the 1996-97 budget and in the 1997-98 budget. Since then, those departments have lost money every financial year. In AFFA’s case it is $7 million. We did some calculations some time ago which demonstrated that the department of health had in fact lost $6 million from their budget allocations in anticipation of the coalition’s IT outsourcing program.

So what has happened? Today we asked a question about the financial pressure being brought to bear on AFFA and about what is going on. The point I would like to make is this: the vast majority of government agencies and departments have lost money in their budget allocation in anticipation of what the government claimed would be savings for outsourcing their IT. Unfortunately for the departments, and I would say predictably, that IT outsourcing program has been a dismal failure. As a result of the performance audit by the Australian National Audit Office, titled ‘Implementation of whole-of-government information technology infrastructure consolidation and outsourcing initiative’—a big title—we know that the savings anticipated with respect to those budget cuts were not realised. We know that because this Auditor’s report says it.
So even if AFFA had been able to get their IT outsourcing up and running, the chances of them realising the savings and backfilling the $7 million gap left were pretty low anyway. Where does that leave us? It leaves AFFA in a situation where they are having to find money from other programs to backfill that loss. That puts pressure both on the public servants required to deliver services and on the management of that agency to allocate their funding within that area in a suitable and meaningful way.

The other point I would like to make is about this insistence that somehow this antagonism and opposition to outsourcing have something to do with trade unions or indeed with Labor’s ideological approach to outsourcing. It in fact has nothing to do with either, other than representing a genuine respect for the workers that deliver these services within the Public Service. That will always be the case, and I stand by a legitimate concern to represent the working people of this country. Labor will never back away from that.

But let us look at ideological agendas. I would like to quote now from the annual report of the Office of Asset Sales and IT Outsourcing, released just yesterday in this chamber. It exposes every denial on the other side of the chamber about this market testing not occurring as being absolutely false. Let me quote from page 30, on the market testing and contracting out program announced in this year’s budget:

During 1999-2000 the team has been working directly with agencies to increase the uptake of CTC—

that is, competitive tendering and contracting—

through market testing of corporate and other relevant services. Several agencies are undertaking activities for market testing.

I now quote from page 31, on ‘Working with industry’: Industry capacity to respond to market testing in contracting out is critical to the success of the project. The MTACO team—

the market testing and contracting out team—

has developed a strategy to gather intelligence on market capacity, including discussions with key industry representatives. Tools include a Register of Providers; and a market capability database ... will be used to provide agencies with access to this information. We are also seeking industry views on areas for improvement in Commonwealth market testing processes, with a view to identifying solutions that minimise the cost of tendering while still maintaining accountability and probity aspects.

This is what is happening here, and it is very clear, by virtue of the minister’s ignorant response and Senator Forshaw’s very astute question, that AFFA is tightly wrapped up and engaged in this market testing program. (Time expired)

Senator McGauran (Victoria) (3.33 p.m.)—Having been on estimates committees with Senator O’Brien, I know only too well—as do others in this chamber—that he is a man who can talk under wet cement.

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order!

Senator Ian Campbell—Madam Deputy President, if Senator Lundy loudly says ‘don’t lie’ to me, she ought to be called to order.

The DEPUTY PRESIDENT—I was trying to call you to order because I was trying to listen to Senator McGauran. Senator Lundy, if you have said something unparliamentary, would you please withdraw it. I did not hear it.

Senator Lundy—I suggested that they not lie about something.

The DEPUTY PRESIDENT—Please withdraw.

Senator Lundy—I withdraw.

The DEPUTY PRESIDENT—Senator Ian Campbell, will you come to order and cease interjecting, because your interjections have been unparliamentary for some considerable time.

Senator McGauran—I was making the point about Senator O’Brien being a longwinded contributor to committees and this chamber—

The DEPUTY PRESIDENT—Do not reflect upon other members in this place either, Senator McGauran.
Senator McGauran—His sometimes very good contributions too, I might add. But my point is this, if I can make it: he actually conked out four minutes into his five-minute contribution today. He was making ridiculous points because there is really no take note of answer motion today. They could not find one. The Reith issue has fallen over—come Thursday; it did not even make the end of the week. The petrol issue is having no penetrating effect in this chamber, so they have raised this rather obscure issue about one of our finest performers, Senator Alston. Couldn’t you have found an easier, softer target? The finest performer in this government, and they talk about the way he happened to answer a question concerning another minister’s portfolio. Even Senator O’Brien could not puff it up for five minutes. He started making these ridiculous, obscure suggestions that the Melbourne Cup would be compromised because of a so-called headline in the *Sydney Morning Herald*. That was about four minutes into his contribution. It was an absurd contribution. The *Sydney Morning Herald* article would be compromised because of a so-called headline in the *Sydney Morning Herald*. That was about four minutes into his contribution. It was an absurd contribution. The *Sydney Morning Herald* article, as the previous speakers from this side have said, is utterly wrong. It is in fact confused. AQIS is not on the market. What we are all talking about—on both sides of the chamber—is really motherhood. We all recognise the importance of AQIS and the role it plays. No-one is going to compromise AQIS’s importance.

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! Could I have order from both Senator George and Senator Ian Campbell. If the Campbells would like to go to the Lowlands or somewhere and give us some quiet in here, it would be appreciated, thank you.

Senator McGauran—This government has no intention of compromising its quarantine inspections. I would not even make that accusation in regard to the opposition, should they come into government. This is one of the most important services the government can offer. I need not go through the litany of its importance in regard to border controls. But to suggest that there cannot be reforms within the department is absurd. In fact the reforms that we have introduced since being in government have had tremendous cascading effects within the cattle industry, no less—an industry I know only too well. In quoting from the same *Sydney Morning Herald* article, Mr Justice Toohey, Executive Director, Cattle Council of Australia, said that the annual cost of the AQIS services to the beef exporters had fallen by $140 million to $50 million over eight years as the services had become more efficient.

I can even compliment the opposition. Of those eight years, we have been in government for some five years—that is where the bulk of the reform has occurred of course. But perhaps you did put in place some early reform processes that have brought huge savings—$140 million in savings. So reform is necessary; scrutiny is necessary. Are you suggesting that we just freeze and stand still? I know Senator Lundy would be one of those that would suggest that. She wants to put a cocoon around every department in Canberra, for quite obvious reasons.

Senator Alston raised the question of unions within departments and the protection of the Public Service through unions, which so often Senator Lundy comes into bat for. Why shouldn’t he? If it can be done more efficiently with outsourcing—I am talking about all the departments across the whole of Canberra—then so it should. There should be no protection of Canberra’s Public Service unions. There are more than just Public Service unions, Senator Campbell; there are private unions that benefit from outsourcing. It is a complicated and confused argument that you have placed before this chamber. To protect some 1,800 AQIS employees because some of them happen to belong to a Public Service union is to deny this country and this department proper reforms. Just for the record, the *Sydney Morning Herald* article is wrong. AQIS’s Executive Director, Mr Brian Macdonald, said, ‘Let us assure you that AQIS is not on the market,’ and the government supports those comments.

Question resolved in the affirmative.

Senator Harris (Queensland) (3.39 p.m.)—I move a motion to take note—

The DEPUTY PRESIDENT—You will need leave, Senator. Are you seeking leave?
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Senator HARRIS—On a point of order, the notice of motion says under (b)(iii) the motion may be moved without notice to take note of the minister’s statement.

The DEPUTY PRESIDENT—That means at the time when the documents were tabled, not at any other time; therefore, you need leave. Are you seeking leave?

Senator HARRIS—I seek leave.

Leave not granted.

COMMITTEES
Finance and Public Administration References Committee

Report
Senator GEORGE CAMPBELL (New South Wales) (3.40 p.m.)—I present the report of the Finance and Public Administration References Committee entitled APS Employment Matters—First Report: Australian Workplace Agreements, together with the Hansard record of the committee’s proceedings, submissions and additional information received by the committee.

Ordered that the report be printed.

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

Leave granted.

Senator GEORGE CAMPBELL—I move:

That the Senate take note of the report.

This unanimous first report of the Finance and Public Administration References Committee inquiry into APS employment matters deals with Australian workplace agreements. AWAs have been singled out for attention because the committee believes the APS approach to them to be in conflict with the community’s values and expectations of an accountable Public Service. This report does not delve into the merits or otherwise of Australian workplace agreements as a means of setting terms and conditions of employment, as the views of all political parties are well known. It concentrates on an issue of cross-partisan concern—that is, the lack of transparency of AWAs in the Australian Public Service.

The foundation of the APS is a set of principles, values and ethical standards in the Public Service Act 1999. One of the most important of these defining characteristics is open accountability to the government, the parliament and the Australian public. The committee is not confident that APS values are being given any regard in the highly confidential environment in which AWAs are being made. The secrecy surrounding individual negotiations and setting of terms and conditions of employment does not promote a perception that equity and fairness are the prevailing considerations. This is of increasing concern because a shift is occurring from their use only within the Senior Executive Service to, in some agencies, AWAs being on offer to all employees, where the relative bargaining power of the parties in individual negotiations changes markedly.

It is evident that agencies believe that there is benefit in the ability to tailor individual agreements to the circumstances of the agency and the employee. However, the committee is concerned that encouragement, indeed championing, of the use of AWAs in the APS has not been accompanied by serious evaluation of their costs and benefits. The committee believes that more information and strengthened reporting requirements are needed to bolster the transparency and accountability of AWAs in the APS. This would also alert the APS to any unintended impact of individual agreements, such as on members of EEO target groups.

It is the committee’s view that the level of confidentiality of AWAs maintained by departments and agencies is inappropriate for the public sector. There is nothing in the Workplace Relations Act to prevent either party to an AWA from disclosing its contents to whomever they wish. Indeed, agency heads have a responsibility under the act to ensure that their disclosure is not prohibited. The public benefit in disclosure of the conditions and remuneration going to public employees outweighs superficial privacy concerns. Principles of transparency already apply to other forms of agreements and determinations. Those setting remuneration and conditions for departmental secretaries must be published in the Gazette and collective
agreements—certified agreements—are also publicly available documents.

The committee sees no compelling reason for AWAs of public servants not to follow the same principle. The recent publicity about parliamentarians’ entitlements has highlighted the need for openness and accountability in the expenditure of public money. The committee recommends in this report that the government, as the ultimate employer, direct agency heads that AWAs with SES and APS employees are not to be kept confidential. It also recommends that agencies make AWAs available on request.

A service-wide perspective has been lost in the devolution process. The current environment sees agencies competing not only with the private sector but with each other in terms of remuneration and conditions offered to staff under AWAs. The only agency with anything approaching a comprehensive database of APS AWAs is the Office of the Employment Advocate. In the committee’s view, it is utterly unacceptable that APS information held by the OEA is not available to other arms of the service, particularly DEWRSB and the PSMPC. This would enable them to provide more rigorous and regular information about APS employment and devolved agreement making. The committee recommends that agency heads authorise the Employment Advocate to release APS AWAs to the Public Service Commissioner and the Department of Employment, Workplace Relations and Small Business. The committee does not seek to have public sector remuneration practices wound back in time to conform to past ‘one size fits all’ solutions. The committee wants decisions and outcomes to be reported openly and fully—flexibility with accountability is achievable.

Once again the Senate Finance and Public Administration Committee has examined the payment of secret individual performance bonuses and again states its strong view that one-off individual performance bonuses have no place in a Public Service. The Finance and Public Administration Committee again recommends performance bonuses be discontinued. Acknowledging that this may not be accepted, the committee wishes to place on the record its recommendations for an APS that continues to pay bonuses under the following terms: first, bonus payments must be for outstanding individual or team service, not for competent performance as some agencies have determined; second, the committee is particularly opposed to uncapped bonus payments and recommends they be limited in the same way as those payable to departmental secretaries; and, third, there must be complete disclosure of all performance bonus payments, SES and non-SES, in annual reports.

If APS pay rates are not compensation for satisfactory, or competent, performance, this should be dealt with in an open and transparent review, not bycreative supplementation schemes. More accountability for non-monetary remuneration is also required. The committee is aware that the current fashion is to focus on outcomes, not dwell on inputs. Nonetheless, the committee still believes that the cost and performance of the Public Service is a vital element in the effective delivery of outcomes and must be open to scrutiny. The parliament has enforced transparency on executive remuneration in the private sector; logically, it should require no less of the public sector. Public sector annual and financial reporting requirements have been reduced in spite of legislative changes that increase the accountability of the private sector. The committee is concerned that this indicates that APS accountability obligations are out of step with community standards. It is unacceptable that less disclosure is required of the Australian Public Service than the private sector.

The committee’s inquiry into APS employment matters is ongoing. Submissions and witnesses addressed a wide range of issues under the broad terms of reference, not only those issues of interest in this report. On behalf of my colleagues, I would like to thank all witnesses, especially agency heads representing small agencies and some of the larger departments, for their frank contributions—in particular, the Auditor-General, Mr Pat Barrett; the Public Service Commissioner, Ms Helen Williams; the Merit Protection Commissioner, Mr Alan Doolan; the Secretary to the Department of Defence, Dr Allan Hawke; the Secretary to the Treasury,
Mr Ted Evans; First Parliamentary Counsel, Ms Hilary Penfold; the Director of Screen-Sound Australia, Mr Ron Brent; the Commonwealth Ombudsman, Mr Ron McLeod; the Secretary to the Department of Employment, Workplace Relations and Small Business, Dr Peter Shergold; and the Secretary to the Department of Finance and Administration, Dr Peter Boxall.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.49 p.m.)—This report of the Senate Finance and Public Administration References Committee is an excellent report. It is thorough and it is persuasive. It is a report that captures in a coherent, articulate way views and concerns that have been simmering in the Public Service for the last few years. I congratulate its authors. While the focus of this report may seem limited—the use of Australian workplace agreements in the Australian Public Service and related matters—it goes to the very core of the role of one of the key institutions in our system of government. The committee have brought together a comprehensive range of inputs. They have offered all interested parties an opportunity to put their point of view. They have faithfully reflected those views, and the way they have synthesised those views and drawn conclusions from them is, I believe, worthy of the highest commendation.

Let me make a couple of predictions in relation to this report. First, the government will bag it as the product of a partisan committee with a predetermined agenda. They will conveniently ignore the fact that it is a unanimous report endorsed by both opposition and government members of the committee. Secondly, this report will quickly become a bestseller in the APS among all ranks. Why? Because it articulates persuasively the doubts, concerns and convictions shared by so many public servants about the damage being done to the Public Service by this government’s ideological obsessions. This report exposes the government’s cant about greater accountability, flexibility and transparency in the APS. It exposes the yawning gap between the Public Service values espoused by the government—but, of course, actually supported by the opposition—and the government’s practice of secrecy, obstruction and centralised control.

The committee has singled out the lack of transparency of AWA processes and contents because it believes the APS approach to be in conflict with community values and expectations of an accountable Public Service. This criticism can be applied to all three areas dealt with by the committee: AWAs, levels of Public Service remuneration and performance pay. It is ridiculous and unacceptable that parliament does not have access to detailed information about AWAs across the Public Service, particularly when the government is so intent on forcing AWAs on public servants at all levels—nearly 7,000 at last count. According to the new Public Service Act, the APS is required to be openly accountable to the government, the parliament and the public. Yet this inquiry has demonstrated that this is patently not the case. The report notes:

The only agency with anything approaching a comprehensive database of AWAs is the Office of the Employment Advocate. In the committee’s view, it is utterly unacceptable that the information held by this agency is not available to other arms of the APS ... Let me quote the report again:

The framework for establishing and approving these individual agreements involves no external scrutiny to ensure consistency with the APS values or other ethical standards, or that the rewards to individuals are fair or within acceptable limits ... The committee views the secrecy surrounding AWAs in the APS as unnecessary and detrimental to the establishment of open relations between management and staff.

I share entirely the committee’s lack of confidence that APS values are being given any regard in the highly confidential environment in which AWAs are being made and its view that the secrecy surrounding individual negotiations and setting of terms and conditions of employment promotes a perception of lack of equity and fairness. The case studies the committee draws attention to are stark examples of best and worst practice. On the one hand, we have the practice of the Treasury and the Department of the Senate of publishing details of AWAs in the belief that, in the words of Treasury’s secretary, Mr Ted Evans, ‘openness about pay out-
comes will signal to staff what is valued, provide discipline for fair management decisions consistent with Treasury’s expressed values and give credibility to management processes’. On the other hand, we have the attitude of the head of the agency in the van-guard of the government’s Public Service ‘reforms’, Dr Boxall, Secretary to DOFA, who says:

... what might suit Treasury is their business; what suits DOFA is to proceed in the way we have done over the last three years, which is not to make public details of AWAs; moreover we do not believe we have a legal basis to do it.

Perhaps he should seek some advice from Treasury’s legal advisers. In relation to levels of remuneration in the SES, the committee draws attention to the fact that there is no agency with responsibility for gathering and holding information on the content of AWAs, remuneration rates being offered, aggregated information across agencies and the whole APS, or comparative information in relation to other public sectors and the private sector. Thus there is no means of evaluating the position of the APS and individual agencies, detecting service wide trends over time, or even evaluating the effectiveness of changes in the APS employment framework. The committee quite rightly draws attention to the fact that ‘public sector annual and financial reporting requirements have reduced in spite of legislative changes that increase the accountability of the private sector’ and its concerns that ‘this indicates that APS accountability obligations are out of step with community standards’. They certainly are, and they are becoming increasingly so.

The committee reserves its sharpest criticisms for performance pay—not surprisingly, given its history of opposition to this form of financial incentive. It reveals the widely differing practices in the APS from DOFA, where 95 per cent of staff receive performance bonuses which are limited by whatever the individual negotiates and kept secret, to Defence, whose secretary, Dr Hawke, informed the committee, ‘I do not approve of performance pay and do not have it in the organisations that I am in.’ The committee quite rightly questions the applicability of the private sector remuneration model, with its performance bonus and incentives, to the public sector and points out that, while private sector executives can be expected to show measurable outcomes for their endeavours against which their rewards can be assessed openly, the majority of public servants cannot. The committee’s starting point is:

Parliament has a right to know how public money is being used. Covert payments have no place in the public service. Parliaments have to judge agencies not only against their achievement of outcomes but also how appropriately they have used public funds allocated to them to conduct their affairs to progress towards those outcomes.

The irony is that this is what the government publicly espouses. The tragedy is that the reality is so far removed from the government’s public posturing, and this report really exposes the gap. But the committee does not content itself with outing the government for its rank hypocrisy on Public Service employment matters. It has several recommendations to make, and recommendations that will help rectify the serious damage that is being done to the Public Service: that APS agencies make AWAs available on request, with appropriate deletions to protect privacy; that a service wide system of reporting on agreement making and remuneration is instituted; that annual and financial reporting requirements for the APS be at least as rigorous as those applying to the private sector; and that ideally individual performance pay bonus payments be discontinued in the APS but that if they are to be continued they be capped and disclosed in annual reports.

I repeat: this is an excellent report. It merits very serious consideration by the government and by all APS agency heads. It will receive serious and sympathetic consideration by the opposition. I congratulate Senator George Campbell, the committee, the committee secretariat, the secretary, Ms Helen Donaldson, and all those involved in its production. (Time expired)

Question resolved in the affirmative.

Foreign Affairs, Defence and Trade Committee: Joint Report: Government Response

Senator ELLISON (Western Australia—Special Minister of State) (4.00 p.m.)—I pre-
sent the government’s response to the report of the Joint Standing Committee on Foreign Affairs, Defence and Trade entitled Bougainville: The peace process and beyond, and I seek leave to incorporate the document in Hansard.

Leave granted.

The document read as follows—

GOVERNMENT RESPONSE TO THE
JOINT STANDING COMMITTEE ON
FOREIGN AFFAIRS, DEFENCE AND
TRADE REPORT “BOUGAINVILLE: THE
PEACE PROCESS AND BEYOND”

Recommendation 1:

The Committee recommends that the Australian Government ensure that the Peace Process Consultative Committee, under the chairmanship of the UN Observer Mission, is given all necessary support from external observer representatives to enable that body to maintain a clear focus on the outcomes from the peace negotiations.

Response:

Noted. The Peace Process Consultative Committee (PPCC) is an important forum for parties to the peace process - the Bougainvillean factions and the PNG Government - to discuss matters including weapons disposal and the way forward to a political settlement in the province. All PPCC meetings to date have been held on Bougainville. The Australian Government, which has observer status at PPCC meetings, will continue to support and facilitate the work and meetings of the Committee including by providing transport to participants: including, at times, to the entire PNG Government delegation. The Australian High Commission in Port Moresby, along with Peace Monitoring Group (PMG) partner governments, works hard to encourage PNG Government participation in the important work of the PPCC.

Recommendation 2:

The Committee recommends that the Minister for Foreign Affairs consider increasing the level of Australia’s contribution to the shared-costs arrangement in support of the Peace Process Steering Committee, in order to enhance the prospects of maintaining the momentum of the peace process and reporting on progress with the negotiations between the parties.

Response:

Not accepted. Australia funded the attendance of several PNG Government representatives to the initial PPSC meetings in Brisbane in November 1998. All subsequent PPSC meetings have been held in Port Moresby with Australian officials in attendance. New Zealand meets the costs of attendance at PPSC meetings by its representatives and capital-based representation by Fiji and Ni-Vanuatu. There would appear to be no requirement at this stage to change the current arrangements, which are working well. There have been no indications to date that funding issues have constrained or limited the work of the PPSC.

Recommendation 3:

The Committee recommends that the Australian Government examine with regional partners further opportunities to facilitate mutual understanding between all the parties to the peace negotiations, with particular reference to ensuring the future political stability of Bougainville.

Response:

Noted. The Australian Government is committed to supporting the peace process on Bougainville. It is in regular contact with its regional partners, particularly its PMG partners, to explore opportunities for furthering the peace process and to foster mutual understanding between the parties in Bougainville, both through development assistance under the bilateral aid program (including some joint projects with New Zealand) and through its contribution to the PMG.

Recommendation 4:

The Committee recommends that the Australian Government consider relatively low cost initiatives such as contributing to the availability of satellite telephones for key participants in the negotiations, in the interest of facilitating dialogue and thereby reducing potential for misunderstandings to occur between the parties.

Response:

Accepted in part. The Government is committed to improving communications in Bougainville, but considers this to be done best through facilities other than satellite telephones. Australia and New Zealand have cooperated closely in upgrading communications systems in Bougainville. Australia has provided forty-two HF radios to faction representatives, district offices and health centres at various locations around Bougainville. Australia has also upgraded Radio Bougainville, which now broadcasts over the whole province. New Zealand initially funded satellite phones for
faction leaders. New Zealand also upgraded the telephone system in seven key centres in the province, including Arawa. On completion of this project, New Zealand discontinued support for satellite telephones as they assessed that there were now adequate communication systems available in the province to facilitate the peace process.

Recommendation 5:
The Committee recommends that supplementation of the Department of Defence’s annual budget be provided to cover the additional costs of Australia’s contribution to the Peace Monitoring Group operation.

Response:
Noted. A total of $17.205m was supplemented for the Defence contribution to the Peace Monitoring Group operation for FY 1999-2000. These additional costs were calculated on the basis that Defence’s contribution would continue until the end of that financial year.

Recommendation 6:
The Committee recommends that the Australian Government, in conjunction with regional partners in the Peace Process Steering Committee, develop clear indicators for the phasing out and eventual withdrawal of the Peace Monitoring Group.

Response:
Noted. The Government has indicated publicly, and to the PNG Government and factions on Bougainville, that the PMG is not a permanent fixture in the peace process. It has also been made clear to all parties that reductions in the PMG will not be made in a way that would delay settlement efforts nor jeopardise gains already made. The issue will be further discussed at future meetings of the PPSC. Australian participation in the Peace Monitoring Group, and a phased strategy for the withdrawal of the PMG from Bougainville, was last reviewed by Ministers in April 2000. Australian officials are continuing consultations with Australia’s PMG partners on a phased withdrawal strategy for the PMG.

Recommendation 7:
The Committee recommends that a ministerial statement to the Parliament follow cabinet’s three-monthly review of the situation in Bougainville.

Response:
Noted. The Government reviews Australia’s participation in the PMG on a six monthly basis. The next review is due in early November 2000. The need for a ministerial statement at this time will be considered.

Recommendation 8:
The Committee recommends that the Peace Process Steering Committee meet regularly, at least quarterly.

Response:
Noted. The Australian government agrees with the Committee on the need for regular meetings of the PPSC. The timing of PPSC meetings is decided by the Chair of the PPSC, Papua New Guinea. The Australian government frequently encourages the PNG government to convene the PPSC on a regular basis.

Recommendation 9:
The Committee recommends that the Crimes (Overseas) Act 1964 be amended to extend its jurisdiction to Australian civilians serving overseas in situations not covered by the agreement of the United Nations.

Response:
Accepted. The Government recognises that there is an omission in Australian criminal jurisdiction regarding Australian persons serving overseas in circumstances where they are exempt from local jurisdiction, and will examine possible amendments to the Crimes (Overseas) Act.

Recommendation 10:
The Committee recommends that section 3 of the Crimes (Overseas) Act 1964 be amended to apply the Act to ‘...Australian citizens and residents (other than Defence Force members) serving overseas under a “prescribed arrangement”’. The Committee also recommends that the amended section 3 be followed by a definition of ‘prescribed arrangement,’ to include:

• an arrangement made between the Commonwealth and the United Nations;
• an arrangement, as specified in the Regulations, made between the Commonwealth and another country;
• an arrangement under which the person is serving as an Australian diplomatic or consular official.

Response:
Noted. The Government will examine proposed amendments.

Recommendation 11:
The Committee recommends a consequential amendment to paragraph 4(b), replacing ‘under arrangements between the United Nations and the government of that country’ with ‘a prescribed arrangement’.
Response:

Noted. The Government will examine proposed amendments.

Recommendation 12:
The Committee recommends that, in the special circumstances applying to Bougainville at a critical stage in the peace negotiations and reconstruction of its devastated infrastructure, the Australian Government consider the possibility of increasing the overall aid program to Papua New Guinea in order to provide some additional funding for Bougainville.

Response:

Not accepted. The aid program to Papua New Guinea is already Australia’s largest by far, making up one fifth of all Australian Government aid. The Papua New Guinea Government has agreed that Australian assistance for the reconstruction of Bougainville will be part of the funds allocated annually under the Treaty on Development Cooperation between the Government of Australia and the Government of Papua New Guinea. The costs associated with Australia’s participation in the Peace Monitoring Group are additional to these funds and represent a further contribution from Australia to Papua New Guinea/Bougainville.

Recommendation 13:
The Committee recommends that, in conjunction with relevant authorities in Papua New Guinea, AusAID review its development programs designed to enhance coordination and information exchanges with and between indigenous, Australian and international NGOs working in Bougainville, so that existing and developing forums for coordination are supported and enhanced.

Response:

Accepted. AusAID’s PNG Community Development Scheme (CDS) has been expanded to include Bougainville. This project assists non-government and community-based organisations develop partnership networks with government and donor agencies as well as other NGOs. AusAID coordinates very closely with the Bougainville Peace and Restoration Office on developing and delivering the aid program. AusAID representatives take part in the regular aid coordination meetings of donors and international NGOs that take place in Port Moresby and in the province to review developments in Bougainville.

Recommendation 14:
The Committee recommends that AusAID examine the feasibility of enhancing the opportunities for local contractors and employees to benefit from engagement in larger aid projects by dividing such projects into smaller components.

Response:

Accepted. It is a guiding principle in the development of projects on Bougainville that local firms and labour are used wherever possible. A particular emphasis is placed on developing employment opportunities for ex-combatants and displaced youth. AusAID projects, such as the Buka Hospital and Coastal Trunk Road Rehabilitation projects, have been divided into smaller components in order to enhance the opportunity for more local involvement.

Recommendation 15:
The Committee recommends that AusAID review capacity within the aid program for Bougainville, to enhance opportunities to respond quickly and flexibly to identified community need for small-scale assistance projects.

Response:

Accepted. The Bougainville Community Projects Scheme (BCPS) has been reviewed. It has been made more responsive to community needs and funding was increased in FY 1999-2000. The Community Development Scheme (CDS) is also being expanded to cover the whole of Bougainville. The CDS will enable non-government and community based agencies to respond quickly and flexibly to community needs. AusAID plans to extend the PNG Small Activities Scheme into the province in 2000.

Recommendation 16:
The Committee recommends that AusAID review the administrative guidelines and processing procedures for project funding and also consider increasing the resources available to Bougainville communities, in order to assist community groups to prepare proposals for aid projects and to comply with the relevant administrative and accountability guidelines associated with small-scale aid projects.

Response:

Accepted. The basic goal of the Community Development Scheme is to strengthen and support non-government and community based organisations’ capacity to plan and carry out community development activities. The Bougainville Community Projects Scheme has been reviewed and the application process has been simplified. Guidelines have been translated into TokPisin and special workshops have been held throughout the province to assist community groups in preparing their applications.
Recommendation 17:
The Committee recommends that, building on the experience of projects such as the pilot Bougainville District Development Officer Scheme, AusAID give priority to increasing the administrative capacities of community leaders and community groups, in order to enable maximum access to be gained to available funding assistance, and to increase local skills in liaison, evaluation and other administrative tasks.

Response:
Accepted. A review of the Bougainville District Development Officer Project (BDDOP) has been completed. Discussions are being held with the Bougainville Peace and Restoration Office and with provincial authorities on the development of a Bougainville-wide local government institutional strengthening project. This project will build on the lessons learned from the BDDOP. As noted above, the Community Development Scheme has also been expanded, and will increase the capacity of community and non-government groups to access and manage aid funds.

Recommendation 18:
The Committee recommends that AusAID give particular priority to the provisions of recurrent funding assistance for projects in Bougainville which have key significance for achieving a permanent peace settlement, for example law and order issues addressed by supporting salaries funding for trained auxiliary police.

Response:
Accepted. Australia is generally wary of using aid funds for recurrent expenditure. This approach tends to undermine the counterpart ownership of the program and to limit its sustainability. Australia is conscious, however, of the special circumstances in Bougainville and has shown flexibility in designing projects in the province. For example, in the joint Australia/New Zealand Community Policing Project, donor funds will pay the trainee community police allowances during their training. The Australian Government is also exploring ways to use aid funds to better support Papua New Guinea’s own service delivery programs in Bougainville. This could include support for recurrent cost funding.

Recommendation 19:
The Committee recommends that AusAID ensure that there are explicit programs designed to enable women to participate fully in all phases of the peace process.

Response:
Accepted. AusAID’s emphasis is on development and reconstruction. All AusAID projects and activities address the issue of gender in development. In August 1999, an appraisal mission was commissioned to analyse how effectively the aid program in Bougainville addressed the needs of women and what more could be done in this area. As part of the outcome of that mission, AusAID is working with the provincial administration to develop a program to involve more women in the formulation of provincial development plans. AusAID is also helping to strengthen women’s capacity to participate in the peace process through funding a project managed by the Leitana Naha Women’s Development Agency (LNWDA). Funding from AusAID’s Peace Travel Fund has enabled women’s representatives to participate in peace related meetings. Ultimately, however, the extent to which women, or any other Bougainvillean faction or group, participates in the peace process is a matter for the parties to the conflict.

Recommendation 20:
The Committee recommends that AusAID discuss with the Papua New Guinea Government and Bougainville authorities the assignment of greater priority to small, community-based projects designed to develop negotiation, conflict resolution and counselling skills within Australia’s development assistance programs for Bougainville.

Response:
Accepted. AusAID has funded and is funding a number of activities in these areas. These include programs managed by Peace Foundation Melanesia (formerly Foundation for Community Development), Moral ReArmament, and the Marist Mission Centre for training in Trauma Counselling Skills and Small Business Development and Management Skills. AusAID will also be providing funding to Leitana Nehan Women’s Development Agency (through International Women Development Agency) to develop a program addressing violence against women and alcohol abuse. Other projects, such as the community police-training project, include components that address these important issues.

Recommendation 21:
The Committee recommends that AusAID examine the possibility of allocating aid funding for projects designed to assist in rebuilding the archives and library collections of Bougainville by locating relevant material held in Australian collections, and either copying the
records or making them available to the Bougainville authorities in some other way.

Response:

Not accepted. The Bougainville aid program is designed in full cooperation with the PNG Government and with Bougainville provincial authorities. These authorities have identified health, education and infrastructure as key priorities for the program. At this stage, the issue of funds being made available for retrieving archival and library collections has not been raised as a development priority, given the other competing demands on the program. AusAID, however, is preparing in consultation with the PNG Department of Education to provide books to schools in Bougainville. This will include the provision of library kits to seven high schools in the province.

Membership

The ACTING DEPUTY PRESIDENT (Senator Watson) —The President has received letters from party leaders seeking variations to the membership of certain committees.

Motion (by Senator Ellison) — by leave— agreed to:

That senators be discharged from and appointed to committees as follows—

Select Committee for an inquiry into the contract for a new reactor at Lucas Heights
Discharged: Senator Allison.
Appointed: Senator Stott Despoja.

Employment, Workplace Relations, Small Business and Education Legislation Committee
Substitute member: Senator Crossin to replace Senator Collins for the committee’s inquiry into provisions of the Australian Research Council Bill 2000 and the Australian Research Council (Consequential and Transitional Provisions) Bill 2000.

AUSTRALIAN BROADCASTING CORPORATION

Senator MARK BISHOP (Western Australia) (4.02 p.m.) — I move:

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.

In my contribution to this debate I want to address, first, the approach of the current government to ABC funding over the last 4½ years; secondly, the additional demands placed on the ABC by this government; thirdly, the critical importance of a well-funded national public broadcaster in Australia and the commercialisation of the ABC that is occurring as a result of inadequate government funding; and, finally, the attitude of rural and remote Australia to the ABC.

As I was thinking about this motion and what comments I should make to it, I was reminded of an obituary that I read in 1994 whilst living in the United States. The obituary told the tale of a man whose name I no longer recall and who died in January 1994 aged about 108. He had been born circa 1886 in the United States and had served on the board of Brown University well into his 90s. In reviewing this man’s life, the obituary writer made the point that he had regularly enunciated and steadfastly adhered to a set of values and principles throughout his public life. There is nothing surprising in that.

However, what caught my eye was that, according to the writer, the deceased had at various times in his life referred to the fact that he had vivid memories of stories related to him as a child by his great-grandfather or great-great-grandfather. As I recall, those stories or reminiscences related to his great-grandfather’s participation in George Washington’s revolutionary army during the War of Independence in the late 18th century. The deceased apparently often made the point to his children, grandchildren and great-grandchildren that the values that his great-
grandfather had spoken of had heavily influ-
enced his role in public life.

We should stop and think about that for a
moment. This tale tells of a man active in
public life in influential circles as late as the
1980s making decisions based upon values,
principles or a set of beliefs apparently de-
rived from some of the motivations that led
to the formation of the United States of
America. My memory of that obituary was
that it was overwhelmingly positive in
evaluating the deceased’s contribution to
public life in the United States over almost
70 years. However, there can be a downside
or significant negative influences for those
who do not fully understand the history and
vitality of key institutions in their own coun-
try.

Unfortunately, it seems that the attitude of
Senator Alston and the government in their
approach to modernising and updating the
ABC is not to take a purposeful and positive
guide from the history of that institution but
instead to allow themselves to be mired in
distraction, retribution and revenge for the
sake of revenge. Yesterday’s philosophical
differences are magnified and recast as to-
day’s battlegrounds and, instead of creating a
vibrant, outgoing, forward-looking institu-
tion, the government is content to act out
trench warfare in the age of Star Wars. In the
context of deriving possible guidance from
history and of deliberately ignored opportu-
nities, I now turn to the issues that I identi-
ﬁed in my opening remarks.

First, I wish to outline the approach of the
current government to ABC funding over the
last 4½ years. Given that this government
has inflicted drastic funding cuts upon our
national broadcaster since it came to power
in 1996, it is not surprising that some suggest
the imminent demise of the ABC. In this
caliation government’s ﬁrst budget in 1996
$66 million was cut from the ABC’s alloca-
tion, contrary to the government’s election
commitment. The consequences of such a
huge cut were, and are, obvious to all. Some
of those consequences include staff cuts, re-
duced program expenditure, an imbalance of
senior management to other grades, inappro-
priate realisation of assets, delays and post-
ponements in capital expenditure, capital
expenditure subsumed in recurrent spending,
and lack of vision leading to lack of direction
and non-fulﬁlment of management roles re-
sulting in confused authority, declining mo-
rale and higher levels of staff turnover.

In the program area the ABC is now
struggling to maintain its news and current
affairs services, which are valued by Austra-
lians as an independent source of informa-
tion. It is also struggling to maintain its stan-
dard of broadcasting and radio, television
and online services. It is obvious that the
blame for the ABC’s problems lies squarely
with the government. It is not the fault of the
board, its executives, management or staff
that the ABC is now labouring to retain its
independence and fulﬁl its charter. The gov-
ernment’s sustained efforts to undermine the
ABC are now bearing fruit and have been
well documented. All of these changes have
been to the detriment of the quality and
range of ABC services.

The government has led and orchestrated
these attacks, intent on reducing the ABC to
a shadow of its former self. That this has
been a carefully devised government plan is
obvious. The 1996 funding cut of
$66 million was disproportionately high
when compared with funding cuts to other
government agencies and departments.

This leads to my next point that, during
the same period that the ABC has been sub-
ject to these soul-destroying cutbacks, the
government has placed additional demands
upon the ABC: the ABC board directed the
ABC to establish an online presence, and the
parliament required the ABC to convert to
digital broadcasting by the end of this year.
Both of these projects have been and will
continue to be costly. Additionally, this year
the parliament acknowledged the importance
of the ABC by authorising it to utilise mul-
tichannelling capabilities in the new digital
environment. The digital TV legislation em-
powers the ABC to multichannel when digi-
tal transmission begins next year. Yet the
government has again failed the ABC, this
time in its duty to resource the broadcaster
for this critical role.

In order to undertake these additional de-
mands, the ABC has had to draw on the lim-
ited funds made available by the govern-
ment. The government did not account or provide for these activities adequately, if at all. Inevitably, responsible management of the ABC has necessitated cuts to expenditure in other areas. These cuts come in the form of staff reductions and reduced expenditure on programming, news and current affairs and Radio Australia. Local services to rural and remote Australia have also been subjected to cuts. It is the government’s responsibility to ensure that the ABC is adequately resourced to fulfil its statutory responsibilities. The Liberal-National government has dismally and intentionally failed the ABC in this duty.

The third point I wish to address today is that a well-funded national public broadcaster is critically important in Australia. Yet the government has placed the ABC at risk of commercialisation by failing to adequately fund its increasingly expensive and demanding obligations and roles. These actions have compromised the ABC’s independence. The ABC needs funds to properly fulfil its obligations under the charter and the relevant act and to provide any innovative services in might envisage in the future. Starving the ABC from government funding has led, and will inevitably continue to lead, to it seeking alternate sources of income. Reliance on funding from commercial sources is inconsistent with the ABC’s independence, and it is the ABC’s independence which is the cornerstone of its value and one of the primary reasons why it is held in such high esteem by the Australian public.

Earlier this year public concern arose when it was discovered that ABC Online and Telstra were negotiating a proposed commercial arrangement for ABC Online content. The growing reliance on funds from commercial arrangements has been widely criticised as having a detrimental impact on the ABC, its future independence and integrity, by compromising editorial independence. This is because reliance on commercial funds can easily lead to self-censorship or undue or inappropriate regard for the views of contractual partners. In this way, commercialisation has the capacity to jeopardise the independence of the ABC.

The government must not permit the ABC’s independence to be compromised by denying the ABC the funding it requires. The government’s actions have in this respect been entirely improper. The Liberal-National government has evinced its intention to destroy or, at the very least, subordinate the ABC to its own desires and wishes. The National Party is failing to represent its constituents who value and rely upon ABC services. In government, the National and Liberal parties have together reduced the ABC to the struggling funds-starved organisation that it is today.

The limited diversity of media ownership in Australia, particularly in rural and remote areas, means that our public national broadcaster is all the more important to ensure the provision of objective information. Ever since the ABC’s inauguration in 1932, it has played a unique and critically important role in Australian society. As Australia’s only national non-commercial public broadcaster, the ABC’s independence and integrity have come to be recognised and revered by Australians. Notwithstanding the recurrent funding cuts, the ABC has managed to relocate premises to accommodate new digital equipment, prepare for digital transmission and successfully develop an online presence.

The National Party’s stance on all of this is particularly distressing. Senators Boswell, McGauran, Tambling and Sandy Macdonald all belong to parties which profess to represent country constituencies—namely, the National Party and the Country Liberal Party. Yet the Leader of the National Party, John Anderson, has announced that the ABC will have to do more with less, or more for less. This statement fails to recognise the reality that the ABC is already doing as much as it possibly can with the inadequate funds provided to it. In spite of funding cuts to recurrent funding totalling in excess of $70 million over 4½ years, the ABC has continued to deliver more. As much as the National Party may whinge about the cuts to news and current affairs, it is part of the coalition government. The National Party, after all, has ownership of and responsibility for this and previous years’ budgets that have
had such a significant detrimental impact on the ABC.

This brings me to my final point—that residents of rural and remote areas have a greater need for the ABC’s services. This is due to the lack or absence of alternative sources of information and entertainment. Just the week before last, I attended the Northern Australia Forum held in Katherine in the Northern Territory. Almost 200 delegates from the Gascoyne, Pilbara and Kimberley regions of Western Australia, from across the Northern Territory and from northern, central and western Queensland attended that forum. Delegates to the forum comprised politicians, senior bureaucrats, shire and local government representatives and local business and industry interests.

This forum provided an invaluable insight into the challenges facing northern Australia, which encompasses predominantly rural and remote areas, with some regional centres. The delegates to the forum spoke about the concept of ‘more for less’ that the Deputy Prime Minister has now raised in relation to the ABC. The delegates to the forum did not ask for more, for less or for welfare. They asked only for the opportunity to be productive and to be treated equally by government compared with their city counterparts. The delegates identified a series of legitimate areas where the adequacy of services is of concern. These complaints related to infrastructure, education and health, environment, economic development and employment and training issues. In respect of these complaints, the forum rejected the concept of ‘more for less’ that the Deputy Prime Minister has been espousing.

The ABC is the only broadcaster for thousands of square miles in the regions represented at the forum. Funding cuts will result in reduced local content for these and other country and rural interests. Local content is a crucial part of the ABC’s role in rural and remote areas and includes agricultural and crop advice, rural news services, local and regional news, weather and information programs. ‘More for less’ means that these important ABC services will be withdrawn or drastically reduced. The provision of more services for less money requires greater centralisation of resources and emphasis on city-centric issues and programs. Induced by inadequate funding, the internal transfer of resources has already begun. Undoubtedly, these actions by the ABC are to the detriment of rural and remote Australians, for whom the government feigns support until it comes to the bottom line. Ultimately the government has surrendered its lofty ideals for rural and remote Australians to its goal of minimising the threat that the independent and unbiased media can pose to government.

It is in the context of the ABC’s important role in Australian broadcasting that concerns have recently arisen regarding the direction of the ABC under its current managing director, who has embarked upon a process of organisational restructure. The adequacy of the ABC’s resources to fulfil its role as Australia’s independent national broadcaster, both now and in the future, has been the subject of scrutiny as a result. Paragraph (a)(ii) of the motion calls upon the ABC to ‘resist any political interference by the government in its decision making processes and deliberations’. Such political interference is designed to weaken the ABC and hinder it in performing the functions of a national public broadcaster.

There are certain fundamental services that are intrinsically important to a public broadcaster. Independent and unbiased news and current affairs, and comment on topical issues, be they political or otherwise, have come to be highly regarded as central roles of the ABC. Consequently, the opposition is concerned at reports that the ABC’s managing director has been forced to make substantial cuts to the ABC’s news and current affairs budget. This motion calls upon the ABC to ‘maintain its commitment to news and current affairs programming’, which is the cornerstone of public broadcasting.

Similarly, there have been reports that programs have been or will be axed to reduce programming expenditure. These reports give rise to a perception of falling compliance with the ABC charter obligation to provide ‘a balance between broadcasting programs of wide appeal and specialised broadcasting programs’. These decisions jeopardise aspects of public broadcasting
which are of fundamental importance to the
ABC. It is for this reason that paragraph
(b)(ii) of the motion requests that the man-
aging director provide ‘a detailed account of
his budgetary reallocations within the ABC’
to the Senate estimates committee in two or
three weeks time. Recent losses of many ex-
perienced, skilled and often longstanding
members of staff have raised a number of
concerns about the managing director’s or-
ganisational restructure. Paragraph (b)(i) of
this motion requests the provision of ‘a com-
plete and detailed account of his organis-
tional restructure’ to the Senate estimates
committee for its examination.

This brings me to my final point: that the
ALP has a vision for the ABC which con-
trasts starkly with that of the government.
The opposition wants to see a viable, expan-
sionist and adaptive public broadcaster that
will continue to fulfil the needs of all Aus-
tralians, regardless of where they might
choose to live. How the ABC chooses to
achieve its goals is for the board to decide,
consistent with the act and charter.

In conclusion, the future viability of the
ABC as a national public broadcaster is con-
sidered critical by the opposition. This gov-
ernment’s systematic approach to slashing
the ABC’s funding over the last four and a
half years constitutes a dereliction of its duty
to adequately fund the ABC. These funding
cuts have occurred at a time when the finan-
cial demands on and the obligations of the
ABC have been increasing. The magnitude
of the cuts in the context of these increasing
demands has increased the risk of commer-
cialisation of the ABC and left its continued
viability uncertain. I call on the ABC to take
notice of this motion and comply with its
requests for information in order to minimise
the damage being caused by this govern-
ment’s systematic process of underfunding it.

Senator EGGLESTON (Western Aus-
tralia) (4.19 p.m.)—I must say that this is a
very interesting motion. Here we are with the
ALP calling for the ABC to resist political
interference. The ABC, as we all know, has a
charter guaranteeing independence, and yet
we have here a motion from the ALP seeking
to directly interfere in the management of the
affairs of the ABC. In section (a)(i) and, I
suppose one could say, in section (b), the
motion really is an interference by the oppo-
sition in the proper management of the ABC.
I think that is quite reprehensible and totally
unacceptable. Here we have Senator Bishop,
who is usually a very sensible, mild-
mannered, thoughtful lawyer from Perth,
jumping to conclusions, making inflamma-
tory statements and claiming things which
are just not the case at all. He has been talk-
ing about funding cuts in the ABC. Tell me,
Senator Bishop, where have you seen any
document which has said that there are going
to be funding cuts? There has been a lot of
media speculation about funding cuts but, as
I read it, Mr Shier has been walking around
parliament saying not that he is going to cut
funds but that he wants more money from
the government.

Senator Mark Bishop interjecting—

Senator EGGLESTON—This is all
speculation, Senator Bishop. One thing
which is for certain is that nowhere at all is
there any evidence that the ABC plans to cut
anything in any budget of its operations at
all. One can only say that the ALP should not
jump to conclusions. I too attended the
northern policy forum which Senator Bishop
referred to in the course of his speech, and he
said that the people there expressed a view
that it was very important to preserve ABC
regional radio.

Senator Mark Bishop interjecting—

The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! Senator Carr,
your interjections are completely disorderly.

Senator EGGLESTON—Yes, quite dis-
orderly, Senator Carr. You just do not under-
stand these things, coming from deepest
Melbourne rather than regional Australia.

The ACTING DEPUTY PRESIDENT—Senator Eggleston, continue
and address the chair, please.

Senator EGGLESTON—I am sorry, Mr
Acting Deputy President.

Senator Mackay—Where does Richard
Alston live?

Senator EGGLESTON—Actually, he
was born in Western Australia, so he has the
right sort of credentials. Senator Mackay was
in Katherine too, and she would agree—I am sure—that everybody in Katherine thought the preservation of regional radio was very important for areas like the north of Australia, as it is throughout rural Australia. But there has been no suggestion, and no proof other than media speculation, that there would be any cuts in regional radio services. In fact, I think you will find that the ABC is very committed to preserving its regional radio services. The suggestion that they will be cut is no more than damaging speculation on the part of the media, which the ALP is jumping on to, hoping to score a few points.

On the subject of political interference, since both sides of politics believe the ABC is biased against them, you could argue that—in general terms—the ABC is fairly independent in the lines that it has taken over the years. In fact, an article by Tracie Winch in *Age*’s ‘Green Guide’ with the title ‘Much noise, few answers’ quotes former ABC managing director Geoffrey Whitehead:

> ... sooner or later, whatever political party is in power comes into conflict with the ‘cutting edge’ of the national broadcaster’s high-profile medium, television current affairs.

Of course, that applies to radio too. But if we look at the record over the years—if we are going to talk about political interference—it is very hard to escape the conclusion that it has been the ALP which has interfered in the running of the ABC. First of all, John Bannon and Rod Cameron were put on the board of the ABC—two grand old men of the ALP were put on the ABC board just to keep an eye on things. More recently, we have had Brian Johns and David Hill—two well-known supporters of the ABC—in the role of managing director. I ask you: who do we think those people as a group might have supported?

*Senator Carr interjecting—*

*Senator EGGLESTON—Do we think those people as a group might have suggested to the program managers that, if they were going to show a little bit of a kinder front or a bit of bias, they should show it to the ALP? It is very hard to get around that. *Senator Carr interjecting—*

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**The ACTING DEPUTY PRESIDENT (Senator Watson)—** Order! When we have some order in this place, the senator will resume his speech. Senator Carr, your interjections are quite disorderly, and if you are not careful I will have to name you.

*Senator EGGLESTON—On the point that I was making about political interference in the ABC, a book was published not so long ago by ABC journalist Quentin Dempster, who is from Brisbane but who has been working in Sydney for some time. His book, *The Death Struggle*—which is a history of the ABC—claims that, during a meeting between former ABC managing director David Hill and then Treasurer Paul Keating:

> ... the then treasurer said: ‘If you think I’m dirty on the ABC you ought to hear “old silver”‘, and pointed in the direction of the prime minister’s suite then occupied by Bob Hawke.

We are talking about a great ALP man and, certainly, a man who did want any bias in the ABC—if there was to be any bias—to favour him and his party. The book continues:

> As Mr Hill was leaving, Mr Keating motioned for him to stay back. Mr Hill maintains the treasurer told him: ‘I’ll give you the tip. We’ve had enough of you c—. We f— Fairfax. Now it’s your turn. Now it’s full f— frontal assault.’

This was directed against David Hill, the then managing director of the ABC. If that is not intimidation and if that is not political interference, I would love to hear what is.

*Senator Carr—What did Hill say?*

*Senator EGGLESTON—It is not quoted, I am afraid. I would imagine that he sulked off, being a good member of the ALP, and thought: ‘Boy oh boy, if I want to get into parliament’—which he did—‘I’d better not rock the boat, I better take this on the chin and I better deliver up to Old Silver and Keating what they want in terms of bias in ABC current affairs and news stories.’ I will bet that is what he thought.

Let us look at the role of the board of the ABC. The role of the board of the ABC is to manage the ABC and its internal affairs. They give the policy directions and it is done in a very proper way—with integrity—and in a very careful way. The ABC is an organisation which has a great record in Australia. It
is very sad that the ALP today is casting this slur on its current management and its current board. The current ALP shadow minister for communications, Mr Stephen Smith, has called for total opposition to privatisation of any aspect of the ABC’s functions. Again, that is political interference. It is up to the board to make decisions about the management of the ABC, and there is no doubt at all that what Stephen Smith has had to say about privatisation can be construed as interference and an attempt to pressure the board of the ABC to make decisions which may not be in the interests of the ABC. The role of government in the ABC’s affairs is to stand back, appoint the board and let the board and the managing director run the affairs of the ABC.

Senator Mark Bishop interjecting—

Senator EGGLESTON—But, as Senator Bishop has just said, it is also to provide the funding.

Senator Mark Bishop—‘Adequate funding’, I said, to discharge its responsibilities.

Senator EGGLESTON—Adequate funding indeed. Senator Bishop made some fairly critical remarks about the funding of the ABC, but I point out to Senator Bishop that the ABC this year has a base grant of some $640 million. There is additional commercial income of some $140 million, and additional funding for digitalisation of television has been provided to the extent of $70 million. That is very much adequate funding for what is required.

Senator Bishop referred to the cuts in 1996 when the Howard government came in. Like all other arms of government—except the Department of Defence, which was quarantined—the ABC had a 10 per cent cut in funding. That was because the Howard government inherited the famous $10 billion deficit—the Beazley black hole—from the previous government. You cannot have it both ways; if you inherit a huge deficit when you win government then you have to apply some financial discipline. So those 10 per cent cuts were applied across the board.

And what did the ABC do? The ABC did not collapse like a house of cards. The ABC did not cancel programs left, right and centre. The ABC reorganised itself internally. The ABC, until that point, had been a series of little separate and discrete empires. Instead of that, management was improved, it all came under central control and the ABC has continued to provide good services to the Australian public since 1996, barely missing a beat—apart from bleating from people like Senator Bishop, who would dearly have loved to see ABC services cut. But, sadly for him, due to modern management techniques and efficiencies, the services have been maintained and improved.

The ABC in general provides a broad range of services to the Australian public. It provides international, national, state and local news of the very highest quality and almost everybody in Australia listens to, and relies on, that news. The ABC provides current affairs, drama, entertainment and rural services. All of those programs are excellent and the ABC has a very fine record in what it does. But surely to goodness it is the prerogative of ABC management to decide what the mix of those programs should be. One has to say that no program on television is sacrosanct; no program is set in concrete.

One has only to cast one’s mind back over the last two years and look at what has happened in Channel 7 and Channel 9, where there have been quite massive changes in programming and quite massive changes in the way their products have been presented. That has occurred because of the level of the changes in public support and public perception that the programs of Channel 9 and Channel 7 were receiving. Time moves on, and so the ABC has to be flexible enough to move with it.

I do not think there is anything wrong at all with the current managing director, Mr Shier, talking about the need to review the programming of the ABC and perhaps change things around a bit. That does not mean that ABC programming is suddenly going to become dreadful, that it is going to be cut to shreds and that the quality of the ABC will somehow be diminished. It just means that Mr Shier has decided that the time has come to update the ABC and to make sure that its programming mix is relevant to the Australia of today.
I think most senators would agree that the ABC must be left to manage its affairs as it sees appropriate for the needs of Australia as it is today. The ABC should be free from political interference—either covert or overt—and we on this side of the Senate certainly subscribe to that concept. And yet here we have this motion from the ALP today, which can only be seen by the most reasonable reader as a very heavy-handed attempt by the ALP to interfere in the management of the ABC. I must say—as I did when I began—Senator Bishop, I am very surprised that you are supporting a motion like this, because it is so crude, so heavy-handed and so obviously an attempt to interfere improperly in the affairs of the ABC.

Rather than being carried away with all the media speculation which has been going on over the last week or so, the ALP should not jump to conclusions about what Mr Shier plans for the ABC but should give him a chance to carry out the review that he plans to and then see what it is that he offers the Australian public. I think they will find that the ABC will remain very largely unchanged but more relevant to the Australia of today, with programs more in tune with the needs of our community. Given that, I urge my fellow senators to vote against this rather unpleasant motion, reject it, and let the ABC carry on its affairs as it always has without political interference and in accordance with its charter.

Senator BOURNE (New South Wales) (4.35 p.m.)—If there is one thing this Senate has been concerned about for a long time, it is funding of the ABC. If we have been concerned about anything in the ABC, it has been funding. I think that has been very obvious for a long time. The first and most spectacular time in the most recent past it was mentioned was when Senator Alston was chairing the Senate Select Committee on ABC Management and Operations—as we all remember. That committee reported in March 1995. I am sure we all remember that. I was the deputy chair of that committee and I remember it well.

Probably the most important thing that that committee found was that the ABC needed to be adequately funded. At the time we thought it probably was not adequately funded to do what it needed to do, and that was in the good old days, the days people look back on now and see as the glory days of the ABC. That sort of inadequate funding is now seen as something to aspire to, and that is an absolute and utter tragedy. That is not the only thing in this report. I have the report here and I will read a few recommendations. These are Senator Alston’s recommendations, and I am sure the Senate will recall them. Recommendation 15 of that report states:

No changes to the existing structure of TV news and current affairs should be made without full consultation with staff, the obtaining of detailed research information, and comprehensive consideration by the board of all relevant issues.

That is very topical right at the moment. Has all that happened? I wonder if all that has happened. If it has not, it should have. It is something that Senator Alston and I and everybody else on that committee thought was a very good thing that should happen. I do not think it has happened, but I think it should. Recommendation 16 said, and this is one of my favourites:

... where the Parliament requires the ABC to undertake new Charter activities or to expand existing Charter activities, it should provide funds sufficient to ensure that existing activities are not adversely affected.

Wacko! That is a really good one. I think we all recall that, when we put through the digital broadcasting bill, we required the ABC to broadcast in digital format. To do that they need two things: firstly, they need to be able to produce programs to put to air and, secondly, they need to be able to put them to air. Senator Eggleston just told us that the ABC has been given $70 million to convert to digital. That is absolutely minuscule in the scheme of things. That will not allow the ABC to produce content in digital. That will barely cover the ABC transmitting in digital. That is what that is for—it is not for producing content. The ABC will not have the money it needs to produce content to put to air in digital format.

Let me remind the Senate—although most people sitting here in the Senate at the moment will know because they have been in-
interested in this for a long time—that we are requiring every television station in the capital cities in Australia to start broadcasting in digital from 1 January. I do not think the ABC will be able to do it. I was a bit worried about that when the first of these digital bills went through a year or so ago. It all goes together in my mind, but it was more than a year ago. At the time, I asked Minister Alston this: if you do not fund the ABC to be able to broadcast in digital, will that mean they will fall foul of one of the clauses of the bill? It is now one of the sections of the act, and it says that, if you do not broadcast in digital, your licence will be taken away. He thought about it—I should have thought that he would not need to think about it, but he did—and he spoke to people from the department. He came back and said, ‘No, I think that would be seen as a most unfortunate circumstance and, under the circumstances, if they could not broadcast in digital they would not have their licence taken away.’ That is excellent. But the problem is going to be that they will not be able to broadcast in digital because they have not been funded to do it. Do not tell me that $70 million is enough to do it, because it is not. It is absolutely not.

An independent report was called for because the government and the minister in particular did not believe what the ABC told them about how much it would cost them to broadcast in digital. The government believed everything that every one of the commercial stations told them. They believed all the commercial stations when they told them it would cost them up to $250 million each just for the capital city networks to transfer to digital. The minister believed every word of that. He was not too keen, though, on the ABC which, from memory, said $180 million—far less. The commercials were saying that they would need to be given the spectrum for free for a certain amount of time because it would cost them so much to transfer to digital—it would cost them $250 million each just for their capital city networks to transfer to digital. The minister would not believe the ABC when they said it would cost them $180 million to transfer the entire network to digital. That was beyond it; that was not going to happen. He gave them $70 million—versus $250 million—for their bigger network. Now we are being told that that is adequate. How can that be adequate? It cannot. And it does not include any content; it includes only transmission. They will be going to air with what? With the news because it is live—if there is a news program then—and a couple of other live programs, but nothing else because they will not have the capacity to produce in digital.

We have been told by Senator Eggleston that the ABC gets a lot of money. Yes, it does get a lot of money, but it needs more money. It needs to be funded to do what we require it to do. It is not being funded to do what we require it to do. Look at the act, see what the ABC is required to do. Look at the Arthur Andersen independent report; look at Mr Mansfield’s report which, heaven knows, was not in favour of the ABC. These are all telling us that we are not funding the ABC to do what we require it to do—nothing like it. Of course, let us remember the other promise that was made by this government and that was that the national transmission network would be given to the ABC—because that is what it does; it transmits the ABC—but then it was privatised. Now the ABC has to pay for the transmission as well, which is why there is extra money in there on top of what we all thought was there. If we take that out, how much is left? I think from memory it is $467 million. If you take out the transmission and the orchestras, what they have is $467 million. That is way below what even Mr Mansfield said was the absolute minimum required to run what the ABC runs—a national television network and several national and local radio networks. Which ones do we want to get rid of? I do not want to get rid of any of them.

The government obviously thinks the ABC can do more with less. That is total rubbish. The government does not do more with less. The government just expects the ABC to do more with less. Do they expect the Department of Defence to do more with less? No. The Department of Defence is undertaking a review at the moment. We have not been given the results of that review, but I understand from what I hear that the results are that they need more money to do more
things. That makes sense to me. If you are asked to do more things then you require more money to do them with. It does not make sense to be required to do more things and have money taken away from you. It would not work in any of our households. Why would it work with the ABC? It is extraordinary. It is an extraordinary thing to say and it is an extraordinary thing to do.

I have one more recommendation to refer to, and I quite enjoy this one. It relates to something else that Senator Eggleston was speaking about, and that is the board. Remember that these are Senator Alston’s recommendations. This is recommendation 22 of this report:

Before the appointment of a person to the board, the proposed nominee should be required to appear before a joint parliamentary committee to enable the Parliament to scrutinise the person’s credentials. The committee would not have the power of veto, but would be able to comment on the suitability of a nominee prior to appointment.

I do not recall that happening with Mr Kroger. I do not recall that happening with Professor Sloan. I do not recall that happening with any of these appointments that Senator Alston has made to this board. I do not recall him acting according to what he recommended in this report. I do not recall him agreeing with my private member’s bill, which goes along these lines. I find it quite extraordinary that he would put up these recommendations—which, I must say, I find very good recommendations—and then not only completely ignore them but also act absolutely contrary to them. The way this government has treated the ABC is nothing less than a disgrace. In fact, it is far more than a disgrace; it is a tragedy. All Australians are losing something which is really important to them. It is not just us here who are losing something; it is all Australians. The National Party are getting worried about it. I wish they had become worried before. I wish they had talked to the government when the first slashing and burning started. Obviously they did not. They should have been worried for a very long time. I am sure senators will remember when the National Party got up and started saying they were worried about whether racing was on ABC Radio. They were saying, ‘It is a disgrace that it has been taken off.’ The reason it went off—we all knew the reason it went off—was that there was no funding to put it on. The ABC were told to do more with less. The ‘less’ meant something had to go, and what went was the racing. Now we are having another inquiry into regional radio. I can tell you now what the result will be: there is not enough funding to do it properly. It is a very simple response, it is a very simple answer and it is very obvious.

Regional Australia is missing out, and will continue to miss out. As Senator Boswell well knows, there are many places in regional Australia where the ABC is a life-line—it is all they can get. If they cannot get the ABC it will be such a tragedy for them, and it is heading in that direction. Unless the National Party can convince the executive—and Mr Anderson ought to be well and truly in there convincing them—that far more money is needed just for core funding, let alone everything else, then that will be the first to go. That will be a great tragedy. It is not just in Australia that the ABC was loved and desperately needed and no longer is there. Look at Radio Australia. Look at the Cox Peninsula. What an appalling, unbelievable and ridiculous decision that was. It was absolutely staggering. And it all comes back to this government’s hatred of the ABC. That is the only explanation I can think of. It is ridiculous the way the ABC has been treated. It has been disproportionately—although that is putting it really mildly—absolutely amazingly disproportionately treated in comparison with the way everybody else has been treated.

I will talk about Radio Australia one more time. I am sure everybody is getting a bit sick of me doing that, but I cannot help myself—it is such a wonderful example of what this government has done with the ABC. Plan A was: get rid of Radio Australia altogether. Then Mr Mansfield came in and did his review, which did not include international broadcasting at all, as everybody remembers. He was not asked to comment on it. Public submissions were not invited on it, so nobody made any. And then Mr Mansfield came out with a recommendation that it should go. Plan A: get rid of Radio Australia.
After that—I think I have the sequence right—thousands of letters came in from around the region, including seven or eight from heads of state saying: ‘Please don’t stop broadcasting Radio Australia to our country.’ Plan A was: yes, okay. It can go. Plan B was: we will just send it out by satellite. I think it was Senator Carr who said, ‘I don’t see too many people in the fields with satellite dishes on their backs, but there are quite a few of them with short-wave radios.’ The minister was telling us that short wave was a technology that would be dead within 12 months. I do not know whether he really believed it or if he had just been convinced by somebody. What has happened? It has grown and grown, particularly in this region.

**Senator Carr**—What about the Cox Peninsula? Tell us about the Cox Peninsula!

**Senator BOURNE**—What can I say! Cox Peninsula: a short-wave, state-of-the-art transmitter. It cost $24 million to upgrade it. The government says, ‘What will we do with this fabulous resource? We’ll sell it’. Naturally. Who do they sell it to?

**Senator Carr**—It was sold to a Christian group.

**Senator BOURNE**—Yes, a very interesting example of the government’s attitude to our region. What happened when all this occurred? What happened when the government sold all the equipment at the Cox Peninsula? The site still has a land claim on it, so they leased it for 10 years to see what the result of that land claim is. But they sold the equipment. Rumour has it—I must say I do not know how true this rumour is—that it was sold for only a couple of million dollars. I am sure senators recall that the upgrade alone was over $20 million to bring it to state of the art, and that was not even the primary equipment. It was sold for a couple of million dollars: that is the rumour. I should not say that it was sold for that amount because I do not know for sure, but it is a very strong rumour. I hope the minister comes in here and at least tells us that it was sold for hundreds of millions of dollars—that would be all right—but I do not think it was. I think it was a couple of million dollars. That was an appalling financial decision by this government, if nothing else. It was unbelievably bad financial management, if nothing else—and of course it was a lot of other things as well.

Now that that has been done and there has been a huge uproar around the region—dear old Dr Mahathir was right in there; he was one of the first to make a comment on it—what does the government do? The government says, ‘Hang on a minute. Things have changed.’ I like the expression ‘things have changed’; it is an interesting comment. ‘Now we think we should be broadcasting in short wave to the region.’ There is a good idea. Why didn’t we think of that? Why didn’t this Senate think of that when we put in a report about Radio Australia? Why didn’t the Joint Foreign Affairs, Defence and Trade Committee think of that when they put in two, three or maybe four reports about the region that included Radio Australia? Hang on a minute! I think we did put that in those reports. I think every commentator on it that I heard said what a stupid idea this was. And guess what? It was. Even the government has now decided it was. It was a very stupid idea. Now the government has decided we should be broadcasting in short wave to the region. A very good idea. Maybe we should build a transmitter somewhere really good—somewhere up near Darwin. That would be a really good place from which to transmit to the region. But unfortunately it would cost us many millions of dollars, and it is too late now.

So what have we got to do? We have got to lease time on a short-wave facility. There is actually a short-wave facility, of course, just near Darwin, called Cox Peninsula. So I understand the ABC is now looking at getting an agreement out of the new owners of that equipment to be able to broadcast Radio Australia into the region. At last we will be able to broadcast Radio Australia around the whole region the way we used to, the way we used to be able to influence people around our whole region—in southern China, in western Indonesia, in Cambodia, in Laos.

All of those countries with heads of state who said, ‘Please do not turn this off’—and of course the government did—will now be able to hear Radio Australia again. Will they
turn on though? We have to pick up that audience again. The audience has diminished hugely. It has still been broadcasting out of Shepparton, which is a very weak transmitter. You can’t pick up that signal if you are in somewhere like Jakarta, for instance, where our embassy was being stoned and goodness knows what for a long time. No, they could not hear anything from Radio Australia. All they could hear was what the Indonesian radio was telling them, and Singapore and Malaysia. They could not hear what Australia was telling them, unless they had a satellite, of course.

So we will be able to get a signal out, we think. And what was the reason given for this huge change? The reason was that things had changed in the region. Yeah, they have changed; they have calmed down. I do not think it was a particularly good idea to turn it off when it was turned off. Things have changed. That is just absolutely indicative of this government’s attitude to the ABC, which is one that they should be absolutely ashamed of. They should be hanging their heads in shame and disgrace, particularly this minister and particularly the Treasurer. This is nothing short of a tragedy. Every ABC listener knows it. Every ABC listener in the city, every ABC listener in the bush and every ABC listener outside Australia knows it. Sooner or later this government will be called to account for it, and I hope it is sooner rather than later.

Senator Mackay—Hear, hear!

Senator Carr—A very good speech.

Senator O’BRIEN (Tasmania) (4.54 p.m.)—I concur with my colleagues. I have to say that Senator Bourne’s contribution was an excellent one. There are many things in that contribution with which the Labor Party can agree. Isn’t it interesting that Senator Eggleston in his contribution sought to condemn the motion, a motion which called on the Managing Director of the ABC to be accountable, to go to an estimate hearing, to give a complete and detailed account of the organisational restructure and a detailed account of his budgetary reallocation within the ABC? Senator Eggleston painted that as a terrible thing, because he and his government hate accountability. They are about dismantling this organisation, pretending that they love it—just as we have heard the reflections on the past life of Senator Alston in opposition and the recommendations that he gave his full support to, which are now being flouted by this government, flouted by Minister Alston himself. What a Jekyll and Hyde performance.

Earlier this week the Managing Director of the Australian Broadcasting Corporation, Jonathan Shier, told a packed meeting of Labor members and senators that news and current affairs at the ABC is a core business but not the core business. He said that funding was the key issue. We agree with him. He also said that the ABC lacked proper management in recent years. Mr Shier said that, while there had been hardworking managers, there has not been any clarity about where the ABC as a broadcaster should go. The managing director told us that cuts to news and current affairs would be three per cent of their budget, but he could not identify where those cuts would be made. He said that the news and current affairs area had spent more than their budget by borrowing money from other areas of the corporation over the past two years—simply, I might say, a symptom of the starvation of funds that this government is guilty of.

Mr Shier said that had been achieved because news and current affairs knows how to work the politics of an issue. I guess they may well know that. But Mr Shier has clearly had enough of all of this and has put news and current affairs on notice. Their budget has been cut back effectively from $120.1 million, which was the level of funding required to maintain current production levels, firstly, to a starting point of $115 million. And from that starting point Mr Shier wants another three per cent cut, or $3.7 million. Mr Shier said that, if his managers come back to him and say that they cannot make the cuts, he will have to either buy that argument or find someone who will find the savings. I am sure he means the latter.

The ABC’s news and current affairs department is still operating on the basis of a $120 million budget. If it is to achieve the cuts to meet the new budget of around $112
million imposed by Mr Shier the department will run out of money by February. So either the government will provide additional financial resources, Mr Shier will find the necessary funding to keep the show going, regional Australia will get a shoestring news service out of Sydney, or we will be confronted with a test pattern until the start of the new financial year. The fundraising tour of Canberra by Mr Shier will not succeed, for three reasons, and I will list them: firstly, the competence of Mr Anderson, the Leader of the National Party; secondly, the irrelevance of the National Party; and, thirdly, and perhaps most importantly, the attitude of the Prime Minister, Mr Howard.

The National Party, I might say, have been virtually leaderless since Mr Anderson replaced Mr Fischer as party leader and Deputy Prime Minister. But Mr Anderson’s performance as a minister is best summed up by him, in a speech to the National Press Club on 17 February last year. The speech was titled ‘One nation or two? Securing a future for rural and regional Australia’—a fine title. Mr Anderson’s address was depressing and amounted to little more than an admission that he and the National Party had failed people living in rural and regional Australia. He said:

The sense of alienation, of being left behind, of no longer being recognised and respected for the contribution to the nation being made, is deep and palpable in much of rural and regional Australia today.

This was in 1999. He also said:

One of the National Party’s most vital roles is to ensure that Government policies—designed of course with the best intentions to benefit the nation overall—do not inadvertently damage country people.

In that speech Mr Anderson referred to the fact that a little more than 100 days after the coalition win in 1996 he convened the National Rural Summit. He also announced a plan to hold a second Rural Summit to ask Australians to make a fair dinkum contribution to help the bush. That second summit occurred 12 months ago. Despite the genuine goodwill shown by rural and regional community representatives at both of Mr Anderson’s summits, the grim picture painted by Mr Anderson in that National Press Club speech remains. And recent statements by Mr Anderson on the plight of the ABC and the threats to its services in regional Australia suggest to me that he is not even trying on this issue.

The Deputy Prime Minister’s view of the current plight of the ABC is simple: provide more services to regional Australia with less money. We now know that the corporation is expected to do just that, and to provide more services with 100 fewer staff. In fact Mr Anderson really let the cat out of the bag on the Country Hour last Friday when he said—and he could only have been referring to people living in rural and regional Australia—that we have learnt to do more with less; that is, under this government people living in regional Australia have been forced to manage the impact of declining services, programs and living standards. The ABC, along with other service providers outside the major population centres, is also being told to do more with less. The end result must inevitably be a declining level of service from our national broadcaster.

The growing crisis in the ABC is also a test of the political authority of the junior member of the coalition, the National Party. The National Party has already failed once in relation to this matter. That party had an opportunity to stand up for regional Australians when, earlier this year, the ABC sought additional funding of around $200 million for three years—much of it for rural areas. The Howard government refused the assistance, and there was hardly a peep out of the National Party. Now, after the event, we have the National Party, led by Senator Boswell, jumping at being on the radio, calling meetings and organising regional visits to Queens- land to educate Mr Shier about the needs of the bush.

Despite this chest beating by the National Party backbench—and there are now only three representatives in the Senate and just 16 in the other place—it is the Liberal Party that will determine the level of future ABC funding, not the National Party. That means that rural and regional Australia will again be asked to pay the price. It must be alarming, to say the least, for Senator Boswell to find
that his leader is not even prepared to give lip-service to the prospect of additional funding to ensure that regional and rural Australia has access to an adequate, independent news service. Mr Anderson is not even pretending to offer support to his colleagues or his constituents.

As far as Mr Howard is concerned, there is no joy whatsoever for the ABC. Mr Howard’s view of the ABC has been well known for some time. He does not like the national broadcaster. This was made clear by Mr Howard in a speech to the National Party at the end of 1995. In that speech—which I have referred to in this place before, but it is relevant in this debate—Mr Howard said the then Labor Government had all the advantages of incumbency but that ‘they have also infiltrated the nonbureaucratic opinion forming organisations of Australia’. He said it was a matter of concern that so many members of the ABC should have such obvious affiliations with the Labor Party or the trade union movement. So there is no joy there for Mr Shier. While the Prime Minister is far from the ABC’s biggest fan, he should make sure the needs of all Australians—not just those in Melbourne or Sydney—are met through the proper resourcing of regional news and current affairs radio and television. Now we know what the new ABC is all about.

As I said earlier today in this place, part of the new structure of the ABC is the establishment of a production resources department. This department houses all the technical staff, such as camera crew, sound people, lighting technicians and editors. This department is headed by Mr Drew Lean, who was appointed by Mr Shier. I understand that a review of staffing levels in this department is currently under way. I also understand that there is an intention by Mr Lean, supported by Mr Shier, to cut staffing numbers in this department by 100. The reduction is to be achieved not by way of voluntary redundancies or natural attrition but by sacking 100 people. I suppose there is the potential that some people may choose to put their hand up—knowing that it is inevitable that there will be packages available and that jobs will go—but to make up the numbers, people will be sacked.

It is interesting that, following the comments that I made, the ABC has been asked to comment on that matter. There is no denial of the information I have been given. We have heard some rather meaningless comments about looking at budgets, but the reality is that there has been no denial by the ABC that that is the position. If that is the position, and I believe that it is, this will mean the loss of more regional jobs; this will mean the loss of skills from regional Australia; this will mean more hardship for regional families; and this will mean a diminution of the ABC. As a senator coming from regional Australia, I know how important the services provided by the ABC can be. As I said in this place earlier, in the town of the Lilydale, just outside Launceston, the TV service does not function properly because it is in the shadow of mountains. Despite promises from this government to fix the problem—

Senator Calvert—Did it apply for black spot funding?

Senator O’BRIEN—Senator Calvert, I am glad to hear you speak on this matter for the first time. One of the residents reminded me and others at a morning tea held there last week that she had the same experience listening to the Olympic Games in Sydney in 2000 as she did listening to the Olympic Games in Melbourne in 1956—that is, she listened to them on the radio because she cannot get television and she listened by candlelight because there was a blackout. That is the reliance that people in rural and regional Australia place upon the services provided by the ABC. It is really concerning that this government will stand by and say, ‘This is nothing to do with us; it is a matter for the ABC board.’ Of course, the ABC board will say, ‘This is nothing to do with us; it is a decision for management.’ So the responsibility will again be passed down the line but, in the end, it will be regional Australia that will have to wear it. I am told that, while all of this is happening, Mr Lean, who will make the decision, will be enjoying a three-week holiday in Tuscany.

It seems that rural and regional Australia has clearly been abandoned by this govern-
ment. I was interested to hear the comment of Senator Calvert earlier about the Lilydale situation when he suggested that they could apply for black spot funding. I noted the press release of Senator Gibson's that has been in the Tasmanian newspapers today. The trouble is that they have been promising Lilydale a television since 1997. It has taken over three years for Senator Gibson to put out his press release which promised a solution and which is under way in any case and the hold-up is due to some local objections to aspects of the tower; but from 1997 to 2000 this has been the topic for people in the Lilydale area.

The ABC may not be an organisation that is popular with government. We have heard from Senator Bourne about the contrast in the position that Senator Alston took in 1995 to the one that he is taking now. The recommendations that he was prepared to put to the Senate then, he is not prepared to abide by now. I invite senators to reflect on those comments. I think the reality is that this government all along had plans to damage the ABC. In terms of the future of the ABC even Mr Shier said that, if it is not properly in digital TV, then the future of television is nowhere. This government resisted to the death the amendments that the opposition moved to legislation to ensure that the ABC had that right and then funded it only to the tune of a miserable $70 million when, as Senator Bourne said, a minimum of $180 million was needed. Talk about trying to fight with both hands tied behind your back. That is the environment that this government wants for the ABC.

As I said earlier, the three reasons why under this government they will not prosper is that they cannot rely upon Mr Anderson, the Leader of the National Party; they certainly cannot rely on the National Party to defend them; and they have no hope if they are relying upon the Prime Minister. I think it is important, whether or not this motion is carried, that the Managing Director of the ABC, Mr Shier, comes to estimates and is available to be questioned and that the ABC and the government—whether it is the ABC management, the board or the minister—are accountable for the changes which are being made within the organisation and for the reallocation of funding resources. Even Mr Shier is clear and on the record in this regard: the ABC need more money from this government to do their job. They do not accept Mr Anderson's suggestion that they can do more with less. It is time that the government realised that the Australian people are not going to let it sabotage the ABC. After the election next year, the ABC will not be dealing with a government which has as its aim the demise, the neutering, of the ABC, but one which will ensure that it maintains its position as an important broadcaster to all of Australia, particularly rural and regional Australia.

Senator FERRIS (South Australia) (5.13 p.m.)—What a depressing tale of impending doom and gloom we have just heard from Senator O'Brien: threats of test patterns on television screens and a desperate search for a villain in the National Party, with the poor old ABC being painted as some sort of a victim. It is quite an extraordinary tale coming from an opposition that did very little during the years that it was in power to extend ABC coverage to some of those black spot areas that my colleague Senator Calvert identified just a few moments ago.

As a former member of the ABC, and a very proud former member of the ABC, I rise this afternoon to question Senator Carr's motion. Quoting from a section of Senator Carr's motion, he talks about the Senate calling on the board of the ABC to 'maintain its commitment to news and current affairs planning and programming'. I do not know where there is any suggestion that the ABC has in any way proposed to walk away from its commitment to news and current affairs planning. So leaving aside the question of the overarching interference in the ABC's activities, it is worth questioning how on earth Senator Carr has come to the conclusion that there is some question that the ABC's commitment to news and current affairs planning is in some way under threat.

I have always been a very strong supporter of public broadcasting, and I believe the new Managing Director, Jonathan Shier, deserves the opportunity to implement his corporate vision for the corporation. Mr
Acting Deputy President, we are in the chamber this afternoon debating Senator Carr’s motion, and I would ask you to call on Senator Carr to either listen to the speeches or resume his seat and listen to the debate so he is able to respond in due course.

Senator Carr—Obviously, I have to help you out here.

Senator FERRIS—Senator Carr clearly is not interested in this debate and I would ask that he—

Senator Carr—Senator Coonan is here. She knows a lot about the ABC. Have you got a few questions lined up?

The ACTING DEPUTY PRESIDENT (Senator Sherry)—Senator Carr, will you cease interjecting, please?

Senator FERRIS—The ABC will not need its broadcast facilities very soon; it will be able to use Senator Carr without them and get Australia wide coverage, I suspect. Like any other cheap political opportunity that comes Senator Carr’s way, this notice of motion is yet another ill-informed, illogical attack. Senator Carr calls on the board to take particular actions. Surely he cannot be serious. Our ABC is proudly independent, and under this government it will remain so. It reminds me somewhat of the media release from former managing director Mr Brian Johns earlier this year in response to yet another Labor attack on the ABC. Mr Johns, I remind the Senate, said at that time: I find it ironic that the federal Opposition and others, in the name of protecting the independence and integrity of the ABC, are intruding on that very independence by seeking a parliamentary inquiry—

Mr Johns was a managing director of the ABC appointed by the previous government, and here we have Mr Johns in a press release making very clear the irony of the words that Senator Carr has used again today in his motion in the name of protecting the independence and integrity of the ABC. These attacks are not new. In his usual personally poisonous style, the former Prime Minister warned David Hill that, having dispatched the Fairfax organisation, Labor guns would be turned on the ABC. David Hill’s ALP membership card at the time did little to protect him.

There is absolutely no doubt that what Senator Carr’s motion fails to recognise is that the environment in which the ABC now operates has changed considerably—one might say fundamentally—since it was founded back in 1932. As a consequence, the expectations that Australians have for their ABC have changed as well. When the ABC first began, it controlled 12 stations—one in each capital city and in such places as Rockhampton, Corowa and Crystal Brook, in my home state of South Australia. Back then, the ABC had a complete monopoly on radio programs throughout regional and rural Australia. In those days, radio listeners had little choice but to listen to the ABC.

The very first programs broadcast to these areas—and Senator Carr may be interested to know this—included the British wireless news from London, talks on such things as looking after goldfish, which I have no doubt Senator Carr would be interested in, and a discussion by the ABC Women’s Association on commonsense housekeeping. Obviously, and thank goodness, times have changed. They have moved on quite considerably since those days. The communications market has also changed fundamentally. Now consumers in rural and regional Australia have access to many different TV and radio stations covering a massive range of topics and interests—and thank goodness for that. As well, a number of consumers are now using the Internet, especially in regional areas. Under our Networking the Nation program, a good deal more people will be able to get access to the Net in rural and regional Australia than were able to a few years ago.

Surely Senator Carr can admit that, in this competitive environment, the ABC has to be a dynamic and committed organisation prepared to continually devote its resources to making changes as the market changes and prepared to increase its audience share by refocusing on new market activities and new market opportunities. Senator Carr and others seem almost embarrassed to acknowledge that the ABC, like any other public broadcasting organisation, must also focus on the pursuit of higher ratings. Those of us who
are very strong supporters of public broadcasting encourage the ABC to increase its programs to go after more listeners and more viewers. If the ABC does not do this, it risks becoming ‘the workers collective run by a clique of ageing baby boomers’ that Mike Nahan wrote about in the Australian yesterday.

Like my colleagues, I am convinced that the reforms Mr Shier is putting in place at the moment need to have time to work. Mr Shier has thrown open the windows of the ABC and there is fresh air blowing along the corridors. The reforms may make the ABC a stronger, more cost efficient organisation offering more Australians high quality programs in a range of communication mediums. In fact, the most recent ratings figures for the ABC are quite informative and very interesting. They are showing improvements in ratings. The ABC in Brisbane, for example, increased its local listening audience by 4.3 per cent. ABC television in Queensland has increased its audience over the past year by three per cent, to 2.2 million people. Classic FM’s Queensland audience increased by a massive 47 per cent to 112,000 listeners. Surely this is very clear evidence that the ABC, in targeting particular markets with high quality programs, is striking a chord in the community and people are responding by tuning into those programs. In relation to budget changes that have been made to news and current affairs programming within the ABC recently, Senator Carr knows that this is quite properly beyond the control of any government, federal or state. The ABC board quite properly operates entirely independently of the government, and long may it continue to do so.

I welcomed Mr Shier’s recent visit to Canberra. It was heartening that he came here outside of estimates—the ABC Managing Director always comes during estimates. It was heartening that he came here to meet and inform the elected representatives of all those who pay to keep the ABC in existence. Mr Shier came to a meeting of coalition members and gave us an assurance that he is firmly committed to providing an effective ABC to rural and regional areas and that he would work to close the communication gap. He reinforced that news and current affairs is a core business of the ABC and, contrary to the scary stories that were in the media earlier this week during Mr Shier’s visit to Canberra, he assured us that there were no plans to cut back services to the areas of Australia that still rely very heavily on ABC programming. He also told us that he was very keen to close the communication gap between rural and urban areas, a role very properly between the province and core business of the ABC. He said he would prefer to see the services that are currently provided to rural and regional areas be more personalised, based more on local programming and certainly including local news coming from local areas.

To ensure that the views of rural and regional Australians are heard at the board table, small businesswoman Mrs Leith Bouilly has joined the board of the ABC. Mrs Bouilly lives in regional Queensland. She has substantial experience in dealing with government advisory committees and community organisations, and I have absolutely no doubt that the voice of rural and regional Australia will be heard loud and clear at that board table if by no other person than Mrs Bouilly. She is very well equipped to represent the interests of our regional communities, and I have absolutely no doubt that she will fearlessly do so.

But let us return to Senator Carr’s motion, which is clearly about trying to force the ABC to make particular decisions that correspond with the way Senator Carr thinks the ABC should be run. Let us make no mistake. The previous Prime Minister had no doubt about the way he thought the ABC should be run. In fact, he said, ‘Now we’ve done with Fairfax’—and I will not use the poisonous invective of the previous Prime Minister because my family taught me that people who use that sort of invective needed to spend longer reading the dictionary—

**Senator Coonan**—And wash their mouths out with soap.

**Senator FERRIS**—My grandmother suggested they should wash their mouths out with soap. Let us make it very clear what the previous Prime Minister said because we heard from Senator O’Brien a lot of sugges-
tions that it was this government who had some personal hatred for the ABC. As a very proud former member of the ABC staff, I have not heard the personal invective coming from this side of the chamber that the former Prime Minister unleashed on David Hill when he said, ‘Now that we’ve finished with the Fairfax organisation, we’re going to start on you, brother.’ He included a couple of colourful adjectives in the sentence which I will not include, but I have no doubt that the listeners of this broadcast today will know exactly the sorts of words that the previous Prime Minister used.

He had no doubt about the way he thought the ABC should be run. He coined that favourite saying to two journalists in the press gallery when they did not abide by his very clear wishes: ‘We will turn your tap off, brother.’ That meant no interviews, no press releases, no background briefings and, very importantly, no seats on the overseas trips. It was enough to strike fear into the hearts of professional journalists, and I personally know people who received the quite famous early morning calls from the former emperor and were left in no doubt about his plans for them. If they happened to work for the ABC they got a pretty clear message as well. The early morning call did nothing to affect the Prime Minister’s capacity to call on adjectives which are not usually included in the vocabulary of speakers in this chamber.

So Senator Carr wants us to follow the path of the former emperor in the other place—the former Prime Minister, P.J. Keating. He wants us to influence the board to take certain actions to preserve an ABC on ice—nothing should change, nothing should be in any way refocused. If that had taken place in the ABC over the years we would still be learning how to look after goldfish and carry out our housekeeping, and perhaps we would still be getting broadcasts from the BBC when we should be getting broadcasts from around Australia, which we are getting now and in a very competent way. So over the years the ABC, like many other public organisations, has been a very dynamic organisation and has refocused its activities as the mood of the community has changed, and long may it continue to do so. And long may the board act with independence, impunity and courage in hiring a managing director who has a vision, who has opened the windows of the ABC to change and who deserves the opportunity to put in place some new management techniques, which might be of discomfort to some members of the ABC but which will not be new. After all, many of the other radio and television stations in Australia have very talented broadcasters who began their life with the ABC—broadcasters who moved to other channels or other stations, taking with them the talent and ability that had been developed with the ABC and, in doing so, made way for other people to come in and left behind always an expanding pool of talented broadcasters who worked for the ABC.

This afternoon I had the pleasure of visiting one of the ABC’s most talented former broadcasters, Paul Lyneham, who is currently ill. We had a long talk about the speeches that would be made about the ABC in this chamber today, and I was happy to hear his views on his years in the ABC before he moved to commercial television, taking with him the great talent that was displayed on Four Corners, the 7.30 Report and a variety of other ABC programs. We saw the same talent when Paul Lyneham moved to Channel 7 and to Channel 9. The flexibility that the ABC has shown its employees in encouraging them to move on and forward and to reposition themselves with other broadcasters must be encouraged.

We have a wonderful broadcasting system in this country because the ABC has encouraged its people, when trained, to move on—and so they should. This motion suggests that the ABC should be frozen like some Garden of Eden: the gates are locked, no-one goes in or out and nothing changes. Rather than adopting Senator Carr’s approach of encouraging political interference in the ABC, we should encourage Mr Shier to get on with his plans to take the ABC successfully into a new century of broadcasting excellence.

Senator CARR (Victoria) (5.31 p.m.)—It is a pleasure to speak to this motion, which is listed on page 10 of today’s Notice Paper. Perhaps if government senators had read it they would not be so confused by the mo-
tion. I take this opportunity to congratulate Senator Bourne on her contribution. The other Labor senators who have spoken in this debate—Senator O’Brien and Senator Bishop—have highlighted our concerns about the government’s program of undermining the ABC. We are concerned that the ABC board has a special obligation to ensure that it does its duty under the charter and under the Broadcasting Act 1942 to fulfil its obligations to protect the ABC’s political independence. It has been clearly demonstrated—I will seek to do so again today—through example after example that this government, and the Liberal Party in particular, have adopted a strategy of undermining the ABC’s credibility and authority because they have a deep loathing for the ABC.

The motion before the Senate today calls upon the board of the ABC to maintain its commitment to news and current affairs programs; it calls upon the board to resist any political interference by the government in its decision making process; and it calls upon the ABC Managing Director to do his job properly and not at the behest of his political masters. It calls for him to appear before the Senate estimates committee and explain in detail what he proposes in regard to the ABC budget. We do not want the smoke and mirrors act that he has engaged in to date: the pea and thimble routine that he plays with the ABC’s internal budgetary allocations, which always seems to bring up the enormous amount of money that has been transferred into management and spent on redundancies in the ABC. The managing director does not seem able to come clean about how much money has been spent on his overseas travel nor that his wages seem to have increased dramatically. We are asking for a detailed account of the budgetary reallocations within the ABC so that we can see not just where the money is going but where it has come from and why. I think it is appropriate for the Senate to make that call.

Nine out of 10 Australians understand that the ABC does a very good job. A recent survey of ABC viewers and listeners undertaken by Newspoll and published in January this year demonstrated that, in its judgment, nine out of 10 Australians believe the ABC is performing extremely well and providing balanced news and current affairs. The 10 per cent of people surveyed who do not believe that clearly include amongst their number many from the Liberal Party, particularly from within its leadership.

Over time, we have seen the Liberal Party embark upon a detailed program. We have heard today from Senator Eggleston and I trust that we will hear later from Senator Coonan. I am reminded of their interest in the ABC. I think back to the 1997 Senate estimates when they tabled questions that were prepared in the Prime Minister’s office by none other than Mr Tony O’Leary as hand grenades with which to attack the ABC. I recall the incident only too well. The questions, prepared by Mr O’Leary on behalf of the government in close cooperation with Senator Alston, were about the need to have a series of what they regarded as damaging inquiries into the ABC’s performance—and particularly the activities of the 7.30 Report presenter, Mr Kerry O’Brien. The documents ended up with the Labor Party because, among other things, the senators were basically lazy. They were quite prepared to accept those insidious documents, but they were not prepared to read them thoroughly. The documents were prepared for Senator Coonan, and they said so. But she was not able to attend the estimates hearing on that day so the documents were handed to Senator Eggleston, who lamely placed them as questions on notice, leaving all the detailed instructions within the documents and making a complete goose of himself in the process. So I am interested to hear that Senator Eggleston has such a keen interest in the performance of the ABC.

That is not the only recent example that one could point to regarding the actions of senators. We could also look at what has occurred with the main player in this issue: the Minister for Communications, Information Technology and the Arts, Senator Alston. Senator Bourne spoke very eloquently today about the activities of the Senate select committee that inquired into the activities of the ABC. I was a member of that committee and I recall that the inquiry began with terms of reference that were predicated on the as-
consumption of guilt. The original terms of reference alluded to the ABC’s failure to do certain things and mentioned the then ABC management.

It was demonstrated in that report, however, that there was no evidence to sustain any of the allegations made in the terms of reference, which, in themselves, I might suggest, were a little unusual. The terms of reference actually had allegations in them rather than the cause for inquiry. But it demonstrated equally that the government’s commitments made at that time were very shallow indeed. Statements were made, if I recall, in January 1996, when we heard Senator Alston say that ‘the political ABC rule was at an end under the coalition’. He made the assertion that the Labor Party’s and unions’ affiliations with the ABC would be ended with a coalition government—the assumption being there to begin with. For instance, I note that in the *Canberra Times* of 19 January Senator Alston also said that there would be no moves to privatise the ABC or any parts of it. Clearly that is not what he is saying today. Clearly, despite what the coalition election policy was in 1996, that is not its position now. Basically, Senator Alston is saying that, as far as he is concerned, you can do whatever you like as far as the charter is concerned.

In June 1996 Senator Alston said that the ABC was not run properly. He said:

> It is all very well for the ABC to win awards, but no-one is watching and we have to ask ourselves if we should really be producing these programs.

He was establishing right then, in his view, the foundations for his administration in this portfolio. He thought there was a greater need to be concerned with the ratings issues and with changing the political culture of the ABC. He told us, also in June 1996, that there was ‘a low calibre ABC board’. In the *Financial Review* of 7 June, he said that he would promise to end the politicisation of the ABC board.

Of course, since the election of the Liberal government, we have seen just how he has sought to end the politicisation of the ABC board. We see Mr Kroger, the well-known ‘Mr Independence’. We see many others. There is Ms Judith Sloan, the deputy chair. On the Channel 9 program just last Sunday, she was revealed as saying to the ABC board that the government would not like its actions—and this is in regard to digital broadcasting. She did not deny that those statements had been made. She quite clearly brought the Liberal Party policies and politics right into the centre of the ABC, right at the board level. So much for the so-called ‘ending of the politicisation of the ABC’. So much for Ms Judith Sloan’s years of moralising in and berating this community about the high moral standards that we are to maintain in public life. So much for her moralistic views about the way wages and conditions should be set and the sorts of changes that should be undertaken. Quite clearly she has demonstrated a strong allegiance to the Liberal Party.

We saw the same sorts of arguments set down by Senator Alston back in 1997, when he said that the federal government was ‘demanding of the ABC answers to allegations of political bias arising from what it saw as the coverage by an ACTU-sponsored Gough Whitlam lecture’ in that particular month. We see a double standard being exposed here. It is wrong for us to call on the ABC to honour its commitments but it is right for the government, the minister who controls its funding, to write to the ABC in 1997 and say that there was political bias because the ABC chose to cover a political event.

One might equally argue the case that the ABC should not be covering National Party affairs—which it does quite well, in my judgment. It may be argued that it should not be covering a whole range of things. But that is not the basis on which the minister has approached the ABC. In my judgment, it is wrong to criticise the ABC because it is covering political events because, on balance, what you see is an approach that is, in fact, fair across the board. There may well be programs that you individually disagree with; I have seen programs which have attacked members of the Labor Party. That is not a reason to attack the ABC institutionally.

**Senator Herron**—It’s a rare event.

**Senator CARR**—It happens quite often; it happens only too often. The suggestion, though, on the other hand that the ABC is
institutionally biased I think cannot be sustained—and that is one of the allegations that were being made back in 1997. We saw similar arguments being presented in February of that year, when the minister once again wrote to the ABC board concerning, as I said, the other matters in regard to the operations of the board itself.

In December of that same year, it was Senator Alston who said that the ABC charter needed to be changed. He said, among other things, that ABC staff were ‘not up to scratch’ and that there ought to be redundancies imposed on them. I quote from an article in the *Sydney Morning Herald* of 5 December 1997. There, Senator Alston questioned whether ABC staff had a real value ‘if there is no demand for them’. The article reads, in terms of what had been recorded in minutes of a meeting obtained by that newspaper:

> The Minister for Communications, Senator Alston, has told an ABC advisory council he believes the ABC’s charter is “very loose” and needs to be changed ...

And that, of course, certain ABC staff were not up to scratch.

We see that in December 1997 he sends another ‘please explain’ to the ABC, this time in regard to the suggestion that, in his judgment, the ABC was breaching its charter in regard to television promotions. He was concerned particularly about the operations of the marketing department in that regard and a film, *Her Majesty Mrs Brown*—which I understand was very successful. But Senator Alston is quite selective in the approach that he takes to such a matter.

I see that, in September 1998, the Institute of Public Affairs supporting Senator Alston—what a surprise, what an extraordinary surprise—when they wrote and suggested that the ABC had ‘four times as much critical coverage of the coalition in the campaign as Labor’. This was about the election campaign in that particular year. Senator Alston on this occasion had an angry exchange of letters with Mr Johns, with Senator Alston accusing Triple J of encouraging young people to vote Labor. There is a persistent pattern emerging here. The minister believes—and the leadership of the Liberal Party, I would suggest, believes—that the ABC is pro-Labor.

We saw that in January this year the minister once again wrote to the ABC, asking for performance agreements as part of their triennial funding arrangements. He said that there had to be performance agreements, in particular in relation to a number of television programs. You can imagine what sort of performance agreement this minister would be looking for in that regard. He wrote to the ABC with:

> ... suggestions for tighter control from the ABC’s boardroom over programming budget allocations—including an assessment of likely ratings for programs being allocated expenditure ...

The pattern is quite clear. This comes down finally to a position where the government say, ‘We’re not happy with the management of the ABC. We’re not happy with the programming arrangements. We’re not happy with the political culture of the ABC.’ So what do they do? They end up appointing a new managing director. No sooner is that new managing director on board than we see speculation flowing—in fact, he was not even on board when speculation was flowing. Mr Michael Kroger suggested in February of this year that there had to be a sell-off of the ABC Online facilities. What a surprise! No sooner had the new managing director taken up the job in April this year than he wrote to various people. I have a letter here where he says that he is committed to the ABC being the centre of excellence for Australian content and production. He says:

> I would also like to clarify that I am opposed to carrying advertising on the main ABC services. Just this week, I had the pleasure of asking the managing director directly whether he supported a ban on advertising on all ABC services. That is clearly not the case. He supports it on the main services—that is, the main radio and TV services—but, when it comes to other ABC services, I think you will find the question of advertising will increasingly come to the forefront.

We now see suggestions of an amalgamation of SBS and the ABC. There is a pattern emerging here which I believe will see the new management, the new leadership team at the ABC, being directed to effectively carry
out the ideological agenda of the government. We have been seeing moves on the current affairs programs—a $3 million or $4 million cut. When we look at that in real terms, it is about an $8 million cut. We are seeing that high quality news and current affairs are under serious threat. Why is it so significant now? I look to the fact that there is going to be an election year. Given the pattern of behaviour that is emerging from within the leadership of the government, one has to speculate. Their concerns about what they see as bias are being attended to by a strangling of the news and current affairs of the ABC.

I am particularly concerned about the recent speculation that there should be a change in the direction of the ABC current affairs programs like *Foreign Correspondent*, *Four Corners* and *Landline*. The proposals to reduce the authority and scope of Radio National are of deep concern. We have seen the suggestion that the programming, as it currently stands, is elitist. But it just so happens to be supported by nine out of 10 ABC radio listeners. Of course, it is presented by some as a rarefied service for a handful of intellectuals, sometimes beyond the needs and the interests of ordinary Australians. Frankly, I think that is a gross insult to the overwhelming number of Australian people who actually listen to the ABC. There are huge numbers of people who dip into the ABC on any particular day.

We have an excellent service which does stimulate debate, provide information, provide real services to people and give real meaning to the concept of lifelong learning. But we are seeing the ideological cronies of the government seeking to use the facilities that should be available to all to limit that. Now we see the proposal that there ought to be more centralisation of the services, that there ought to be movement away from economics, politics and current affairs and that there should be greater concentration on business news. Of course, it is economics of a particular type that they are really interested in: the Stock Exchange. They are not particularly interested in ensuring that there is a broad range of political debate, which I think the ABC has done very well up to this day.

I am particularly worried about a memorandum dated 12 October by Mr Michael Mason, the head of the local networks, to Mr John Cameron, the deputy director of news and current affairs, saying that there was broad agreement to move away from politics and economics towards specialist business shows. It says there is agreement to ‘attract the country’s business and industry leaders as listeners and participants in the program’. Hence, there has been widespread concern expressed about the changes to *AM* and *PM*.

We have here a new managing director who I think is now demonstrating a political bias in the approach that he is taking. We have seen the government’s hostility towards the ABC reflected by its own management. We have noticed a real attempt to change the culture of the ABC. What do you expect? You have an ex-Geelong Grammar student there. You have a former adviser to the Liberal Attorney-General. You have a former federal executive member of the Liberal Party. You have a former deputy president of the Young Liberals, a bloke who has actually spent 23 years out of the country and who now describes himself as a certified Sydney-sider. He might learn just how much of a problem it is to try to concentrate everything in Sydney. He might slowly get that message. In terms of his earliest actions, I understand that he has moved to sack a whole swag of the management of the ABC and put in place his own people—quite in defiance of a whole series of regulations and laws in this country. He proposes a whole new culture of programming, which, as Judith Sloan was only too happy to point out, I am sure the government is very happy with indeed.

The ABC does have a budget of $632 million. At the last election, the Labor Party thought that it would be increased by about $100 million. That was the position we put at the last election. We see, however, that Mr Shier has managed to put up his own salary by $100,000. That is a 25 per cent increase. He has had a massive increase, as I understand it, for his overseas trip. We have seen a massive blow-out in redundancy payments,
and we are seeing quite serious changes.

(Time expired)

Senator SANDY MACDONALD (New South Wales) (5.51 p.m.)—I listened with interest to Senator Bourne’s impassioned support for the ABC’s increased need for funds. She said, among many things, that it was a disgrace when the racing was taken off the ABC. I would just like to say to Senator Bourne that, if there were an attempt to reintroduce the racing, the outcry at that time would be bigger than the outcry at the time of its removal. Time has moved on and the ABC’s sports coverage is now better than ever. I do not think that anybody would dispute that the sports coverage is now better than ever, and it seems to me that that is an example of the board being there to manage.

When the coalition were elected in 1996, the ABC was instructed to get its house in order from a financial management point of view. Critics of the government claim that we tried to cut resources to the ABC. They point to the 10 per cent budget reduction in 1997 as somehow being proof of this claim. Certainly, the 1997–98 budget imposed a 10 per cent funding reduction on the ABC, but this reduction was in line with that imposed on virtually all government agencies. The Senate will remember that the one government department that was quarantined was Defence, which needed to be after years of Labor neglect.

The budget reduction was only made necessary because the government inherited a $10 billion budget deficit—the Beazley black hole—and it is important to remember that, as a result of the budget discipline imposed by the government, Australia was effectively insulated from the worst of the Asian economic meltdown. Labor wants everybody to forget its budget mismanagement, particularly Mr Beazley’s role in driving up interest rates, keeping unemployment high and driving up the nation’s debts. It is all too easy to forget that Australians paid over 20 per cent bank bill rates, that they had double-digit inflation at certain times through the 13 years of Labor government, that mortgages were well over 12 per cent and that unemployment was over 11 per cent in 1991 when Mr Beazley was the Minister for Employment, Education and Training.

The ABC played its part in filling that Beazley black hole, and it did so with no real impact on output. I think we would all agree on that. There have been fanciful claims that the 1997 budget reduction led to the cancellation of some programs, like the early TV news. This is plainly wrong. The early TV news was cancelled because nobody watched it. The fact is that ABC funding has been maintained in real terms by the government since 1997 and the government have provided significant additional resources to the ABC for its digital conversion program. Our approach was a whole-of-government approach as distinct from an attack on the ABC and was separate from the endemic problems ‘our ABC’ faced—and continues to face—in terms of its bias on certain issues, its preoccupation with certain issues, its apparent lack of commitment to being accountable at all times and its overmanning at certain times.

This is not to say that I do not have a lot of time for the ABC, because I do. The government do not have any complaint about ABC content, except in those instances where it is factually incorrect or presented in a way that is unbalanced and of a partial manner. The government view is very different from that of the ALP. We believe that the ABC should be governed by its charter and responsible to its board, with a commitment to public broadcasting. We want the ABC to manage its own affairs and we have provided it with a very healthy budget of over $630 million. I do not believe that the community wants the government to tell the ABC what to do, and the government are certainly not inclined to do that.

There are many parts of the ABC of which we can be justly proud. Regional radio and the rural news output is first class. They do the very thing that some parts of the ABC news and current affairs output do not do, and that is provide cohesion to Australia, especially to the far-flung regional communities that depend on the 48 regional stations to provide much of that which they do not receive from the newspapers. In fact, there are large sections of regional Australia that do not get a daily newspaper—or even a
Those 48 regional stations provide news, they provide weather and they provide especially important community announcements. In general terms, they provide news and current affairs that would never be provided by anybody else in terms of its local, regional, national and international content. The ABC provides news that is certainly more credible, more accessible and more thought provoking than any commercial outlet can possibly contend with.

Programs like *Country Hour* and *Summer All Over* do much good in the community. These programs are news, social and cultural providers. They are constructive, and the personalities involved—like Colin Munro—remain household names in regional Australia long after the likes of Phillip Adams have disappeared in a halo of self-interest or, in his case, commercial self-enrichment. In rural and regional Australia, the ABC is often the only reliable source of up-to-date news and current affairs. We know the ABC board last week agreed to an internal funding reallocation that will result in a $3.7 million cut to news and current affairs. This decision is, of course, up to them. But there has been some speculation that the real cuts may be as high as $8 million. Such a cut would be seen as a real blow for rural and regional communities, who rely on the national broadcaster for a comprehensive news service. Just how important these services are to the country can be shown by the fact that we have nine state and territory offices of the ABC, 13 overseas offices, 48 regional stations, 648 television transmitters and 703 radio transmitters—and the majority of these are in regional areas.

The recent annual report tells us that there are over 4,000 staff. Some 891—or just over 20 per cent—work in news and current affairs. These news and current affairs staff provide in excess of 20 per cent of radio air time and 13.4 per cent of television broadcast time. These figures suggest news and current affairs are certainly very important. I accept there are budget restraints for the ABC, but this week I questioned managing director Jonathan Shier’s plans and whether this will downgrade the broadcaster’s high profile news and current affairs division. He clearly indicated that that was not the case and that he believed the ABC could do 100 per cent with 97 per cent of its former budget, and I agree with him. Furthermore, I have stated publicly that I do not want—and I know rural and regional ministers do not want—

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Order! The time allocated for general business notices of motion has expired.

DOCUMENTS

Australian Broadcasting Corporation

Senator ROBERT RAY (Victoria) (6.00 p.m.)—I move:

That the Senate take note of the document.

As I am taking note of 1999-2000 annual report of the Australian Broadcasting Corporation my colleague Senator Sandy McDonald may like to continue his speech after me, it was so good. Some of us watched the *Sunday* program last weekend with some interest because it was devoted absolutely to the ABC. I thought it was a bit of a hatchet job by Channel 9. I was even upset for Senator Alston at one stage, who was interviewed on the program. One of the techniques in an interview is to do what they call a noddy—that is when the camera goes behind the interview and you nod your head a couple of times and they splice it in. On this occasion they left Senator Alston with the interspersed question nodding for 30 to 40 seconds looking like an absolute goose. It was not his fault; he was cooperating. I must say I do not agree with that as a technique used by current affairs programs.

I found it interesting that some of the glitterati of conservatism were interviewed there, and didn’t they come up short? First of all we had Professor Judith Sloan interviewed, and she walked out. She said, ‘Don’t ask me any more questions,’ and then disappeared to the back of the room trembling, telling them to turn the camera off. Where is the courage of this board member, the person who year in and year out wrote these nasty little articles
on labour market reform telling everyone else how to behave from the pristine halls of a university? That is the sort of quality, apparently, we have on the board. First shot of the grapeshot and she disappeared and would not answer questions. I would not mind it if it did not contrast so much with her bitter denunciation of workers, unions and everything else that stands for decency in this country. It was a pathetic performance.

We also had interviewed that other champion, that other sycophant of the Liberal Party, Christopher Pearson from South Australia. He writes for the Financial Review every Monday and 90 per cent of the time he gets the party line right for the Liberal Party. The other 10 per cent of the time he is so ill-informed that he does not get it right. Some journalist in this morning’s paper wrote that he looked like Toad from Toad Hall. I am not going to repeat that. Have a good look at me, I am not going to cast aspersions on anyone. But again here is someone who pretends to be an intellectual of the Right. Yet the first time he got a tough question we had to wait 30 or 40 seconds for him to even vocalised one word, and even then he could not answer the questions. So it was a very poor performance by those who try to defend the government’s or the board’s position on Australian broadcasting.

The third character there was Mr Michael Kroger. I was one of the few on the Labor side who did not criticise Mr Kroger’s appointment to the board, because I think it is quite often valuable to have a political activist, especially one who has the same opinions as a conservative government, there to explain to the board who all the characters are around the place and on occasions—and I am sure Michael Kroger would do this—go and argue to the government what the ABC board’s case is. It is not wrong to have a Michael Kroger on the board, although I did notice he was a bit too smart to be interviewed by Channel 9 for this particular program.

Even though it was a hatchet job, certain issues were raised on that Sunday program, especially about the travelling habits of the new managing director and the large party they took to the European hot spots of media and the sorts of conditions—laying out such things as redundancies and golden handshakes. If that is true, it really does throw the spotlight on the board. It is one thing to say you are going to rationalise or, as Senator Macdonald said, get the same result with less resources, as long as we can be satisfied that those resources are being well spent. If they are being thrown away on hush money, redundancies, extra salaries and more top end positions, we will not be convinced that Mr Shier’s reforms are in fact going to work.

That Sunday program at least raised a lot of those issues. I repeat that I was not totally happy because I think it was very one-sided. The performances of the glitterati of the Right—how pathetic were they: Professor Sloan, no longer at the university, on all these company boards—folded the first time a tough question came. (Time expired)

Senator MACKAY (Tasmania) (6.06 p.m.)—I wish to make a couple of comments on the ABC that I was unable to earlier in the general business debate. I wish to raise what I regard as an extremely concerning issue, but before I do I briefly turn to the issue of the ABC and what is happening. I noticed with some trepidation that the National Party’s Senator Boswell has invited Jonathan Shier to regional Australia. I think that is a good initiative and I congratulate both Senator Boswell and Mr Shier for accepting his invitation. But I warn Senator Boswell that the last time a major CEO went out to regional Australia, Dr Ziggy Switkowski, we lost 10,000 from Telstra. So I would be pretty careful where I took Mr Shier if I were Senator Boswell. But I do want to congratulate him for that initiative.

As the regional services shadow minister I do, not surprisingly, a lot of regional media, particularly ABC media. There are several critical issues at the moment in regional Australia, particularly petrol, GST, roads, Telstra and so on. In my conversations over the last three to four months with ABC journalists based in regional Australia—who I think do a terrific job—they have told me that they are being approached by members of the coalition in marginal seats. They are being told that these members are unhappy with the way that these stories are being pre-
sented, and on many occasions and with increasing frequency—and this is extremely serious—they are being threatened. There is no other way to state this other than to say it: the way they are being threatened is to be told that if they do not pull their heads in—or words to that effect, although I suspect not quite so polite—then the coalition member concerned would get onto their 'mates on the ABC board', some of whom Senator Ray referred to, or their mates in the management of the ABC and so on.

This is an extremely serious allegation, and I have desisted from raising it in the parliament so far, because these journalists have asked me not to. I will not name the members concerned, not for their sake but because that would identify the journalists. People from any political party who do this sort of thing are despicable cowards. It is outrageous that people, particularly certain coalition backbenchers, are doing this. I raised this with Mr Shier in a meeting he had with Labor Party members recently. He evidenced some surprise and responded in what I regard as a fairly reasonable way. He undertook to the Labor Party that he would write to all the regional journalists to assure them that the section of the ABC charter dealing with independence was inalienable and that, if any such activity or behaviour was evidenced by any member of any political party as we move into an election cycle, those journalists were to feel free to contact him or ABC management. I hope Mr Shier does do that. He has given an undertaking to the Labor Party to do that. We are eclectic about this. We are saying that this behaviour is unacceptable in any politician, not simply coalition members. I have to say, though, that my experience talking to ABC journalists indicates that they have been coalition members, but that is not exclusive—I am sure there have been people from the Labor Party in the past. This behaviour is unacceptable in any politician, not simply coalition members. I have to say, though, that my experience talking to ABC journalists indicates that they have been coalition members, but that is not exclusive—I am sure there have been people from the Labor Party in the past. This behaviour is unacceptable. I welcome Mr Shier's commitment to action and I say to the Senate that we on this side of politics will be monitoring to ensure that this sort of behaviour stops. If there is a repeat of this monstrous and bullying of regional ABC journalists we will be raising it in the parliament, in the Senate, with Mr Shier and, obviously, with Minister Alston.

Senator SANDY MACDONALD (New South Wales) (6.10 p.m.)—In this motion to take note of the ABC report I wish to make a point that I was about to make in the general business debate, and that is that certain elements within the ABC realise that a cut in the budget for regional radio or news and current affairs is particularly powerful politics from their point of view. That was first clear to me in the 1997 debate about potential cuts to the ABC budget and also now. They know that it will create a howl of protest from all of us who live in and represent regional areas. This happened, of course, when the ABC had the budget cuts in 1997 and regional radio stations—about 45 of them at that time—were threatened. In my experience, regional ABC radio stations already operate on a shoestring. Those of us who deal with those stations are very aware that the person on air is frequently the person who answers the phone and who makes the coffee out the back. There is no fat in the regional ABC stations as such. They have a budget of around $1 million a year. It seems to me that we get very good value for money.

At the same time, regional radio stations continue to provide wonderful community interaction. I cannot say that I agree with all they do, with their humour or with their preoccupation at certain times with talkback radio. Talkback on the ABC tends not to be talkback in the way we understand it. It tends to be a 60-second gripe session when very self-interested, uninformed people have the capacity to make outlandish statements. The ABC announcer is generally so well mannered that they say, "Is that so?" But that is a role they play and a decision they make. My own local ABC station in Tamworth, the New England North West, has one of the largest footprints, in terms of the number of listeners it covers, in the country and it is a top example. It is a good, balanced station and it provides a wonderful community service. I do not think anybody would disagree with that. We could not live without it, and all the staff need to be congratulated.

Senator McGAURAN (Victoria) (6.13 p.m.)—I would like to make a short contribution in response to Senator Ray. It is always hard to follow Senator Ray because of
the bitterness and bile, but I feel I must stand and defend Professor Sloan. I did not see the interview, but to criticise her personally on her performance in an interview on television is unjustified, especially for someone with such a good name. The truth behind it all is that Professor Sloan has written many articles and was at the forefront of reform with regard to industrial relations. For many years she wrote about a more flexible labour market, and this government did pick up most of her ideas. I think she even acted in an advisory capacity to this government, and that is really what is behind Senator Ray’s attack. It has nothing to do with her ability or capabilities to go onto the board of the ABC. I think he should have kept to that.

But, as I say, I did not see the Sunday program, although unquestionably we have all heard about it. I must say I did see the Four Corners program last Monday. Maybe we cannot say that the ABC is as biased as Senator Carr would have us think. We picked certain incidents, Senator Carr, over time, which we are perfectly justified in doing. I for one have never heard anyone in the government say that the ABC overall, as a culture, is biased. Unquestionably there have been reports within their current affairs division which we are entitled to complain about. But I am told that the Sunday program made another error, which I would like to correct. It is in regard to their pushing the point ad infinitum that certain parts of the ABC—namely, their web site—would be privatised. Even though it was denied by this government, the Channel 9 program continued to press that point. There is absolutely no plan for any part of the ABC to be privatised, nor has this government, as Senator Alston has said in question time many times, any influence over that. It is the role of the board to take those sorts of decisions, and there is no such plan.

As my colleague Senator Sandy Macdonald rightly said, the National Party has spoken to the new managing director. He made a point about current affairs, and I think it is a worthy point to make. When the cuts first were announced in the 1996 budget, every government department had to face cuts of around 10 per cent, and the ABC was no different. The managing director’s point was that, within the ABC, every department took cuts except current affairs. The 7.30 Report, the news services and the gallery up here took no cuts at all when the first round of cuts were introduced. The managing director made the point that that meant other areas of the ABC took heavier cuts—some 13 per cent and some 15 per cent. But current affairs was not affected at all in the first round of cuts. So in many respects they are due for a cut. He suggested—in very broad terms, I will admit—that no show such as the 7.30 Report will be axed, but internal savings can be found. That is the commitment he made.

Senator Carr—You rolled over.

Senator McGauran—I did not roll over. The area the National Party is most concerned about is the 48 regional radio stations. To that end, we have a commitment: they have been quarantined from further cuts.

Senator Robert Ray—Don’t worry about anyone else; just look after your own. Just look after the regional ones—don’t worry about anyone else!

Senator McGauran—Senator Ray obviously has never been out into the regions, otherwise he would know the importance of these regional radio stations to the rural and regional areas. They will be quarantined from cuts. Unquestionably, further savings can be found within—you can always do better, and I think that is the broad philosophy of the new managing director. I do not know why there is this sudden criticism of the ABC coming from the opposition. The ABC happens to be much loved by all Australians, and they are doing very well. Look at their performance in the area of sport when they covered the Paralympics. (Time expired)

Senator Carr (Victoria) (6.18 p.m.)—I rise to speak on the same matter, the motion to take note of the ABC report. Obviously Senator McGauran did not listen to the general business item today which was moved by the Labor Party in regard to the ABC. This is an opportune time to remind him. The motion reads:
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.

What we have heard expressed throughout this afternoon quite clearly demonstrates the deep antipathy of this government to the ABC. We are reminded that Senator Alston in opposition maintained his deep hostility. We had put to us just a few moments ago that there was no evidence that anyone had said that the ABC was biased. You have built your political careers on that mythology. Again and again the evidence points to your preoccupation with this notion about the ABC.

Senator McGauran—I like the ABC.

Senator CARR—You like it in so far as it supports just the regional radio stations where you can run out your lines. When you move out of your hotels in Collins Street and go out to Gippsland to look at the former estates of the great McGauran family, you want to run out a bit of a press release to ABC regional radio. That is your idea of what the ABC should be about.

The truth of the matter is, however, that the National Party have demonstrated yet again how completely incompetent and ineffectual they are as a political force in this country. You said at the beginning of the week that, when Mr Shier turned up with his smoke and mirrors routine, you were going to ‘stand firm’. What was the first wall to crumble? The National Party. They rolled over—the great doormats of this coalition. Their role in politics is to roll over. ‘Roll me over in the clover McGauran’ is what we ought to say about this senator. What it also proves is the old adage: you cannot put brains into a statue. That is exactly the problem with the National Party: they are a bunch of statues trying to represent themselves as the people’s friends from the bush. The truth of the matter can clearly be demonstrated to be something else. The privatisation proposals have not been rejected. On the contrary: this minister has said repeatedly that there is nothing in the ABC charter or the current act, in his opinion, that would prevent privatisation—the structural separation of the ABC. That is what he has been saying all week. The problem is that not only are they statues—and you cannot put brains into a statue—they are also incredibly deaf. They cannot understand the most simple political message that their masters are delivering to them. That is why you are so hopeless at representing the people that you claim to represent. You are not capable of understanding the most basic political message, and the message is that you are being shafted. You do not understand that.

What you are seeing now is a new management structure put into the ABC to do the things that this government has said for many years it was going to do. It said that it believes the ABC was biased, that the news and current affairs was too much—there was too much news and current affairs; we want to tone all that down! Too much economics! What we need is more business news; we need more participation from the big end of town—and, apparently, from a very small end of town, from the McGauran family in regional radio in Victoria!

Senator Conroy—They used to be a big business.

Senator CARR—They used to be a very big business. They used run half of Gippsland. They no longer do that.

Senator Robert Ray—It’s a small business these days.

Senator CARR—It is a very small business. Of course, the real problem here is the National Party have not understood the political agenda of their political masters, and that is essentially to wind back the ABC. In
Thursday, 2 November 2000

an election year you ought to understand that
more acutely than you do. Their intention is
essentially to wind it back and make sure
that the ABC is irrelevant, to marginalise it
and to pursue these extraordinary campaigns.
I am reminded yet again of when in 1997
two senators here—Senator Coonan and
Senator Eggleston—ran out those notes from
the Prime Minister’s office attacking the
ABC, Kerry O’Brien. Remember at the esti-
mates? You ought to just remember the more
recent history of your attempts to be part of a
campaign to actually denigrate the ABC.

Senator McGauran—Accountability. A
bit of accountability.

Senator CARR—Your basic problem,
Senator McGauran, is that unfortunately you
just do not have the political brains to know
what is actually going on.

Senator CONROY (Victoria) (6.23
p.m.)—Mr Acting Deputy President, I want
to speak on the same matter.

The ACTING DEPUTY PRESIDENT
(Senator Calvert)—Senator Conroy, I
would remind you that we are discussing the
Australian Broadcasting Corporation, not the
McGauran family.

Senator CONROY—Certainly, Mr Act-
ing Deputy President. Like Senator Carr and
many before me tonight, I rise to speak about
the longest running political vendetta in this
country’s history. For seven years now this
conservative mob over the other side have
been out to get Kerry O’Brien. They have
never forgiven Kerry O’Brien for what they
perceived was a biased interview in one of
the debates in 1993 with Paul Keating. That
is at the heart and soul of this mob’s attempts
to destroy the integrity of the ABC. Can
anyone seriously believe that they are genu-
ine in saying, ‘We’re not really trying to at-
tack the news and current affairs’? They
have been out to get Kerry O’Brien since 1993.

They vetoed Kerry O’Brien from being
the moderator in the 1996 federal election
debates. In 1998 they took it off the ABC.
They refused to have the ABC; they refused
to have Kerry O’Brien. This is the longest
running vendetta in Australian political his-
tory—publicly out to get one individual.

They finally found the tools. They stacked
the board with their mates. They stacked the
board with people who understand what their
mission is—to deliver on this vindictive
vendetta. The ABC’s charter is about deliv-
ering news and current affairs, and the coali-
tion have set out to deliver silence. They do
not want the scrutiny of an independent
broadcaster. They like to be able to call up
the Kerrys—Packer and Stokes—and say,
‘Here’s what we want you to do for us, and
here is where we’ll roll over, and we’ll give
you digital TV for free, and we’ll give you as
much as we can.’

I say to you, Senator Mason and Senator
McGauran: you have short memories. We
recently had a similar state government that
followed the same sort of practice, the Ken-
nett government. It set out to vilify and de-
stroy any outlet that criticised it. It destroyed
the Sunday Age. It destroyed the Age as best
it could. Senator McGauran, you have many
times come into this chamber and attacked
the Age. It nobbled Today Tonight. It nobbled
the local 7.30 Report. Jeff Kennett said, ‘No
minister of mine will go on the ABC’s 7.30
Report.’ Did the voters reward Jeff Kennett
for this? They did not. The voters of Benalla
did not thank Jeff Kennett for this behaviour.
Senator McGauran, you have a short mem-
ory if you think this will go down well, be-
cause people know what it is about. They
know you are trying to silence genuine dis-
ussion.

You may ask, ‘What is Senator Conroy
doing on his feet?’ The 7.30 Report has
never been kind to me personally. I have had
two 7.30 Reports done about me, and they
certainly were not flattering portrayals in the
eyes of the journalist who was doing them.

Senator Bartlett interjecting—

Senator CONROY—I could not agree
with you more, Senator Bartlett—how could
they do an unflattering portrayal of me? But
they did. They were prepared to be inde-
pendent and they had a go at me. Even
though I was unhappy about it and the pro-
grams did not even bother to contact me
once to say, ‘By the way, we are going to do
a job on you tonight,’ that is fair game in
politics. You get the good with the bad. But
you lot are pursuing a vindictive short-
sighted attack on someone you hate. You put your mates in there to get him, and you have set out to wind up the 7.30 Report. That is what you want. How far are you prepared to go to achieve your vindictive and small-minded goals? What you guys have been up to here is an outrage. Can I say that I am not one who actually watched the Sunday program and thought there was killer evidence. Unlike some of my colleagues, I thought that the Sunday report was a lot of talk and not enough delivery for its allegations. I am not one who is sitting there and signing up to say some of the things that were said. But I think that you guys should have a look at yourselves.

Senator Carr—A very poor performance by Judith Sloan.

Senator CONROY—I thought Christopher Pearson’s report was worse. (Time expired)

Question resolved in the affirmative.

Human Rights and Equal Opportunity Commission

Debate resumed from 13 October, on motion by Senator Bartlett:

That the Senate take note of the document.

Senator COONEY (Victoria) (6.29 p.m.)—This excellent report by Chris Sidoti, a former Human Rights Commissioner, dealt with a matter that arose in Perth. I was going to deal with an alarming matter involving children who were interned—because that is really what happens—behind razor wire at Villawood in Sydney. This issue arises from a letter written to Senator George Campbell by a woman—and I hope to come back to this matter next week—who was shocked, outraged and moved by what she saw there. This is a situation where children are kept by Australia behind razor wire. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Community Affairs Legislation Committee

Report

Debate resumed from 1 November, on motion by Senator Crowley:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (6.31 p.m.)—This is an important report. There was some debate on this when it was tabled in this chamber yesterday. My colleague Senator Stott Despoja and I, who were the two signatories from the Democrats on this report, have some additional comments in here that I think set out some important matters. They are not exhaustive, but they highlight some of the key issues for the Democrats. In her contribution yesterday Senator Stott Despoja expanded further on those.

I think it is appropriate to draw to the Senate’s and the public’s attention a couple of other areas of this very important issue. Yesterday, when the report was tabled, we had spray from Senator Knowles—who is always taking the government line inflexibly, without diverting a millimetre—that somehow or other it was irresponsible of the Senate to take time to do this report and to take time to put forward amendments. That is an unfortunate approach of saying, ‘All the state governments have agreed with this. We have put all this time into it. You should just roll over and let us do it.’ This is a continuation of the undermining of the role and importance of the parliamentary process.

Some of the issues that were raised were incredibly important and very significant to many people in the community. But unfortunately there is a minority report from government senators—something they are quite entitled to do obviously; I do not have a problem with that—that specifically says in a couple of places ‘the government believes’. It does not say ‘we believe’ or ‘government senators on the committee believe’. That is the state Senate committee reports are starting to get to—we are actually just getting the government inserting their position.

There is one issue here which I find quite sad actually in terms of the lack of consideration given. A key issue is whether or not there should be full cost recovery. The government’s policy is that the Gene Technology Regulator should meet all its operating expenses by charging fees for people that apply for use of gene technology to get licences. It was raised repeatedly throughout the inquiry, by people who are both positive and negative
about gene technology—by people from large and small industry groups, that this would pose a real danger of the regulator ending up being captured by the industry and of only the largest and most well resourced operators, businesses and corporations being able to afford to use the regulatory system that is put in place. They were very serious concerns.

The sole response from government senators was that, ‘while government senators recognise that there is a degree of anxiety about the issue of cost recovery, the policy is 100 per cent cost recovery’. That is a great argument—it really convinced me! It shows the unfortunate lack of listening to the serious concerns about this issue in the community from people who are supportive of it. As the Democrats have said a number of times, we are very supportive of developing and encouraging innovative research, but it has to be done with protection and in a precautionary way, and done in a way that accepts and acknowledges the concerns of the community. Some people who are involved in this matter and who are supportive of gene technology in food and other areas are starting to recognise this, including some of the big industry players—that is, that they have played it really badly in terms of convincing the community and making it aware of this technology.

Everyone, when they first hear about this technology, has a natural cautionary feeling about it. It feels like it might be dangerous. That is quite a reasonable fear. If it is not done properly, it will be dangerous—it could be catastrophic. If it is done properly, there could be great opportunities. The attitude is: ‘We know what we are doing; we have sorted it all out’—through the usual process of compromise and arm wrestling that you get between state and federal governments when they work out all the things—and ‘We have come up with a model and therefore we are not going to listen to anybody anymore.’ All that attitude is going to do is reinforce community concerns. I really urge the government to take a more open-minded approach than their senators did in this committee report.

Issues such as the precautionary principle are crucial to the Democrats. The object of the bill is to protect the health and safety of people and to protect environment by identifying risks posed by, or resulting from, gene technology and managing those risks through regulating certain dealings with GMOs. The Democrats support these objectives, but we believe that stipulation in regulation of relating principles is required to adequately ensure the protection of public health and safety, and the environment. We maintain that environmental protection and public health and safety are synonymous. You cannot set them up as conflicting objectives. So the precautionary principle really must be reflected in the objectives and licensing provisions of the bill.

The differing forms of the precautionary principle adopted around the world and in various legal theory also impact on the scope of the principles application, with some conventions and statements limited to toxic substances control, while others include any government policy with a potential to cause environmental degradation. Epidemiologist and biochemist Dr Judy Carmen, of the Public Health Association of Australia, commented on the current use of caution and a precautionary approach and the approval of genetically modified food products by the Australia New Zealand Food Authority in an interview with the *Age*. She stated that the precautionary principle could best be described as ‘unsafe until proven to be safe’. It has been around for centuries to guide us in conditions of uncertainty, yet the food authority has officially adopted the opposite approach—that is, they permit 18.7 million Australians to eat GM foods based on a safe until proven unsafe philosophy.

It is an answer, I should remind senators, that will continue even if this bill is passed unamended, which hopefully it will not be. We will continue to be in that position of overseeing, of regulating and of monitoring genetically modified organisms in that area of food. The Democrats believe that the precautionary principle is crucial. We question strongly the adequacy of the regulatory system that is stipulated by this legislation and related bills to effectively review and access
declarations by parties with commercial interests in the technology.

A number of other issues that are raised in the report are worth reading, and I encourage anybody who is actually concerned about this issue and interested from whatever perspective to do so. This is one of those areas where you can get incredibly passionate defences of the technology from expert scientists and you can get other expert scientists to give you an equally passionate ringing of alarm bells about it, which obviously put legislators like us in a very challenging position. But it also means that you have to proceed with caution, as the report suggests. A number of issues that the Democrats have flagged in our statements include our support for the ability of state governments to opt out of gene organisms, if they so desire.

We have also raised issues such as animal welfare regulations and legislation. The majority report notes that existing codes of practice under the National Health and Medical Research Council are in place to address national welfare, and it is good that they are. I have personal concerns about how adequate those codes of practice are. I also note that they are just codes of practice; they are not enforceable. The Democrats believe that, if we are going to recognise proper animal welfare standards in any sort of research as an issue, as I think all of us would do—and obviously some parts of genetic research and technology development involve the use of animals—then we need to make sure that animal welfare standards are properly recognised as part of any activity like that and recognise that reliance on codes of practice that do not have any enforceability is problematic.

The overall issue of the regulation of biosafety is also an important one. The Cartagena biosafety protocol of the international biodiversity convention is something that has been focused on a little bit and was raised in the process of the committee inquiry, which was a broader one than just the Gene Technology Bill. It looked at broader issues of community concern. I know that the Treaties Committee, which I am also a member of, is looking further at this protocol at the moment. It is amazing that, when people try to put in place protective mechanisms internationally that might provide a better opportunity for environmental safety issues—and in this case the transboundary movements of living modified organisms, such as those contained in pharmaceuticals—then somehow or other this is seen as a potential impediment to free trade and a potential impediment to the movement of goods. This is presented as an appalling interference in such a basic principle and an interference in all the things that get pulled out about national sovereignty, et cetera, but as soon as you try to look at trade issues through the World Trade Organisation and try to ensure that it operates in a way that protects the environment rather than encourages the destruction of the environment, then again you get the argument that, somehow or other, we have to take the so-called purist approach to international agreements and let it only deal with economics.

I refer people again to the speech that Anita Roddick gave at the Press Club yesterday about responsibilities of citizens and corporations in particular to look beyond just pure economic value for everything. This gene technology issue is another area where we must make sure that the economic opportunities and the economic forces that are driving it are not allowed to get out of control and that other issues, such as public health and safety, environmental protection and social justice issues, are not overtaken. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**Public Accounts and Audit Committee Report**

Debate resumed from 1 November, on motion by **Senator Calvert**:

That the Senate take note of the report.

**Senator MURRAY (Western Australia)** (6.42 p.m.)—I am speaking to the Joint Committee of Public Accounts and Audit review of the Auditor-General’s reports in the second quarter. Those three reports that they selected were reports that the Australian National Audit Office had produced on Defence acquisition projects, debt management and plasma fractionation. Quite often when we speak on these reports, we do not really
refer to the process by which they are arrived at. I think it peculiar to the parliament that much of the very good work it does does not get the sort of recognition that it deserves. The process by which such reports come to us has a fairly long gestation. The first thing that happens is that issues are raised by senators or members of the House of Representatives in either general forums, such as in discussing bills, or in specific inquiries, which may be inquiries into bills or such processes as the Senate estimates process. When it emerges that there is an issue of concern in terms of accountability, it will find its way via the chairs of committees as a recommendation to the Joint Committee of Public Accounts and Audit that they put it on the priority list for the Audit Office themselves to examine. The Audit Office in turn will have discovered matters that concern them, whilst they are looking at matters in the various agencies and government business enterprises that they audit. So what happens is that, when they are entering a year, a program of work emerges for the Australian National Audit Office which is not inflexible—it can be added to and adjusted as the year progresses—and they commence their audits.

In pursuing those audits, the Audit Office discusses matters of concern with the Joint Committee of Public Accounts and Audit, which keeps a close watch on and has a close relationship with the Audit Office on how matters are progressing. In due course, a draft report is produced by the Audit Office, which the agency concerned will react to and which the JCPAA will look at. Finally, the Audit Office produces a report. It is in reaction to those reports by committees and by members and senators that the Joint Committee of Public Accounts and Audit will itself then review the findings and the direction the Audit Office has taken and will initiate hearings.

The hearings comprise two parts: the private discussion with the Audit Office and the public hearings. Those are quite often fierce and they are intense examinations of accountability issues. Those who are not part of the Joint Committee of Public Accounts and Audit should recognise that the process of examination in the end is quite exhaustive and quite intensive but, most attractively, nonpartisan. All parties participate in making sure that the accountability process is pursued as well as can be.

The report I have before me is typical of such reports. It comprises two main parts: one is the JCPAA’s report on those reports and the other is a record of the official Hansard of the committee hearings. If you were a serious journalist, a serious academic or anybody who is serious about these issues, this is where you would find the meat of the parliament. This is not sexy stuff—well, sometimes it is, but generally it is not—but it is the business of a representative parliament. It is the business whereby the executive and the government are held to account not just by non-government senators but by government senators and not just by non-government members but by all government members. That committee on which I sit is a joint committee of both houses of parliament and is a very powerful committee. Its work is very well regarded.

I wish to select two aspects of the report before me to comment on. The first aspect I refer to concerns Defence acquisition projects. Defence is a huge department which spends vast amounts of taxpayers’ money. It is awfully good at some things it does, and it is terribly bad at other things it does. One thing that we have regarded Defence as being terribly bad at is the proper management of expenditure on large projects. It is improving thanks to some energy from the government and a lot of energy from the Joint Committee of Public Accounts and Audit and the Auditor-General. That requires Defence to become a lot better at financial management issues and avoid the excessive overexpenditure patterns it has shown in the past. Overexpenditure in Defence projects can result in hundreds of millions of dollars being wasted. I am reminded of one area that we picked out recently, which was foreign exchange management—and if it were not so tragic, it would be hilarious—which resulted in the Department of Defence having enough money to buy only 11 helicopters, and not 14, because it did not manage its money properly. That is because those are skills that
Defence has not developed or understood. That is an awful lot of money to have missed out on; three helicopters, as you know, is an expensive business. This is not dry as dust stuff; this goes to the proper use of moneys by a very large department.

Another area has been its failure to respond appropriately to recommendations by the Audit Office to have a proper line of responsibility to make sure these recommendations are followed through. With some goodwill from people within Defence, we think—that is, the chair, the committee and the Auditor-General—the position is gradually improving.

The other thing I want to mention briefly is the report on debt management. The Commonwealth has an exposure in foreign nominated currency of about $94 billion. That is a deliberate stratagem often. It does not represent debt in the full sense of the word; it just represents an exposure. With the devolution of responsibility to individual departments, it is very important that individual departments develop the skills to manage their debt and that the oversight bodies—which reside within the Reserve Bank and the Department of Finance and Administration—develop sufficient skills, review their benchmarks and relate to and understand the marketplace sufficiently well to at least match the commercial operators in both prudential activity and ensuring that their risk is as low as possible. This report draws attention to some weaknesses in this area and ways in which the Reserve Bank, the AOFM—the Australian Office of Financial Management—and various agencies should manage debt and review their benchmark processes. These things matter enormously, because if you fail to do these things correctly, the loss consequences for Australia and the taxpayers can be vast—hundreds and sometimes billions of dollars. *(Time expired)*

Question resolved in the affirmative.

**Treaties Committee**

**Report**

Debate resumed from 12 October, on motion by Senator Cooney:

That the Senate take note of the report.
well. Emblazoned on my mind is Neil Armstrong coming down the ladder and stepping onto the Sea of Tranquility in July 1969, and right from the beginning of the space age in 1957 Australia has cooperated with the United States to expand our knowledge of space and to open the last frontier to human endeavour. Australian scientists and Australian installations have, for over 40 years now, provided a rung on a ladder that for the first time in history has allowed us to ascend to the heavens in those very famous words to ‘touch the face of God’. Our facilities such as the Canberra Deep Space Communications Centre at Tidbinbilla and the tracking and data relay satellite ranging system facility at Alice Springs link Australia with the global deep space network of installations in California and Spain. The new Australian film The Dish popularises the invaluable role that our geographic location and scientific expertise helped us to play in living and partaking in the dream of those who first glimpsed the fragile blue expanse of our planet from above, those who first walked on the moon and those who peered through the telescopes at the furthest reaches of the universe. When Senator Ludwig, I and other committee members went on an excursion to our facilities we learnt that the Voyager 1 and Voyager 2 launched in 1976—

Senator McGauran—Was it an overnighter?

Senator MASON—No—have now traversed to the outer edges of the solar system and are now outside the power of the sun. So it is not over the top or overblown to suggest that man’s venture into space now truly knows no horizon. The extension of this agreement helps us to continue that dream for the future of Australians, many of whom, I am certain, will themselves walk soon in the footsteps of Neil Armstrong and John Glenn. One of the great things of that day was going to Honeysuckle Creek, where we met the people who were at the monitors in July 1969 and who first received those signals from the moon. They were here in the ACT—the same gentlemen in the black and white photographs, with longer sideburns, I might add, but it was a wonderful experience to meet them. In closing, I thank my colleagues on the committee, Mr Andrew Thomson and Senator Cooney, for their great assistance in the development of this report.

The ACTING DEPUTY PRESIDENT (Senator Calvert)—Senator Ludwig on the same matter, I presume. I think the President would like to be here for this discussion, seeing that her husband was also involved.

Senator LUDWIG (Queensland) (6.57 p.m.)—I, too, wish to take note of the 36th report of the Joint Committee on Treaties, which includes both an extradition agreement with Latvia and an agreement with the United States of America on space vehicle tracking and communication. I, too, like Senator Mason, was privileged to go to Honeysuckle Creek, the original site, which is now a community place which has various artefacts to preserve our history. I cannot let this report go by without saying a few words in relation to the role that Honeysuckle Creek played. I appreciated the time and trouble the committee secretariat took to introduce the Treaties Committee to the Canberra Deep Space Communications Centre at Tidbinbilla. It was extremely profitable and enlightening. But I must also highlight that the committee had a wonderful opportunity to be at the opening of the commemorative plaque at the now decommissioned site at Honeysuckle Creek, which celebrated—and I guess the best way to say it is—’one giant leap for mankind’, which was Neil Armstrong’s moon walk and which we all recall was on 21 July 1969, although most Americans would remember it as the 20th.

I learnt that, contrary to popular opinion—and as is now immortalised in a wonderful movie called The Dish—Parkes was not the first to receive the wonderful pictures of Neil Armstrong stepping down off the Eagle to walk on the moon. Honeysuckle Creek broadcast the first footage. This is a somewhat contentious area for the Senate on an evening like tonight. There is an argument about how long the broadcast lasted, and most views are that it ranged from about 90 seconds to four minutes, although some have said that it was six minutes and others have said it was nine minutes. It is not my place to reopen that argument tonight, other than to say that, by all accounts, Honeysuckle Creek
received the first pictures. It is perhaps best to leave it there. Parkes played an enormous role after that.

Former Honeysuckle Creek staffer Hamish Lindsay told us that story one clear morning at the now decommissioned site during the commemorative ceremony, and I would not cavil with him. I take him at his word: that is what happened. He produced a newspaper article from the *Sun-Herald* of 8 October 2000 to substantiate his claim. In any event, I am sure that it does not detract from the wonderful movie *The Dish*. I guess movie makers must sometimes employ a little fiction to maintain a good yarn, but certainly no-one would hold it against them if they found time to squeeze the Honeysuckle Creek site into the story.

On a more serious note, the second part of the report deals with the extradition agreement with Latvia. There has been a curious turn of events in the treaties committee. I am fortunate to be a member of that committee and to have been involved in the negotiations and hearings surrounding the extradition agreement with Latvia and subsequent work—which I will come to shortly. I think it is worth while correcting some views that have been put in relation to that treaty. The ‘Opinion’ section of the *Australian* newspaper of 9 October 2000 contained an article by Glenn Milne entitled—I hope that I am allowed to read the headline, Madam Acting Deputy President—‘“Idiot” MPs could save Kalejs’. The article states:

[Senator] Vanstone has also warned her fellow Coalition MPs that if they fail to allow Kalejs to be extradited the Government will face an electoral backlash from Australia’s powerful Jewish lobby.

The brawl has been conducted within the private confines of the Joint Standing Committee on Treaties, which has been reviewing a proposed extradition treaty with Latvia.

It is a curious state of affairs when the internal workings of the treaties committee—or at least its workings as reported to Glenn Milne—end up in print. The treaties committee quite rightly considered a range of scenarios, but I think it is inappropriate to go into detail and to outline the argument. It is more important to turn to the resolution, which is clearly set out in the report. The treaty proposal received the attention it deserved and it was passed.

It is interesting to note, after reading the article further, that whoever briefed Glenn Milne did not understand the argument. It appears that whoever decided to reveal what was going on managed to confuse many of the matters surrounding the main issue. That person confused in a broad sense what a ‘no evidence’ rule in fact is. The article states:

Under Bowen’s legislation, there is what’s called the “no evidence” rule. Under this rule the country applying for extradition simply has to produce a statement of fact—in other words, a prima facie case against the accused.

That is plainly wrong; it is around the wrong way completely. I guess perhaps the title of the article has some relevance for whichever member of parliament managed to brief Glenn Milne: the description seems applicable. It is clear that the Extradition Act 1988 has a ‘no evidence’ rule, which means precisely what it says: no evidence is required. The prima facie rule predates that and some evidence is required. I guess the member of parliament who is mentioned in the title of the ‘Opinion’ article should have read the extradition treaty or the report or at least have thought more clearly about his or her remarks.

Another matter concerns me greatly. An article entitled ‘Plan to ratify war court sparks MP row’ appeared in today’s edition of the *Age*. For purposes of clarity, it is worth stating that both senators and members serve on the treaties committee—the fact may escape most people’s attention, but it is a joint standing committee. This row also seems to have been sparked by hearings of the treaties committee. We have not reached any conclusion, and again I think it would be improper to go through the workings of the committee. However, quite unusual and bizarre circumstances have arisen. Having created a treaties committee, the federal executive does not seem to want it to work. Perhaps we should go back and look at reviewing the treaties committee again. If the federal executive is upset about how the treaties committee deliberates, comes to conclusions and formu-
lates recommendations, maybe it should re-
visit some of its earlier work.

Senator COONEY (Victoria) (7.07
p.m.)—I also wish to speak on the 36th re-
port of the Joint Standing Committee on Treaties, and I will continue along the line that has been set by Senator Mason and Senator Ludwig. This report deals with two things: an extradition agreement with Latvia and an agreement with the United States of America on space vehicle tracking and communications, both of which are very im-
portant treaties. As Senator Mason and Senator Ludwig have said, the treaty dealing with space vehicle tracking and communications brings back memories of the moon landing—which, Madam Acting Deputy President Crowley, we would both remem-
ber. It was, as Senator Ludwig and Senator Mason have said, a most amazing occasion back then at the end of the 1960s.

But it is the other treaty I want to deal with, and that is the extradition treaty with Latvia: the agreement reached between Aus-
tralia and Latvia to enable people accused of offences to be extradited between the two countries. This was a treaty that had a heavy component in it, that component being the proposed extradition of Konrad Kalejs—that proposal being put forward by a series of people. Therefore, debate about this treaty was overshadowed, in a way, by that fact.

The purpose of extradition treaties is to ensure that people who have committed crimes, particularly serious crimes, are brought to justice—and everybody would agree with that proposition. If people break the law, particularly if they break it in a seri-
ous way—indeed, in a grave way—then it is proper that those people be brought to justice. When we bring people before the courts, we should ensure that they are treated fairly, and that can be very difficult.

Some of the great judges I have known have been very severe in penalty but have ensured that the trial is fair. To leave out that element of the proceedings—which is the element which brings proper process to the determination of whether a person is guilty or not—is a crucial matter. That comes be-
fore the penalty. When you are looking at a good or bad judge, it is not so much a matter of saying, ‘Well, has this person given a heavy penalty?’ but, ‘Has this person made sure that process has been proper before the penalty is imposed?’ That is a concept that is oftentimes confused. People say, ‘Well, we’ve got to ensure that this person is given a proper penalty,’ whereas the first question should be, ‘Has this person been given proper process in reaching the conclusion whether he or she is guilty so a penalty is appropriate?’ As is shown in America at the moment, people are on death row—indeed, people have been executed—with it now becoming clear, because of DNA tests, that they should not have been; and that is a very dramatic illustration of what I am talking about.

On the committee, this treaty raised some concerns, and there was some criticism lev-
elled at the committee because of it expressing those concerns. Perhaps it is appropriate for me to tell the Senate what those concerns were. The treaty with Latvia will entitle Lat-
via to get people extradited from Australia, including Australian citizens, for crimes al-
legedly committed in Latvia. This will mean, just to use again an illustration I used earlier today, that if you have a backpacker in Lat-
via and that backpacker returns to Australia to his or her family and an accusation is made that that person has committed theft in Latvia, then he or she can be sent back to Latvia—not on the basis of any evidence that Latvia would send out to us, but on the basis of a series of statements made by Latvia that a crime was committed and that this person is suspected of having committed that crime.

It is a very serious thing for Australia to send people back to Latvia; it is a most seri-
ous thing for people to send back citizens of Australia to Latvia—and not only to Latvia but to other countries with which we have made similar treaties. Indeed, as a commit-
tee, we said that this treaty ought to go ahead on the basis that the action of the commit-
tee—which had approved similar treaties prior to this—had probably raised an expecta-
tion in the government’s mind that it could go ahead and make treaties of this nature with other countries and accordingly it would be harsh of the committee to now withhold its consent. Nevertheless, this treaty
raised a number of issues, and it is a matter for this committee to look at these further.

Earlier today I used the example of Greece. If a person in Greece is alleged to have committed a crime and that person is an Australian, he or she can be tried in Greece. If he or she comes back to Australia, he or she can be extradited to Greece on the proper application being made and be tried there. But Greece does not reciprocate. Greece will extradite to Australia people who have committed crimes in Australia as long as they are not Greek citizens. There is a distinction made by the civil law countries between their own citizens and other people who may have committed a crime in Australia, where Australia applies for those people to be extradited here. Other countries will not extradite their own citizens whereas we will extradite our citizens to these countries.

The explanation given for that rested, in large part, on the proposition that Australia will not try people who have committed crimes overseas and who have come back to Australia. We will not try our citizens who commit crimes overseas and come back to Australia. That was one of the propositions put to the committee when they were deciding whether to approve of the treaty referred to in report No. 36. But today we passed a law in this chamber which allows Australian citizens who commit crimes overseas to be tried here. So our Australian citizens, in contrast to the citizens of other nations, can be tried for crimes they committed overseas and be extradited to countries overseas for that crime. They are in double jeopardy, whereas a country like Greece would try people who had committed crimes in Australia but would not extradite their citizens to Australia.

What I want to point out is this: Australian citizens are much worse off than citizens of other countries in respect of these extradition agreements. Therefore, it is proper for this committee to look at that and to take on a proper examination of this system to see whether something better can be worked out. For the committee to be criticised for that is quite wrong. I just thought I would add those matters to the matters already so eloquently put by Senator Ludwig and Senator Mason. (Time expired)

Debate (on motion by Senator Bartlett) adjourned.

Regulations and Ordinances Committee Report

Debate resumed from 12 October, on motion by Senator Coonan:

That the Senate take note of the report.

Senator BARTLETT (Queensland) (7.18 p.m.)—I rise to speak on this report of the Standing Committee on Regulations and Ordinances, of which I am a member. I might continue a bit on the same theme that my colleague Senator Murray was raising in relation to the Joint Committee of Public Accounts and Audit. This is another committee that is not political or high profile but does an incredibly important job.

It is a shame sometimes that a lot of the focus in terms of the activities in and around the parliament is on something as pointless and irrelevant as question time rather than on some of the crucial issues that we have the responsibility of scrutinising properly. Unfortunately, the main exposure most of the public have to the life and operations of the parliament is to question time, which is not so close to serious discussion and scrutiny of issues. It would perhaps be like equating New Idea with a serious evaluation of current affairs and news. That is probably a bit of an insult to New Idea, but it is not a bad comparison. I think New Idea has a bit of colour, splash and human interest, but the serious examination of issues is obviously not the purpose of that publication. In many respects, I think question time is the same, unfortunately. I am not suggesting that the Committee on Regulations and Ordinances should be given prime time television coverage every day. I do not think it is that entertaining myself, but it is certainly very important.

The report details the work of the committee and the purposes of it. It is a very longstanding committee, and it is a committee that you could probably describe as being a policy free zone. It does not examine the policy intent behind regulations; it examines the principles behind them, the quality of the
drafting and the clarity of them, and ensures that they meet the requirements of civil liberties, the Acts Interpretation Act and things like that. It is purely a legal assessment, but it is also very important in terms of its impact on people. It has been stated many times in this place by me and by others that more and more power is transferring to the executive and the government and out of the hands of the parliament. One of the ways this is done is through delegated legislation. There has been a massive explosion in the use of statutory rules and other instruments. In the year that this report relates to, 1,655 different instruments were examined by the committee. Some of those are very minor, but some of them can have enormous impacts on people.

Most of these are civil aviation instruments. There were 664 in that area alone. They can obviously be very important in terms of public safety, people who are involved in the civil aviation industry, pilots and other aspects of the whole area. This committee has done excellent work in identifying occasionally, problems in instruments that have been put forward in terms of their inadequacy. This highlights a growing concern. We are having more and more of these types of instruments. The report details that last year there were 1,307 other instruments whereas, in 1985-86, there were only 426. That is a threefold increase. So it is absolutely crucial that those instruments are of a high standard.

The report details, and specifically highlights, the view of the committee that all regulations and other instruments that are disallowable—ones that this chamber can take action on, which it does from time to time—should be accompanied by an explanatory statement that provides a plain English explanation that: states the authority for making the instrument, the reasons for making the instrument and the likely impact and effect; discusses any unusual aspects or matters that call for special comment; gives the reasons for fees and charges being, and the basis upon which fees and charges have been, increased or decreased; advises, where required, that consultation has taken place and the effect of that consultation; provides a detailed, provision by provision description of the instrument; and is precise and informative.

A large number of the instruments that come before the committee do not meet those basic guidelines. It is like an explanatory memorandum for legislation, but the reason those need to be there is not just that it is helpful from our point of view as legislators to have an opportunity to examine those sorts of issues but that the instruments affect people. One of the other authorities that produces a lot is the Great Barrier Reef Marine Park Authority. That can have a big impact on fishing people and on tourist operators. They need to be able to actually understand these things, because they are the rules that they have to operate under. Some of the explanatory statements are fairly opaque, to put it mildly. Some of the drafting is curious as well, and the report details drafting defects.

The mechanism the committee uses of seeking clarification from the relevant minister—putting down protective disallowance notices of motion until the minister’s response satisfies the wishes of the committee and then withdrawing them—can seem like a bit of an obscure administrative process. However, it makes ministers and their departments and drafters much more accountable, and it gets on the public record and corrects any of the mistakes that are there. Any number of potential mistakes, misunderstandings or imperfections have been identified as a result of the work of this committee—completely unheralded.

I am not complaining about not getting coverage. It probably works more effectively because it does not get coverage, so I am not suggesting it should, but it is a matter of highlighting the importance of the work of that committee. I highlight the importance of the work of not just the senators on the committee but also the secretarial staff and legal advisers as well. Due to a combination of circumstances, the membership of the committee during this inquiry included five—out of the six senators—Queensland senators, which might explain why it is such a high quality committee. Unfortunately, we lost Senator McLucas just recently, so we are
back to only four out of six now. That is no reflection on Senator Buckland, who I am sure will make a good member. But it probably had some impact on the effectiveness of the committee as a whole.

There is one worrying aspect of the report that is also worth highlighting in the process that the committee follows in seeking clarification from the minister and in getting responses. Often, a minister will give an undertaking to address the problem that has been raised and identified and then, on the basis of that undertaking—which is tabled in this chamber each time—the notice of motion is disallowed. It is an act of faith, but there is a commitment made to the committee and, through the committee, to the Senate as a whole—and, obviously, through the Senate, to the public as a whole. This report lists 16 undertakings given in previous years—not in 1999-2000 but before 1 July 1999—that had not been implemented as at 30 June 2000. There may well be noble, good and honourable reasons as to why those undertakings have not been implemented—the report does not go into that level of detail—but it would seem to me that you would want to have pretty good reasons to take more than 12 months to follow up on an undertaking you have given to a Senate committee.

My own view—I cannot speak for the committee as a whole—is that, if ministers are taking so long to respond to undertakings, the committee might reconsider acting on faith quite so willingly. Commitments that are made about issues like this should not be seen as just flippant things on the side, in the same way as drafting these regulations and instruments and providing clear explanatory statements should not be seen as just an irritable little administrative task where it does not really matter if we do not quite get it right. It is crucial. We are talking about the law. More and more of the law goes through these types of instruments and, therefore, through this committee, and that is why its work is so important. For those people that recognise the importance of the broader workings of the parliamentary process, I would recommend the report as a reasonably brief but informative outline of this particularly important process.

Question resolved in the affirmative.

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Employment, Workplace Relations, Small Business and Education Legislation Committee—Report—Vocational Education and Training Funding Amendment Bill 2000. Motion of Senator Carr to take note of report agreed to.

Rural and Regional Affairs and Transport References Committee—Report—Air safety and cabin air quality in the BAe 146 aircraft [Matter specified in paragraph (d) of the terms of reference]. Motion of the chair of the committee (Senator Woodley) to take note of report agreed to.

Rural and Regional Affairs and Transport Legislation Committee—Report—Administration of the Civil Aviation Safety Authority: Matters related to ARCAS Airways. Motion of the chair of the committee (Senator Crane) to take note of report agreed to.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

New South Wales Members of Parliament: Superannuation

Senator WATSON (Tasmania) (7.28 p.m.)—In recent weeks, I have been alarmed by reports in the Sydney and Hobart press detailing the objectionable actions of certain members of the New South Wales state parliament. The actions, which have quite rightly caught the attention of the media, are those whereby some sitting members of the New South Wales parliament are claiming retirement benefits even though they are still members of the parliament and actively engaged as such. I personally believe that this is far from being moral or ethical behaviour, although I understand it is alleged to be quite legal. The issue was brought to the public’s attention when a leaked report from the New
South Wales Government Actuary, Mr Peter Gerrard, was obtained by the—

Senator Forshaw—Madam Deputy President, I rise on a point of order. Normally, I would not have to do this to Senator Watson—and I seek your ruling on it—but I understand that it is contrary to the standing orders to reflect upon the integrity of a member of this parliament or another member of parliament. I believe Senator Watson's remarks so far are contrary to that standing order.

Senator Ian Macdonald—On that point of order, Madam Chair, I do not think Senator Watson has said anything that would draw him to question particular members of parliament and name members of parliament. It seems that very often in this chamber other members of parliament in other jurisdictions are mentioned. Certainly we would not want to mention Queensland members of parliament today particularly. I do not think Senator Watson has, and I would urge you to dismiss the point of order.

The ACTING DEPUTY PRESIDENT (Senator Crowley)—The point of order is well taken as a point of order, but I cannot say that it applies in this particular case. Senator Watson, I will listen very carefully because I was not able to catch everything you said. If you could take account of that caution and continue your remarks.

Senator Watson—Yes, indeed. I will be most careful. I am looking at the standing orders of the Senate and I refer to rules of debate, 193, and I do not believe I am using offensive words against the house of parliament but believe I am drawing attention to a series of actions which I think are not acceptable in relation to a superannuation matter which is very close to my heart. I am now quoting from a leaked report from the Government Actuary, Mr Peter Gerrard. That report incidentally was not tabled in the New South Wales parliament. Mr Gerrard described the double-dipping scheme as 'undesirable' and strongly recommended that it be reviewed, and I strongly agree with him on both counts. I therefore call on the New South Wales government as a matter of urgency to change the trust deed of the scheme or, if required, have the legislation amended to ensure that this outrageous entitlement be outlawed.

We had one particular member of parliament who after turning 65 years of age, even though he was still in full-time employment, admitted in the press that he was collecting a pension in addition to his salary as a state parliamentarian. The first press story noted that actually five New South Wales members of parliament had acted on this loophole in the laws. Then it was reported last week that another member of parliament actually admitted having applied for and accepted a lump sum under the scheme. In fact, he apparently received hundreds of thousands of dollars in this case not as a pension, in addition to his salary, but as a lump sum after paying only a small proportion of that into the scheme himself. The rate of tax applicable could have been as low as 10 cents in the dollar, and under the rules of the scheme there is no longer a requirement to make any further payment.

It appears that members of a number of parties have taken advantage of this so-called loophole. It is very difficult to reconcile the actions of these people with any concept of moral or ethical public service.

Senator George Campbell—Madam Acting Deputy President, I am reluctant to rise on a point of order against Senator Watson, who usually takes a very high moral position in most of the contributions he makes in this house. Senator Watson is clearly contravening 193(3), which states:

....all imputations of improper motives and all personal reflections on those Houses, members or officers shall be considered highly disorderly.

Given that those individuals have been named in the media and people would properly draw the conclusion that those are the individuals Senator Watson has referred to, Senator Watson is clearly in contravention of the rules of debate, 193(3). I ask you to rule accordingly.

Senator Ian Macdonald—On the point of order, Madam Acting Deputy President, Senator Watson quite clearly has not named any member of any parliament. If Senator George Campbell knows someone that that might refer to, that is a matter for Senator
George Campbell. I certainly have no idea who Senator Watson is talking about and neither would anyone else in this chamber and, accordingly, it is certainly not relevant under standing order 193.

Senator Coonan—Further to the point of order, Madam Acting Deputy President, the purpose of the rules of debate in standing order 193 is to look at conduct that might be considered to be highly disorderly. To actually refer to Senator Watson as being highly disorderly is approaching high farce with the way in which he has approached the debate this evening, because he started his remarks by saying that he made no allegation, no imputation at all, of anything being illegal and what in fact he was referring to is a published report. He appears to be speaking within the confines of that report, and doing it in a totally appropriate way. If we in this place cannot discuss a report in the way in which Senator Watson is approaching it, I just do not know what is going to happen to free speech in this country because, certainly, the way he has approached it does not, in any way, convene 193, which is directed specifically at offensive behaviour, offensive words, and imputations against individuals. That cannot be said to be the case here.

Senator Forshaw—Madam Acting Deputy President, it was in respect of 193(3) that I made the original point of order.

Senator Ian Macdonald—But you’ve been ruled against.

Senator Forshaw—I will take that interjection. If you listen to the comments from the Chair, it was made very clear that the Chair would listen very carefully to what was said further by Senator Watson.

Senator Ian Macdonald—Then you should have no trouble with it.

Senator Forshaw—I am taking a point of order and I will continue with it. My concern, and what I believe the concern of the chamber should be, is the reference in the standing orders to:

... imputations of improper motives and all personal reflections on those Houses, members or officers ...

The standing orders do not require, as I read them, that an individual be named. In my view, this is at the stage where there has been an imputation of an improper motive against members of the New South Wales parliament. The fact that Senator Watson said that it is not illegal or that they are not doing anything wrong strengthens the point I am making. He said that, then went on nevertheless to clearly make an improper imputation against those members. I would have no difficulty if he were commenting on the scheme and its operation without reflecting upon the members of the New South Wales parliament.

The ACTING DEPUTY PRESIDENT—Having listened to the argument, I think Senator George Campbell and Senator Forshaw are right. There is an imputation here and, Senator Watson, you are, according to the standing orders, out of order where there is a reference to members of another house or another parliament. As Senator Forshaw has said, you may properly speak about the scheme but not mention members or members of another house. As everybody has said, you are the person least likely to be described as disorderly—which is sometimes taken to mean something more than just being outside standing orders—but I do draw your attention to the fact that, at this stage, if you refer to the people involved or to the people as representatives of the chamber, you are out of order.

Senator Watson—I thank you for your ruling but, when the first point of order was raised, I was merely agreeing with a matter in relation to the scheme that was raised by the actuary in his comments. All I said was that I agreed with his comments.

Opposition senators interjecting—

The ACTING DEPUTY PRESIDENT—Order! Senator Watson has the floor. Senator Watson, I take your point. By way of further clarification, I agree that, while you are speaking of the scheme, there is no offence against the standing orders. When you refer to members or representatives of another chamber or another parliament, there is.

Senator Watson—Thank you. I will quote the chairman of the New South Wales scheme’s trustees, Mr Paul Whelan. He be-
lieved that it was acceptable because it was legal. I see no offence in that. But what I am concerned about is that, over the years, there has been a great deal of public criticism about the level of retirement benefits paid to some members of parliament in particular circumstances. Much of this criticism has been based on the changing nature of the workplace, where very few Australians now have the type of security or the longevity of employment of earlier years. Many would say that those who leave parliamentary life with much of their working lives still ahead of them should share conditions more closely related to those experienced by other working Australians. This is the problem with the scheme that is operating in New South Wales: it does not line up with what Australians and perhaps parliaments expect of their members. It is incumbent on the trustees to get this matter right and to put it more in tune with community standards than is the case now. We all know that reforms in this area must reflect the changing circumstances in this area, and I draw the Senate’s attention to a report of the Senate select committee that I chair, which made a number of recommendations.

It is important that the scheme is not perceived to have benefits that are outside what people consider to be the normal accepted practice. I have concerns that the scheme currently operating in the New South Wales parliament is perhaps exceedingly generous, and that naturally incurs the ire of the ordinary person. Other members of parliament who work under less generous schemes carry some of that stigma. The scheme as such is deemed by the authorities quoted so far as being legal, but that does not mean that there is not a case for the trustees or the Premier to bring about a change to bring it more into line with community standards so that the parliamentarians will not be brought into disrepute. I feel for those parliamentarians in New South Wales who have not taken advantage of this sort of situation and I give credit to them. We have to be very careful about a cynical public in relation to parliamentary entitlements and, therefore, I take this opportunity to express my desire that the New South Wales parliament, having so many examples before it now, does act very quickly to expedite the situation. The New South Wales government must move immediately to change this entitlement, which is certainly outside community norms in this more enlightened era in which we live today. I thank the Senate.

Senator Ian Macdonald—Madam Acting Deputy President, I rise on a point of order. You have ruled that Senator Watson, without mentioning anyone but talking about what is obviously a rort in the New South Wales parliament, was making imputations about a member of another parliament. Yet, for two weeks now in both chambers here those sorts of imputations have been made against a member of the House of Representatives. It has gone on and on without interruption from either Presiding Officer. Madam Acting Deputy President, I wonder if we could ask you by way of precedent to have your ruling checked, and perhaps you could provide a written indication of why you have made this ruling in relation to what Senator Watson said so carefully, so appropriately, when the Presiding Officers have allowed a member of the House of Representatives to be impugned with impunity over the last two weeks?

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Senator Macdonald, I certainly will take note of what you have asked, and I will seek some clarification from Madam President’s office as to whether there is anything further to add. As for my decision about Senator Watson, I think the Hansard will reveal that he referred to certain members behaving immorally, and that does contravene the standing orders.

Australian Broadcasting Corporation

Senator GEORGE CAMPBELL (New South Wales) (7.45 p.m.)—The current re-structure being undertaken in the ABC is not about making the ABC a more efficient, modern broadcaster—which it already is—but is much more sinister; it is about under- mining the political independence of the public broadcaster. It is political interference of the worst kind. This interference aims to render the ABC totally ineffective in carrying out critical independent analysis of national political and economic affairs. The ABC’s managing director, Jonathon Shier, has made the ABC’s future role a major po-
political issue by his visit to parliament this week. Despite all his assurances, today a directive has just come down from ABC management announcing massive cutbacks to ABC news and current affairs. To quote the ABC national editor of television news in the directive:

News and current affairs faces a critical budget cut and savings have to be made in the remaining eight months of this financial year. This means that there will be a severe restriction on our operating expenditure.

The cutbacks announced in the management directive include a freeze on vacant positions and leave without pay, restrictions on domestic travel, a freeze on off-base travel, restrictions on the use of satellite feeds, a review of meal allowances and little or no leave for staff over Christmas. It looks like the ABC employees will be working all through the holiday period without the opportunity to take a break or leave that may be due to them. What has not been stated in this debate, however, is that there is an $8 million deficit in the news and current affairs budget. That just happens to represent the size of the cost of running the ABC flagship program, the 7.30 Report.

It has been a long-term aim of the coalition to undermine the critical independence of the ABC, and we are now seeing the commencement of an action plan. This is a mean, vindictive government that will go to extraordinary lengths to pay back its perceived enemies, and everyone in this building knows that Kerry O’Brien is perceived as being one of the enemies of this government.

Senator Ian Macdonald—Madam Acting Deputy President, I rise on a point of order. I am a member of this government, and I have just been called mean and vindictive. On the ruling you have just made in relation to the New South Wales parliament, not only will you stop Senator George Campbell from maintaining this but also you will ask him to apologise.

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

Senator GEORGE CAMPBELL.—This restructure of the ABC has been on Prime Minister John Howard’s agenda for some time. Who could forget Senator Alston’s 1996 leaked cabinet submission that openly canvassed strategies to ‘influence ABC’s activities and functions more directly’. Under the ABC’s new managing director, we now have an idea of what form this strategy will take to undermine the ABC’s independence. This includes cutting funding, stretching the ABC’s already drastically stretched budget, undermining the ability of the broadcaster to train quality journalists and reporters by slashing jobs from its training department and a major attack on news and current affairs. They are talking about ‘widening’ the program content on news and current affairs services, which in reality means they want to dumb down its political content. This involves providing content rules that steer news and current affairs away from politics and, in particular, reporting on this government’s activities.

We should not forget that Senator Alston has not made any secret of the fact that he does not have any enthusiasm for the ABC. What is interesting about the process that has occurred in respect of the ABC is that the new managing director was able to start headhunting activities for new executives before he had even taken up his position and, more importantly, was able to sack or make redundant existing executives on the basis of one conversation with those individuals. For example, the former head of news and current affairs was dismissed shortly after news of Jonathan Shier’s arrival and after only one interview. I understand that employee is still on the payroll, because the ABC have not even gone through the proper procedures to terminate that individual’s employment. To have moved so fast on taking up the position, it is obvious that there must have been a strategy in place in terms of both the individuals that were going to move and the way in which the ABC was going to function under the new leadership and under the new board and its new chief executive.

I simply want to focus on the strategy to interfere in the ABC’s political independence, for in pursuing its own narrow, vindictive agenda this government is dismantling a major national asset. The first thing to realise is there has been a steady stream of cutbacks
to the ABC under the coalition. Most of the ABC is already down to skin and bone. Making the broadcaster provide content for two digital stations under the new digital arrangements with no extra funding is tantamount to a massive cutback. ABC management will have to find the funds from existing programs. As most non-news services have already been cut to the bone, it becomes clear that the cutbacks will have to come from the ABC’s news and current affairs services. Something has to give. ABC news and current affairs program managers are faced with three choices: (1) doing less on existing funds, which means cutting programs, (2) stretching the already limited resources further, which will mean a deterioration in program quality or (3) cutting jobs. Penny-pinching is not sustainable and ultimately programs and jobs will have to go. This means program and job cuts in news and current affairs and—surprise, surprise—less objective coverage of this government’s activities.

It is emerging that the ABC is already at breaking point. Numerous examples abound. Since 1996, for example, 20 per cent of staff across the ABC have been retrenched. Studio producers are being asked to act as clerical staff during programming. In another case, there are 18 journalists in news radio with only three Internet terminals. Use of casual staff has been wound up in news and current affairs and—surprise, surprise—less objective coverage of this government’s activities.

In many instances the cutbacks just seem mean spirited and about silencing the political content in news and current affairs. The ABC has become a political—not economic—target. The cutbacks to news and current affairs are about silencing its political news content. This in itself is a form of censorship. The most sinister development, which highlights the government’s true agenda, concerns a call for news and current affairs to have so-called ‘wider’ content. They argue that the ABC needs to increase its popularity, aspiring to ratings of up 30 per cent. They are asking the ABC to increase its funding

The call to appeal to a wider audience is really just code for a call for less political content. The catchcry is ‘let’s do less politics and economics coverage and instead do more general interest stories.’ This undermines the ABC’s ability to provide independent analysis of current affairs. Central to dumbing down the political content of news and current affairs has been the Mason report—by Michael Mason, the newly promoted head of local radio under Jonathan Shier; not Senator Mason, who represents the state of Queensland. The Mason report requires a localisation of news radio. While this sounds straightforward, it is actually about getting rid of national political content by making radio current affairs less important and undermining its ability to cover the hard economic and political issues.

It is quite clear that the strategy is to dumb down the ABC to reduce its so-called troublesome political content. It is being done under a clear strategy. The coalition wants to stop the ABC’s ability to independently analyse and criticise major issues of the day. This is blatant political interference by this government, aimed at stifling any objective analysis of its performance. We in this chamber and in this building all know that that analysis will not come out of the commercial radio stations. It is only a well funded independent ABC, with properly trained journalists, producers, executive producers et cetera, that will have the credibility to produce independent critical analysis on political news, current affairs and economics news that will test the capacity, the honesty and the directions that are taken by governments today and into the future.

**Animal Welfare**

_Senator BARTLETT (Queensland) (7.56 p.m.)—_ A fortnight ago there was a cull by the National Parks and Wildlife Service of 620 brumbies in a reserve in northern New
South Wales. The brumbies were gunned down in a national park near Coffs Harbour by marksmen in helicopters. As often occurs with shooting animals from a helicopter, many animals were not killed outright but suffered horrific injuries and slow agonising deaths. I understand that one of the mares was shot while foaling. The Australian Veterinary Association, AVA, has expressed outrage at the apparent lack of concern for the horses’ welfare and at government claims that the AVA endorsed the exercise. The AVA policy says aerial culling should be done only as a last resort by expert marksmen and on open arid and semi-arid country, not in very rugged forest terrain. As animal welfare spokesperson for the Australian Democrats, I strongly oppose this practice. I look forward to the results of the investigation that the RSPCA are conducting into the incident.

On the subject of shooting things, I note a recent report about an address to the Press Club by television identity Don Burke, who reportedly calls himself a greenie. He said he had no problems with shooting birds such as starlings and pigeons around his Sydney home. Indeed, he was reported as saying he believed killing even native animals, such as a dive-bombing magpie or a noisy possum in your roof, is also perfectly acceptable. He said, ‘These things are now living in a suburban environment. So if they need culling, so be it.’ I will limit my comments on that to just saying not only do I totally disagree with healthy animals being shot but also I am not sure letting off a few rounds in an urban environment is fair on the neighbours.

Mr Burke also criticised organisations such as the RSPCA for their attitude towards native wildlife. He suggested he should be exporting white cockatoos because of the problems they cause to grain farmers. I am not sure how grain farmers overseas would feel about that, because of course our native animals are another country’s introduced pests. The Australian government’s policy of retaining a ban on the export of live birds is a very sound one which the Democrats strongly support.

Mr Burke also advocated, as have other people, the keeping of native animals as pets—an idea that is sometimes simplistically explained as a positive one for native wildlife but in my view is a very bad idea and except in rare circumstances quite negative for native wildlife. Domestic animals have been bred specifically over centuries to be suitable as pets, yet we still see tens of thousands of unwanted animals put down every year by the RSPCA. Having native animals as pets, which in almost all circumstances are much more difficult to care for—they are not appropriately adjusted to the urban environment and the confines of being a pet—will just increase this figure dramatically, increase the animal’s suffering and do nothing serious to assist in conservation.

Many Australians are genuinely interested in wildlife, particularly in birds. The contribution of volunteers is exceptionally high in this area and vital to the protection and conservation of Australia’s unique bird life. One example is the ‘birds in backyards’ project—hopefully not appearing on Burke’s Backyard, or they might be in a bit of trouble—which is researching why small bird populations are declining rapidly. The project involves 2,000 volunteers from Wollongong to Newcastle just watching their backyards for 20 minutes each day for a week and recording which bird species they see. Apparently, well-manicured gardens in urban areas are part of the problem for Australia’s small native birds, which need dense shrubs and trees where they can hide and build nests. By and large, the main threats to Australia’s birds are land clearance, agriculture and feral pests.

Another project using volunteers is the Heritage Trust funded recovery plan for Australia’s rarest bird, the black-eared miner. A small colony among the only remaining birds—at risk of being wiped out by a single bushfire—is being moved from the remaining location to sites where the birds originally lived in Victoria, other regions of South Australia and, if suitable habitat can be found, New South Wales.

For those people seeking more information about volunteering in a bird project, I would recommend Birds Australia, formerly the Royal Australasian Ornithologists Union, who have been conducting research and conservation projects to aid Australia’s native birds since 1901. They have almost com-
pleted a national bird atlas, which would be an invaluable contribution. I imagine a bit of funding assistance would not hurt in ensuring that project is completed. Birds Australia point out that birds are the best indicator for assessing biodiversity and ecological integrity because they occur almost everywhere. They are highly visible, high up the food chain and reflective of biodiversity. Birds are indeed in many ways the canary in our own coalmine.

The government recently launched a new action plan for Australia’s bird life, titled ‘Action plan for Australian birds’, written by Stephen Garnett and Gabriel Crowley—and I would also recommend that to anybody interested in this topic. It lists over 1,200 varieties of birds in Australia of which 155 bird species and subspecies are threatened, 25 extinct, 32 critical endangered, 41 endangered, 82 vulnerable and 81 near threatened. Many of those that are extinct existed on islands, such as Norfolk Island and Lord Howe Island, and they include the Tasman starling and the red-crowned parakeet. A total of 1.9 per cent of all birds have become extinct and a further 11.5 per cent are now considered threatened since European settlement in 1788.

Birds are a vital part of ecosystems through pollinating native plants, dispersing seeds and keeping insect populations in check. The main threats to birds are usually destruction or fragmentation of their habitats, loss of sources of food and the introduction of predators. Land has been cleared largely for agriculture and urban development. Land clearing and grazing by sheep and cattle are each currently affecting about a quarter of the threatened or near threatened birds.

In my own state of Queensland fragmentation of habitat is threatening the southern cassowary and yet funding has been slashed for a program to rectify the fragmentation of habitat. The cassowary was chosen for the cover picture of the ‘Action plan for Australian birds’ as a way of highlighting a well-known and sadly very endangered species from Far North Queensland. Funding was cut despite the bird’s image gracing the cover of this plan, which I think can lead one to suspect that perhaps this is a nice looking book with lots of information but to wonder again about where the funding priorities actually are.

It is appalling that $140,000 could not be found in the Natural Heritage Trust to fund the North Queensland tree planting project to join up fragmented habitat vital to the cassowary’s survival. Eighteen thousand native trees, including those that provide food for cassowaries, were to be planted throughout the Walter Hill Ranges area over the next three years. The Wet Tropics is home to a vast array of wildlife that is dependent on the conservation of that habitat, including the rare Atherton antechinus, the musky rat kangaroo, the ringtail possum and endangered frog species—as well of course as the southern cassowary. The planting of local native trees will also help reduce the numbers of cane rats around local farms, reduce erosion and shade out invasive water weeds. The project is at risk because the plant nursery that is used to grow the rainforest species used in the cassowary corridors has not attracted ongoing government funding. Many volunteers participate in the tree planting program and the Democrats believe the government should get behind this program and the local community.

Since the southern cassowary is listed as an endangered species under federal legislation, the Democrats believe the Commonwealth government has a responsibility to find the funds if the Queensland government will not come up with the money. It should not be an issue where we again have finger pointing between state and federal governments but no action. There is no endangered species legislation for Queensland. There are three known northern populations in Queensland, and those in the Wet Tropics are the only ones in a protected area. The cassowary population at Mission Beach is severely threatened by development and land clearing. The local conservation group have proposed a land buyback in the area and lobbied to have crown land gazetted as national park—actions which the Democrats support. Since the cassowary is the cover girl for the Natural Heritage Trust report, I hope there will be political support for practical measures to protect this bird.
Lastly on the topic of birds, many Australians who went to beaches along the eastern coast last weekend would be aware that thousands of migratory mutton birds are dying and washing up on the coastline. Each year about 23 million mutton birds, or short-tailed shearwaters, as they are also called, fly a round trip of about 30,000 kilometres between the Pacific Arctic regions and southeastern Australia to breed. Their rookeries are mostly on islands and isolated headlands off Tasmania and Victoria. Thousands of dead and sick mutton birds are washing ashore on beaches on the east coast. The Currumbin Bird Sanctuary in south-east Queensland on the Gold Coast has seen 10 times as many birds as previous years. In Victoria, Birds Australia staff have found 448 birds in a three-kilometre stretch north of Torquay.

It is unclear why so many birds are dying. Every year there are fatalities of course, but this year the number of malnourished and exhausted birds appears far higher than normal. Autopsies conducted by the Queensland Parks and Wildlife Service on three birds washed up on North Stradbroke Island found amounts of oil in their intestines, probably ingested in the central western Pacific, and severe liver damage. Many are weakened by internal parasites. Aside from oil spills and a general deterioration in their environment having a role, it could just be the result of storms—and that of course is no-one’s fault; even the government cannot be blamed for the weather—unless it is a case of changing weather patterns due to global warming because of greenhouse, in which case perhaps the government does have a responsibility, because Australia’s record on greenhouse is among the worst in the world. It is an area where we need much more urgent, responsible and serious action.

Australian Broadcasting Corporation

Senator BRANDIS (Queensland) (8.05 p.m.)—I too wish to join in the debate on the ABC. I will start by affirming my belief that the ABC is one of Australia’s great national institutions. It is, in my view, a public broadcaster of excellence, of which Australians can be proud. And, like all great institutions, it is neither immune from criticism nor incapable of improvement.

I acknowledge that there is a perception by many people on my side of politics that, in its news and current affairs coverage, the ABC has a left-wing bias. That is not a point of view with which I particularly wish to be associated. Speaking for myself, I do not find that the coverage by ABC news and current affairs is any more left leaning than in much of the quality print media. There has certainly been no evidence of partiality by the ABC in my state in recent times in exposing the disgrace which is the Queensland ALP. In any event, commentators are entitled to have a point of view, and so long as that point of view is fairly articulated and based upon accurate information, nobody should complain. In general, I think that the appropriate tone for political commentary is an arms-length one of mild scepticism—so long as that treatment goes for all sides of politics. I also accept that the government of the day, be it federal or state, will inevitably, and appropriately, attract more scrutiny than the opposition.

But there is one respect in which I do perceive a lack of balance in the ABC’s commentary on political and social issues. It is the absence of any commentator whose orientation or prejudices might be said to lie with the Centre Right point of view. The absence of any such commentator is a grave shortcoming. After all, as my friend Senator Mason and I never tire of reminding the Senate, it is the liberals who won the battle of ideas in the 20th century and the collectivists who lost it. For example, entertaining though I find Phillip Adams to be, the point of view which he represents is, like all those tired old icons of the Left, as dated as seventies music, flared jeans, Jesus beads, Che Guevara posters, Marcuse and the Little Red Book. The time has not yet come to consign the likes of Phillip Adams to some museum of Australian cultural history, perhaps to form part of a display of socialist kitsch; he still fulfils a valuable role. Like Alistair Cooke, he caters to our need for nostalgia, for when we hear him, we hear a voice from another age. But unlike Alistair Cooke, whose judgments are always shrewd, Phillip Adams
reminds us of an intelligentsia which was so intelligent that it managed to misread the entire course of history in the 20th century. He evokes those salad days of the Australian Left before Gough Whitlam was remembered as a national embarrassment and Dr Jim Cairns was still thought of as a serious economist; those pre-Tiananmen Square days when Mao Tse Tung was the last word in political chic and some of the leading spirits of the age were more censorious of markets than they were of massacres. He is the modern Australian equivalent and legatee of those English intellectuals of the 1930s of whom George Orwell once memorably wrote that they took their cooking from Paris and their opinions from Moscow. He is, in that sense, both a living national treasure and a cautionary tale.

But the ABC would better perform its role as a stimulator of the clash of ideas if it balanced Phillip Adams with someone with more contemporary resonance—such as, for instance, Christopher Pearson, the editor of the Adelaide Review. After all, for half a century, the intellectual debate within the quality journals in this country has been led by the non-Labor side of politics and, in particular, by the undisputed leader among Australia’s intellectual journals, Quadrant. It should not be too difficult for the ABC, quite properly fulfilling its role as a leader of intelligent discussion on the airwaves, to find exponents of the point of view which journals such as Quadrant have for so long articulated. It should not be too difficult for it to give at least equal exposure to people who did not misread history, whose ideas stood the test of time, and who are unencumbered either by dated ideologies or by a psychological need to maintain a once chic radicalism beyond late middle age.

So I conclude by once again declaring my support—nay, enthusiasm—for the ABC. I will always defend its role as a leader of public discussion. But that discussion must be a true dialogue: a dialogue in which the voices of one side of politics are balanced by the voices of the other and the voices of all those in between; in which no particular intellectual fashion gains or holds ascendancy; in which there is a proper role for iconoclasm, but an iconoclasm which challenges the pretensions of the Left no less than it questions the certitudes of the Right and is equally sceptical of both. It must, in other words, be a forum in which the civil public conversation which sets the tone of our democratic culture is enriched by all points of view and dominated by none.

Senate adjourned at 8.12 p.m.

DOCUMENTS

Tabling

The following document was tabled by the Clerk:

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Attorney-General’s Department: Programs and Grants to the Kalgoorlie Electorate
(Question No. 2433)

Senator O’Brien asked the Minister for Justice and Customs, upon notice, on 26 June 2000:

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

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

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

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

National Crime Prevention Program

(1) The National Crime Prevention Program has provided capacity building funds to the Western Australian Government (through the Western Australian Police Service and the Ministry of Justice). The project, the ‘Crime Impact Response Process’, is being undertaken in the township of Kalgoorlie over 19 months and will involve community based strategies to address identified crime priorities.

The funding is matched by the Western Australian Government.

The National Crime Prevention Program is providing funding for implementation and evaluation of a 12 month Indigenous family violence prevention pilot program located in Derby.

(2) and (3)

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<tr>
<td>Crime Impact Response Program (Kalgoorlie township)</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>$705000</td>
<td>$255000</td>
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<tr>
<td>Indigenous family violence prevention program (Derby township)</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>$1505000</td>
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Commonwealth Legal Assistance

(1) Funds are provided under the Commonwealth Legal Aid Program to the Legal Aid Commission of Western Australia for Commonwealth legal aid matters. These funds are used by the Commission to provide legal aid services in Commonwealth matters across Western Australia. While it is not possible to identify how much of the funding is provided to the electorate of Kalgoorlie, there is a regional office of the Commission located at Viskovich House, 377 Hannan Street, Kalgoorlie which provides a range of legal assistance services throughout the electorate.

In the 1999-2000 Budget, the Commonwealth Government announced it would fund five new community legal services, including one located in Kalgoorlie, as part of the expansion of the Program into regional, rural and remote Australia. The Goldfields Community Legal Centre was selected as the preferred tenderer for Kalgoorlie.

(2) The level of funding provided under the Commonwealth Legal Aid Program to the Legal Aid Commission of Western Australia for Commonwealth legal aid matters for the years in question is as follows:

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<tr>
<td>1996-97</td>
<td>$12.545m</td>
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<tr>
<td>1997-98</td>
<td>$8.285m</td>
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The Goldfields Community Legal Centre was funded at $200,000 per annum (on a reduced pro-rata basis in the first year - 1999-2000) and received a total of $169,000 including establishment costs.

(3) The level of funding to be provided under the Commonwealth Legal Aid Program to the Legal Aid Commission of Western Australia for Commonwealth legal matters in 2000-01 will be $8.995m.

Funding of $202,000 will be provided to the Goldfields Community Legal Centre for 2000-01.

**Department of Finance and Administration: Salaries**

(Question No. 2570)

Senator Faulkner asked the Minister representing the Minister for Finance and Administration, upon notice, on 6 July 2000:

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

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:

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<tr>
<th></th>
<th>Dollar Amt</th>
<th>%</th>
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<tr>
<td>(a)</td>
<td>1,777,563</td>
<td>3.02</td>
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<tr>
<td>(b)</td>
<td>15,075,021</td>
<td>25.62</td>
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<td>(c)</td>
<td>4,097,077</td>
<td>6.96</td>
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Note: The reason for the increase in the percentage amount appearing on the consultants against salaries for the 1999-00 financial year in comparison to previous financial years is two-fold:
- A 52% reduction in employee expenses due to the merger of the Department of Finance and Department of Administrative Services 1998-1999 in comparison with 96 staff redundancies and associated severance payments in 1999-00; and
- Additional one off expenditure for the outsourcing of property management.

**Department of Foreign Affairs and Trade: Salaries**

(Questions Nos 2605 and 2610)

Senator Faulkner asked the Minister representing the Minister for Trade and the Minister representing the Minister for Foreign Affairs, upon notice, on 25 July 2000:

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

(2) As a dollar amount and as a percentage of the Department’s total outlay on salaries, what was the cost of contracts for outsourced services and functions in the financial years:
(a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

Senator Hill—The Minister for Trade and the Minister for Foreign Affairs have provided the following answer to the honourable senator’s question:

As indicated above the honourable senator has asked identical questions of both Ministers. The following answers are provided on behalf of both Ministers:

(1) The Department’s total employee expenses in Australia and overseas was:
(a) $280.7 million in 1996-97;
(b) $254.6 million in 1997-98;
(c) $242.1 million in 1998-99; and
(d) $270.9 million in 1999-00.

(2) The Department’s cash expenditure on outsourced services and functions was:
(a) $15.6 million in 1996-97;
(b) $28.2 million in 1997-98;
(c) $27.4 million in 1998-99; and
(d) $21.6 million in 1999-00.

As a percentage of the Department’s total employee expenses this represents:
(a) 5.6% for 1996-97;
(b) 11.1% for 1997-98;
(c) 11.3% for 1998-99; and
(d) 8.0% for 1999-00.

**Department of Finance and Administration: Salaries**
(Question No. 2613)

Senator Faulkner asked the Minister representing the Minister for Finance and Administration, upon notice, on 25 July 2000:

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

(2) As a dollar amount and as a percentage of the Department’s total outlay on salaries, what was the cost of contracts for outsourced services and functions in the financial years: (a) 1996-97; (b) 1997-98; (c) 1998-99; and (d) 1999-00.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:

(1)(a) and (2)(a) The detailed information sought by the honourable Senator’s question for the 1996-97 financial year is not readily available in consolidated form and would be a major task to provide. I do not consider the expenditure of considerable resources that would be necessary to collect and assemble the information to be appropriate.

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<th>(1) Dollar Amt</th>
<th>(2) %</th>
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<tr>
<td>(b)</td>
<td>1997-98</td>
<td>179,616,000</td>
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<tr>
<td>(c)</td>
<td>1998-99</td>
<td>112,253,000</td>
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<tr>
<td>(d)</td>
<td>1999-2000</td>
<td>58,840,000</td>
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**Department of Veterans’ Affairs: Value of Corporate Services**
(Question No. 2647)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 9 August 2000:

With reference to the department and each agency in the portfolio, what were the state and city or town location, number of employees and annual salary values of all corporate services as at 30 June 1996 and 30 June 2000, for the following functional areas: (a) human resources; (b) property and office services; (c) financial and accounting services; (d) fleet management; (e) occupational health and safety; (f) workplace and industrial relations; (g) parliamentary communications; (h) payroll; (i) personnel services; (j) printing and photocopying; (k) auditing; (l) executive services; (m) legal and fraud; and (n) any other corporate services (please specify).

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

**Department of Veterans’ Affairs**

State-by-state data for 30 June 1996 and estimates for June 2000 are provided in the Table 1.

Table 1: Corporate Services staff by State (full time equivalent staff (FTEs))
For the month of June 2000, data are available for employees (FTEs) and annualised monthly salary amounts for corporate services functions (Tables 2 and 3). The data have been taken from a model prepared this year for which managers attributed salary and other costs for their organisational units to a range of corporate services functions. The data relate to staff in offices in each capital city, with the exception of Queensland where data for the Townsville Veterans' Affairs Network Office are included. A limited range of corporate service functions are carried out in this office. Changes in organisational structure between 1996 and 2000 mean it is not possible to apply the model to 1996 data.

The data for 1996 in Table 1 are for the Corporate Services Program while the data for June 2000 was prepared using the cost model mentioned above, and including estimates of staff involved in IT (National and State Offices), executive staff and their assistants, and staff in corporate services units not involved in corporate services functions. Staff outposted from National Office are attributed to state offices in Table 1 for 30 June 1996 but not for June 2000. The affected staff perform fraud and audit functions.

Table 2: June 2000 Employees (FTEs)

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<th>ACT</th>
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<th>Vic.</th>
<th>Qld</th>
<th>SA</th>
<th>WA</th>
<th>Tas.</th>
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<tr>
<td>a</td>
<td>12.5</td>
<td>8.4</td>
<td>3.9</td>
<td>3.3</td>
<td>2.6</td>
<td>1.2</td>
<td>0.8</td>
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<td>b</td>
<td>7.9</td>
<td>8.4</td>
<td>7.4</td>
<td>2.9</td>
<td>2.7</td>
<td>1.7</td>
<td>2.3</td>
</tr>
<tr>
<td>c</td>
<td>45.2</td>
<td>9.5</td>
<td>8.3</td>
<td>9.4</td>
<td>8.0</td>
<td>8.6</td>
<td>3.0</td>
</tr>
<tr>
<td>d</td>
<td>0.9</td>
<td>1.4</td>
<td>1.2</td>
<td>0.4</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>e</td>
<td>2.3</td>
<td>2.4</td>
<td>2.9</td>
<td>1.4</td>
<td>0.3</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>f</td>
<td>4.8</td>
<td>3.2</td>
<td>1.7</td>
<td>1.7</td>
<td>1.1</td>
<td>1.8</td>
<td>0.5</td>
</tr>
<tr>
<td>g</td>
<td>13.9</td>
<td>0.1</td>
<td>0.0</td>
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<td>0.0</td>
</tr>
<tr>
<td>h &amp; i</td>
<td>21.2</td>
<td>0.8</td>
<td>0.3</td>
<td>0.7</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
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<tr>
<td>j</td>
<td>6.5</td>
<td>1.9</td>
<td>1.6</td>
<td>0.5</td>
<td>0.7</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>k &amp; m</td>
<td>40.7</td>
<td>0.0</td>
<td>0.0</td>
<td>0.1</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>l</td>
<td>12.6</td>
<td>7.1</td>
<td>2.1</td>
<td>1.5</td>
<td>2.5</td>
<td>1.4</td>
<td>0.1</td>
</tr>
<tr>
<td>n</td>
<td>35.1</td>
<td>28.2</td>
<td>24.3</td>
<td>19.9</td>
<td>9.2</td>
<td>15.0</td>
<td>3.3</td>
</tr>
</tbody>
</table>

Table 3: June 2000 Salaries (annualised)

<table>
<thead>
<tr>
<th></th>
<th>ACT</th>
<th>NSW</th>
<th>Vic.</th>
<th>Qld</th>
<th>SA</th>
<th>WA</th>
<th>Tas.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>$589,257</td>
<td>$427,810</td>
<td>$213,363</td>
<td>$173,981</td>
<td>$117,086</td>
<td>$58,632</td>
<td>$41,417</td>
</tr>
<tr>
<td>b</td>
<td>$314,367</td>
<td>$352,671</td>
<td>$227,166</td>
<td>$92,6090</td>
<td>$110,188</td>
<td>$64,892</td>
<td>$70,770</td>
</tr>
<tr>
<td>c</td>
<td>$2,492,210</td>
<td>$411,677</td>
<td>$293,158</td>
<td>$368,823</td>
<td>$291,405</td>
<td>$347,381</td>
<td>$92,580</td>
</tr>
<tr>
<td>d</td>
<td>$32,552</td>
<td>$56,520</td>
<td>$33,974</td>
<td>$10,902</td>
<td>$6,289</td>
<td>$6,042</td>
<td>$6,607</td>
</tr>
<tr>
<td>e</td>
<td>$125,804</td>
<td>$120,429</td>
<td>$161,479</td>
<td>$75,859</td>
<td>$12,525</td>
<td>$24,745</td>
<td>$22,224</td>
</tr>
<tr>
<td>f</td>
<td>$274,693</td>
<td>$159,366</td>
<td>$94,235</td>
<td>$90,830</td>
<td>$46,290</td>
<td>$88,844</td>
<td>$26,264</td>
</tr>
<tr>
<td>G</td>
<td>$800,480</td>
<td>$3,045</td>
<td>$513</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>h &amp; i</td>
<td>$837,270</td>
<td>$41,089</td>
<td>$13,620</td>
<td>$37,930</td>
<td>$4,357</td>
<td>$8,248</td>
<td>$8,717</td>
</tr>
<tr>
<td>J</td>
<td>$352,234</td>
<td>$79,370</td>
<td>$57,292</td>
<td>$15,034</td>
<td>$25,156</td>
<td>$604</td>
<td>$6,734</td>
</tr>
<tr>
<td>k &amp; m</td>
<td>$2,490,586</td>
<td>$1,236</td>
<td>$2,395</td>
<td>$2,400</td>
<td>$0</td>
<td>$1,813</td>
<td>$1,010</td>
</tr>
<tr>
<td>L</td>
<td>$770,040</td>
<td>$341,695</td>
<td>$121,016</td>
<td>$73,986</td>
<td>$103,762</td>
<td>$67,223</td>
<td>$3,722</td>
</tr>
<tr>
<td>N</td>
<td>$1,952,228</td>
<td>$1,062,113</td>
<td>$856,786</td>
<td>$745,750</td>
<td>$289,815</td>
<td>$468,401</td>
<td>$100,547</td>
</tr>
</tbody>
</table>
Notes to tables:
(b) Includes property, security, travel and general office services
(e) Includes OH&S, workers compensation, employee assistance program, workplace diversity, retirement counselling and EEO
(g) Includes all ministerial services conducted in corporate service areas and speechwriting
(h & i) It is not possible to separate these functions. Payroll processing is centralised in Canberra
(j) Includes publication design and publishing
(k & m) It is not possible to separate auditing and fraud. Payment for these functions is centralised in Canberra and some staff are outposted to state offices. Legal staff and salaries included are for Canberra only.
(l) Includes strategic corporate functions and planning, such as corporate planning, service charter and performance reporting, as well as major projects which do not fit with other projects
(n) Includes records management, mail handling, library, procurement, contracts advice, communication and web services. IT services (mainframe and desktop) are not included.

**Australian War Memorial**

All of the Australian War Memorial’s (AWM) employees are based in the Australian Capital Territory.

<table>
<thead>
<tr>
<th>No. Salaries</th>
<th>No. Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>30 June 1996</strong></td>
<td><strong>30 June 2000</strong></td>
</tr>
<tr>
<td><strong>(a)</strong> human resources</td>
<td>$417,709 417,709</td>
</tr>
<tr>
<td><strong>(b)</strong> property and office services:</td>
<td>$144,583 144,583</td>
</tr>
<tr>
<td><strong>(c)</strong> financial and accounting services:</td>
<td>$356,492 356,492</td>
</tr>
<tr>
<td><strong>(d)</strong> fleet management</td>
<td>No dedicated resource see (1) executive</td>
</tr>
<tr>
<td><strong>(e)</strong> occupational health and safety:</td>
<td>No dedicated resource see (a) human resources</td>
</tr>
<tr>
<td><strong>(f)</strong> work place and industrial relations</td>
<td>No dedicated resource see (a) human resources</td>
</tr>
<tr>
<td><strong>(g)</strong> parliamentary communications</td>
<td>No dedicated resource see (1) executive</td>
</tr>
<tr>
<td><strong>(h)</strong> payroll</td>
<td>Payroll services were outsourced to the Department of Administrative Services following a scoping review of the memorial’s activities conducted in 1995-96. This function was resumed by the memorial’s human resources in 1998-99. See (a) human resources</td>
</tr>
<tr>
<td><strong>(i)</strong> personnel services:</td>
<td>No dedicated resource see (a) human resources</td>
</tr>
<tr>
<td><strong>(j)</strong> printing and photocopying</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>(k)</strong> auditing:</td>
<td>He AWM has since the mid-1980s contracted out internal audit services</td>
</tr>
<tr>
<td><strong>(l)</strong> executive services:</td>
<td>$343,959 343,959</td>
</tr>
<tr>
<td><strong>(m)</strong> legal and fraud:</td>
<td>No dedicated resource see (n) security</td>
</tr>
</tbody>
</table>
(n) other corporate services:

<table>
<thead>
<tr>
<th>Service</th>
<th>1999</th>
<th>2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Security:</td>
<td>10.5</td>
<td>278,286</td>
</tr>
<tr>
<td>Information technology:</td>
<td>5</td>
<td>256,540</td>
</tr>
<tr>
<td>Document control:</td>
<td>5.3</td>
<td>152,373</td>
</tr>
<tr>
<td>Workshop:</td>
<td>3.8</td>
<td>111,143</td>
</tr>
<tr>
<td><strong>TOTAL CORPORATE SERVICES</strong></td>
<td><strong>55.2</strong></td>
<td><strong>2,061,084</strong></td>
</tr>
</tbody>
</table>

Note: The Memorial Shop has been excluded from the above figures as it self funds from revenue raised through its operations.

**Aboriginal and Torres Strait Islander Commission: Public Opinion Research (Question No. 2667)**

Senator Faulkner asked the Minister for Aboriginal and Torres Strait Islander Affairs, 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 *Sunday Telegraph*, 23 July 2000, page 81.
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 costs.
9. How will the results of this research be used.

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

The Aboriginal and Torres Strait Islander Commission has provided the following information:

Since 1 July 1999 neither ATSIC nor its portfolios have commissioned or participated in any way in public opinion research in non-metropolitan areas.

**Department of the Prime Minister and Cabinet: Market Testing of Corporate Services (Question No. 2668)**

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

1. Has the department and/or any agency in the portfolio, set a timeframe to market test any of its corporate services; if so, which agency, which functions, and what is the timeframe.
2. In relation to each agency which has, or will, move to market test corporate services, what arrangements have been made to consult with effected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.
Senator Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

(1) The Department of the Prime Minister and Cabinet (PM&C)

PM&C (and several of its portfolio agencies as mentioned below) embarked upon a market testing process for corporate services (excluding legal and internal audit services) in March 1998. This process concluded in February 1999 with the signing of a contract for services including payroll and accounts processing, Human Resource Management Information System (HRMIS) administration and rehabilitation case management.

PM&C also outsourced internal audit services to Deloitte Touche Tohmatsu in 1997 following a market testing process. As the contract expired on 30 June 2000, internal audit services were again market tested in early 2000, with the successful tenderer being the incumbent, Deloitte Touche Tohmatsu. The only portfolio agency to be included in this process was the Office of the Inspector-General of Intelligence and Security (OIGIS).

Agencies within the PM&C portfolio (with the exception of the Aboriginal and Torres Strait Islander bodies) formed a cluster in late 1999 for the purpose of market testing banking arrangements, including cheque production and distribution. A contract will be in place by the end of September 2000.

The department continues to examine opportunities for further outsourcing although no activities are planned in the short term.

The Public Service and Merit Protection Commission (PSMPC)

In March 1998, the PSMPC joined several other portfolio agencies in the market testing process for corporate services (excluding legal and internal audit services). Services delivered to the PSMPC include payroll and accounts processing, Human Resource Management Information System (HRMIS) administration and rehabilitation case management.

During 2001 the PSMPC will consider options for the future provision of personnel services – the current contract for corporate services concludes in February 2002, although the contract carries an option for extension for a further three years. In addition, the PSMPC is focussing on the transition to outsourced provision of its information technology infrastructure and support following a competitive tendering and contracting process that was completed early in 2000.

The PSMPC also participated in the market testing of the portfolio’s banking arrangements.

The Office of National Assessments (ONA)

In March 1998, ONA joined several other portfolio agencies in the market testing process for corporate services (excluding legal and internal audit services). Services delivered to ONA include payroll and accounts processing, Human Resource Management Information System (HRMIS) administration and rehabilitation case management.

ONA has not set a timeframe for further market testing of corporate service activities.

ONA also participated in the market testing of the portfolio’s banking arrangements.

The Office of the Commonwealth Ombudsman

In March 1998, the Office of the Commonwealth Ombudsman joined several other portfolio agencies in the market testing process for corporate services (excluding legal and internal audit services). Services delivered to the Office include payroll and accounts processing and Human Resource Management Information System (HRMIS) administration. As a result of this process, market testing of all significant areas in corporate support has been completed and therefore, the only functions to be provided in-house are the basic registry and office services.

The Office also participated in the market testing of the portfolio’s banking arrangements.

The Office of the Inspector-General of Intelligence and Security (OIGIS)

In March 1998, OIGIS joined several other portfolio agencies in the market testing process for corporate services (excluding legal and internal audit services). Services delivered to OIGIS include
payroll and accounts processing, Human Resource Management Information System (HRMIS) administration and rehabilitation case management.

OIGIS continues to have its internal audit and fraud control services provided under PM&C’s outsourced arrangements.

OIGIS also participated in the market testing of the portfolio’s banking arrangements.

The Office of the Official Secretary to the Governor-General (OOSGG)

The OOSGG has not set a timeframe to market test any of its corporate services apart from considering outsourcing payroll processing in the context of implementation of a Human Resource Management Information System. System / payroll support arrangements will be assessed by February 2001.

OOSGG also participated in the market testing of the portfolio’s banking arrangements.

The Australian National Audit Office (ANAO)

The ANAO intends to market test corporate services functions in line with Government requirements. A selection process for the engagement of a business adviser will be undertaken in early September as the first stage of this exercise. A firm timetable will be formulated in consultation with the business adviser. It is anticipated that the process could take up to 12 months.

ANAO also participated in the market testing of the portfolio’s banking arrangements.

(2) PM&C

The department’s Certified Agreement specifically identifies market testing and outsourcing as an issue of corporate significance that would be discussed by management and employees in the Consultative Committee. However, as no specific market testing activities are planned in the short term, no specific arrangements have been made for consultations with staff or their representatives.

The PSMPC

Within the PSMPC, no employees will be affected by the activities referred to in part (1). However, the PSMPC’s tripartite Workplace Relations Committee is routinely briefed on this work.

ONA

As no specific market testing activities are planned in the short term, no specific arrangements have been made for future consultations with staff or their representatives.

The Office of the Commonwealth Ombudsman

As no specific market testing activities are planned in the short term, no specific arrangements have been made for future consultations with staff or their representatives.

OIGIS

As no specific market testing activities are planned in the short term, no specific arrangements have been made for future consultations with staff or their representatives.

OOSGG

No ongoing positions will be affected by any decision to outsource payroll services.

ANAO

In accordance with consultative arrangements included in the ANAO’s Certified Agreement, initial consultations have been held with the ANAO’s Workplace Consultative Forum and with potentially affected staff. These consultations will be ongoing throughout the process.

Department of Veterans’ Affairs: Market Testing of Corporate Services

(Question No. 2685)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 9 August 2000:

(1) Has the department and/or any agency in the portfolio, set a timeframe to market test any of its corporate services; if so, which agency, which functions, and what is the timeframe.
(2) In relation to each agency which has, or will, move to market test corporate services, what arrangements have been made to consult with affected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

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

Department of Veterans’ Affairs

(1) The department initiated a Corporate Services Review late in 1999. Two principal areas identified for examination over the balance of this calendar year, which will involve the commencement of market testing, are File Storage and directly associated services and Account payments.

Other aspects of corporate services will continue to be examined and restructured as part of the Review but the foregoing are seen as the priorities for market testing.

(2) The department has formal provision for consultation with its staff outlined in its enterprise agreement. In addition to the enterprise agreement, a change management strategy providing for consultation with affected staff is being developed as part of the Corporate Services Review. This strategy will be updated as market testing commences and for the individual functions that are subject to market testing.

Australian War Memorial

The Australian War Memorial has not set a timeframe to market test any of its corporate services.

Department of the Prime Minister and Cabinet: Market Testing of Functions

(Question No. 2687)

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

(1) Has the department, and/or any agency in the portfolio, set a timeframe to market test any of its functions other than corporate services; if so, which agency, which functions, what is the state and city or town location of staff currently undertaking that function, and what is the timeframe.

(2) In relation to each agency which has or will move to market test these functions, what arrangements have been made to consult with affected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

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) The Department of the Prime Minister & Cabinet (PM&C)

PM&C is currently market testing its air transport arrangements for foreign dignitaries under the Guest of Government Programme.

If market testing results in a successful tender, it is expected that PM&C will enter into contractual negotiations with the successful tenderer in December 2000.

The department continues to examine opportunities for further outsourcing although no activities are planned in the short term.

The Australian National Audit Office (ANAO)

The ANAO currently contracts out a range of audit and audit related services and periodically reviews opportunities to further involve the private sector in the delivery of services.

For all other portfolio agencies (as listed below), there are currently no plans to market test non-corporate service activities:

- Public Service and Merit Protection Commission
- Office of National Assessments
- Office of the Commonwealth Ombudsman
- Office of the Inspector-General of Intelligence and Security
Office of the Official Secretary to the Governor-General

(2) PM&C

There are no ongoing staff affected by the market testing process as the service is currently provided by a private organisation.

ANAO

In accordance with the consultative arrangements included in ANAO’s Certified Agreement, initial consultations are held with the ANAO’s Workplace Consultative Forum and with potentially affected staff. These consultations occur throughout the process.

For all other agencies within the PM&C portfolio, no market testing activities are planned in the short term, and therefore no specific arrangements have been made for future consultations.

Department of the Treasury: Market Testing of Functions

(Question No. 2689)

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

(1) Has the department, and/or any agency in the portfolio, set a timeframe to market test any of its functions other than corporate services; if so, which agency, which functions, what is the state and city or town location of staff currently undertaking that function, and what is the timeframe.

(2) In relation to each agency which has or will move to market test these functions, what arrangements have been made to consult with affected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

Senator Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) No.

(2) Not applicable.

Department of Veterans’ Affairs: Market Testing of Functions

(Question No. 2704)

Senator Faulkner asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 9 August 2000:

(1) Has the department, and/or any agency in the portfolio, set a timeframe to market test any of its functions other than corporate services; if so, which agency, which functions, what is the state and city or town location of staff currently undertaking that function, and what is the timeframe.

(2) In relation to each agency which has or will move to market test these functions, what arrangements have been made to consult with affected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

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

Department of Veterans’ Affairs

(1) The department has already outsourced some services such as the provision of mainframe and desktop IT services. No timetable has been set for the market testing of any non-corporate services.

(2) Not applicable.

Australian War Memorial

The Australian War Memorial has not set a timeframe to market test any of its functions.

Roads: Funding

(Question No. 2738)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 16 August 2000:
(1) (a) What level of funding was expended on the National Highway and Roads of National Importance in the 1999-2000 financial year; and (b) what level of funding has been allocated for the 2000-01 financial year.

(2) (a) What was the level of funding provided for each project in the above programs in the 1999-2000 and the 2000-01 financial years; and (b) in what federal electorate is each project located.

(3) What level of funding has been allocated for the above programs in the out years.

(4) What is the actual or estimated total cost of each project in the above program in the above categories in the above financial years.

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

(1) and (3) The following table shows the level of funding expended for roads under the National Highway and Roads of National programs in 1999-00 and the level of funding allocated to these programs for 2000-01 and out years:

<table>
<thead>
<tr>
<th></th>
<th>Expended 1999-00 ($m)</th>
<th>Allocated 2000-01 ($m)</th>
<th>Proposed Allocation 2001-02 ($m)</th>
<th>Proposed Allocation 2002-03 ($m)</th>
<th>Proposed Allocation 2003-04 ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Highway</td>
<td>631.62</td>
<td>688.28</td>
<td>755.76</td>
<td>726.98</td>
<td>737.65</td>
</tr>
<tr>
<td>RONIs</td>
<td>183.79</td>
<td>141.32</td>
<td>217.57</td>
<td>210.17</td>
<td>109.32</td>
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<tr>
<td>Research</td>
<td>2.79</td>
<td>2.40</td>
<td>2.40</td>
<td>2.40</td>
<td>2.40</td>
</tr>
<tr>
<td>Total</td>
<td>818.20</td>
<td>832.00</td>
<td>975.73</td>
<td>939.55</td>
<td>849.37</td>
</tr>
</tbody>
</table>

(2) and (4) in respect of projects funded in 1999-00

The following table sets out the level of funding provided for each project in 1999-2000, the electorate in which the project is located and the estimated cost of the project.

<table>
<thead>
<tr>
<th>Estimated Cost 1999-00 Funding</th>
<th>Electorate</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEW SOUTH WALES</td>
<td></td>
</tr>
<tr>
<td>NATIONAL HIGHWAY</td>
<td></td>
</tr>
<tr>
<td>Sydney Urban</td>
<td></td>
</tr>
<tr>
<td>Cumberland Hwy - Widen to 6 lanes</td>
<td>30,000,000</td>
</tr>
<tr>
<td>Sydney Orbital Route, preconstruction works</td>
<td>56,000,000</td>
</tr>
<tr>
<td>F3 Freeway</td>
<td></td>
</tr>
<tr>
<td>Ourimbah-Kangy Angy</td>
<td>54,952,000</td>
</tr>
<tr>
<td>F3 Fwy - widening to 6 lanes between Wahroonga &amp; Kariong</td>
<td>500,000</td>
</tr>
<tr>
<td>Preconstruction work on proposed F3 to Branxton link</td>
<td>4,400,000</td>
</tr>
<tr>
<td>F3 Freeway - Driver Aid Scheme</td>
<td>10,500,000</td>
</tr>
<tr>
<td>Hume Highway</td>
<td></td>
</tr>
<tr>
<td>Cullarin Deviation</td>
<td>21,565,000</td>
</tr>
<tr>
<td>Jugiong Bypass</td>
<td>83,550,000</td>
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## National Highway

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Estimated Cost</th>
<th>1999-00 Funding</th>
<th>Electorate</th>
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<tbody>
<tr>
<td>Coolac Byp EIS</td>
<td>4,750,000</td>
<td>927,914</td>
<td>Hume</td>
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<tr>
<td>Bookham Bypass</td>
<td>64,500,000</td>
<td>27,804,282</td>
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<tr>
<td>Tarcutta Range Duplication</td>
<td>62,603,000</td>
<td>-2,583</td>
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<tr>
<td>Hume Hwy - Mittagong Bypass rectification.</td>
<td>1,400,000</td>
<td>361,500</td>
<td>Macarthur</td>
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<tr>
<td>Albury upgrade</td>
<td>#</td>
<td>5,145,830</td>
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**NEW ENGLAND HIGHWAY**

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<th>Project Description</th>
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<tbody>
<tr>
<td>Belford Forrest Deviation</td>
<td>30,700,000</td>
<td>138,052</td>
<td>Hunter</td>
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<tr>
<td>Liverpool Range</td>
<td>27,442,000</td>
<td>37,689</td>
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<tr>
<td>Rose Valley deviation</td>
<td>12,060,000</td>
<td>1,282,064</td>
<td>New England</td>
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<tr>
<td>Wilburtree St to Scott Road, Tamworth - reconstruction &amp; widening</td>
<td>3,450,000</td>
<td>1,679,637</td>
<td>New England</td>
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<tr>
<td>Devils Pinch North of Armidale</td>
<td>15,500,000</td>
<td>374,795</td>
<td>New England</td>
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<tr>
<td>Upgrade Intersection Anderson Drive</td>
<td>1,500,000</td>
<td>-121,123</td>
<td>Paterson</td>
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<tr>
<td>Muswellbrook bypass planning</td>
<td>500,000</td>
<td>-886</td>
<td>Hunter</td>
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<tr>
<td>Leneghans Drive - Weakleys Drive</td>
<td>61,971,000</td>
<td>-21,897</td>
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**NEWELL HIGHWAY**

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<tr>
<td>Moree bypass</td>
<td>27,000,000</td>
<td>322,119</td>
<td>Gwydir</td>
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<tr>
<td>Coonabarabran Bypass - planning</td>
<td>426,500</td>
<td>123,258</td>
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**FEDERAL HIGHWAY**

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<tr>
<td>ACT Border-Sutton</td>
<td>42,600,000</td>
<td>22,007,392</td>
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<tr>
<td>Lake George</td>
<td>118,380,000</td>
<td>2,593,971</td>
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**BARTON HIGHWAY**

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<tbody>
<tr>
<td>Murrumbateman Bypass - planning</td>
<td>800,000</td>
<td>145,921</td>
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<tr>
<td>Asset Preservation</td>
<td>124,757,362</td>
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**TOTAL NATIONAL HIGHWAY**

210,510,000

**RONIs**

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<th>Project Description</th>
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<tbody>
<tr>
<td>Pacific Highway</td>
<td>600,000,000</td>
<td>73,852,865</td>
<td>Cowper, Lyne, Page, Paterson, Richmond</td>
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<tr>
<td>Summerland Way</td>
<td>20,000,000</td>
<td>1,541,983</td>
<td>Page</td>
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<tr>
<td>Kidman Way</td>
<td>20,700,000</td>
<td>859,652</td>
<td>Parkes, Riverina</td>
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<tr>
<td>Great Western Highway</td>
<td>100,000,000</td>
<td>8,201,750</td>
<td>Macquarie</td>
</tr>
<tr>
<td>Visy roads</td>
<td>5,000,000</td>
<td>823,750</td>
<td>Hume</td>
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**TOTAL RONIs**

85,280,000

**TOTAL NEW SOUTH WALES**

295,790,000

# Cost estimates currently under review

* Commonwealth contribution
VICTORIA

NATIONAL HIGHWAY

Hume Highway

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Estimated Cost</th>
<th>1999-00 Funding</th>
<th>Electorate</th>
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<tbody>
<tr>
<td>Albury/Wodonga Bypass - preconstruction works</td>
<td>#</td>
<td>723,000</td>
<td>Indi</td>
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<tr>
<td>Donnybrook Road grade separation</td>
<td>200,000</td>
<td>35,500</td>
<td>McEwen</td>
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<tr>
<td>Craigieburn link to the WRR - Planning</td>
<td>1,300,000</td>
<td>34,500</td>
<td>Calwell, McEwen</td>
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<tr>
<td>Craigieburn &amp; Beveridge - access control planning</td>
<td>110,000</td>
<td>95,000</td>
<td>McEwen</td>
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<tr>
<td>Wangaratta bypass - Stage 1</td>
<td>40,426,000</td>
<td>-353,000</td>
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Western Highway

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<th>Project Description</th>
<th>Estimated Cost</th>
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<th>Electorate</th>
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<tbody>
<tr>
<td>Widening west of Kaniva</td>
<td>2,700,000</td>
<td>1,420,000</td>
<td>Mallee</td>
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<tr>
<td>Leakes Rd Interchange Planning study</td>
<td>130,000</td>
<td>75,000</td>
<td>Burke</td>
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<tr>
<td>Overtaking lanes between Stawell &amp; Horsham</td>
<td>650,000</td>
<td>-59,000</td>
<td>Ballarat, Mallee</td>
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<tr>
<td>Ballarat bypass</td>
<td>49,410,000</td>
<td>407,000</td>
<td>Ballarat</td>
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<tr>
<td>Bridge Widening at Fiery Creek</td>
<td>400,000</td>
<td>-1,000</td>
<td>Ballarat, Wannon</td>
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<tr>
<td>Widening Lillimur to SA border</td>
<td>3,900,000</td>
<td>575,000</td>
<td>Mallee</td>
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<tr>
<td>Leigh Creek to Woodmans Hill planning</td>
<td>1,180,000</td>
<td>-814,000</td>
<td>Ballarat</td>
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<tr>
<td>Armstrong rail underpass</td>
<td>150,000</td>
<td>150,000</td>
<td>Ballarat</td>
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<tr>
<td>Overtaking lanes from Stawell to SA Border</td>
<td>1,380,000</td>
<td>1,200,000</td>
<td>Ballarat, Mallee</td>
</tr>
<tr>
<td>Deer Park to Hopkins Road grade separation</td>
<td>13,100,000</td>
<td>3,603,000</td>
<td>Burke</td>
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<tr>
<td>Widening and rehabilitation west of Dimboola</td>
<td>22,000,000</td>
<td>5,325,000</td>
<td>Mallee</td>
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<tr>
<td>Re-alignment of Western Highway to WRR - planning</td>
<td>950,000</td>
<td>12,250</td>
<td>Burke, Maribynong</td>
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Goulburn Valley Highway

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Estimated Cost</th>
<th>1999-00 Funding</th>
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<tbody>
<tr>
<td>Strathmerton Deviation - planning</td>
<td>2,000,000</td>
<td>1,323,000</td>
<td>Murray</td>
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<tr>
<td>Broken River Bridge</td>
<td>8,046,000</td>
<td>-183,000</td>
<td>Murray</td>
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<tr>
<td>Shepparton Bypass - planning</td>
<td>4,960,000</td>
<td>1,051,000</td>
<td>Murray</td>
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<td>Hume to Nagambie &amp; Murchison East - planning</td>
<td>4,480,000</td>
<td>174,000</td>
<td>McEwen</td>
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<tr>
<td>Murchison East deviation</td>
<td>94,300,000</td>
<td>4,995,000</td>
<td>McEwen</td>
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<tr>
<td>Overtaking lanes near Strathmerton</td>
<td>1,277,000</td>
<td>-82,000</td>
<td>Murray</td>
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<tr>
<td>Hume to Nagambie duplication</td>
<td>52,800,000</td>
<td>19,308,750</td>
<td>McEwen</td>
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<tr>
<td>Mooralim to Kialla West</td>
<td>550,000</td>
<td>29,000</td>
<td>Indi, Murray</td>
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Western Ring Road

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Estimated Cost</th>
<th>1999-00 Funding</th>
<th>Electorate</th>
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<tr>
<td>Airport Section</td>
<td>145,000,000</td>
<td>-1,199,500</td>
<td>Maribynong</td>
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<tr>
<td>Broadmeadows Section</td>
<td>1,500,000</td>
<td>1,000</td>
<td>Calwell</td>
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<tr>
<td>Maribynong Section</td>
<td>104,100,000</td>
<td>182,000</td>
<td>Maribynong</td>
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<tr>
<td>Extension to Edgars Road</td>
<td>80,000,000</td>
<td>906,500</td>
<td>Scullin, Wills, Calwell</td>
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Sturt Highway

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<th>Project Description</th>
<th>Estimated Cost</th>
<th>1999-00 Funding</th>
<th>Electorate</th>
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</thead>
<tbody>
<tr>
<td>Widening Lillimur to SA Border</td>
<td>1,532,000</td>
<td>32,000</td>
<td>Mallee</td>
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<tr>
<td>Other</td>
<td>Estimated Cost</td>
<td>1999-00 Funding</td>
<td>Electorate</td>
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<tr>
<td>-------------------------</td>
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<tr>
<td>Hume, Western &amp; Goulburn Valley Hwy's, bridge strengthening works.</td>
<td>2,200,000</td>
<td>-10,000</td>
<td>Ballarat, Burke, Indi, Mallee, Murray, Wannon</td>
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<tr>
<td>Asset Preservation</td>
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<td>TOTAL NATIONAL HIGHWAY</td>
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<td>RONIs</td>
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<tr>
<td>Calder Highway</td>
<td>72,300,000</td>
<td>17,084,000</td>
<td>Ballarat, Bendigo, Burke</td>
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<tr>
<td>Geelong Road upgrade</td>
<td>120,000,000</td>
<td>10,000,000</td>
<td>Corio, lalor</td>
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<td>TOTAL RONIs</td>
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<td>27,084,000</td>
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<tr>
<td>TOTAL VICTORIA</td>
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<td>84,732,000</td>
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# Cost estimates currently under review
* Commonwealth contribution

**QUEENSLAND**

**NATIONAL HIGHWAY**

<table>
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<tr>
<th>Bruce Highway</th>
<th>Estimated Cost</th>
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<tr>
<td>Pound Creek bridge</td>
<td>390,000</td>
<td>8,674</td>
<td>Kennedy</td>
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<td>Woolcock Street duplication</td>
<td>16,477,000</td>
<td>38,074</td>
<td>Herbert</td>
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<tr>
<td>Townsville to Cairns - widen/rehab</td>
<td>25,300,000</td>
<td>5,091,162</td>
<td>Herbert, Kennedy, Leichhardt</td>
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<tr>
<td>Edmonton duplication</td>
<td>22,600,000</td>
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<td>Leichhardt</td>
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<tr>
<td>Rockhampton to Townsville - overtaking lanes</td>
<td>3,251,000</td>
<td>465</td>
<td>Dawson, Herbert, Capricornia</td>
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<tr>
<td>Rockhampton to Townsville - widen/rehab</td>
<td>46,900,000</td>
<td>2,923,473</td>
<td>Dawson, Herbert, Capricornia</td>
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<tr>
<td>Collinsons Lagoon - Didgeridoo</td>
<td>9,583,000</td>
<td>488,000</td>
<td>Dawson, Herbert</td>
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<tr>
<td>Widening &amp; rehab, minor realignment, osf lanes &amp; flood immunity</td>
<td>31,605,000</td>
<td>8,770,759</td>
<td>Capricornia, Dawson, Fairfax, Herbert, Hinkler, Kennedy, Leichhardt, Wide Bay</td>
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<tr>
<td>Yandina bypass</td>
<td>62,016,000</td>
<td>487,000</td>
<td>Fairfax</td>
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<td>David Drive</td>
<td>151,000</td>
<td>-139,600</td>
<td>Wide Bay</td>
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<td>Gunalda Range realignment</td>
<td>17,000,000</td>
<td>10,358,444</td>
<td>Wide Bay</td>
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<td>Cooloola-Curra widening</td>
<td>4,676,000</td>
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<td>Fairfax, Wide Bay</td>
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<td>Construction of Wallaville Bridge</td>
<td>28,500,000</td>
<td>502,338</td>
<td>Hinkler</td>
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<tr>
<td>Gympie to Rockhampton - widen/rehab</td>
<td>17,585,000</td>
<td>-186,144</td>
<td>Fairfax, Wide Bay, Hinkler, Capricornia</td>
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<td>Cooroy bypass</td>
<td>8,562,865</td>
<td>10</td>
<td>Fairfax</td>
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<tr>
<td>Bruce Hwy - Bororen to Daisy Dell</td>
<td>3,300,000</td>
<td>3,000</td>
<td>Hinkler</td>
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<td>1999-00 Funding</td>
<td>Electorate</td>
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<td>Marlborough to Pinchester deviation</td>
<td>5,377,000</td>
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<td>Duckworth Street duplication</td>
<td>6,312,000</td>
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<td>Duplication of Ron Camm bridge</td>
<td>25,000,000</td>
<td>-358,774</td>
<td>Dawson</td>
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<td>Replacement of Elliott River bridge</td>
<td>4,471,000</td>
<td>43,750</td>
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<td>Dalberg Turnoff-McDesme duplication</td>
<td>1,523,000</td>
<td>33,464</td>
<td>Dawson</td>
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<tr>
<td>Planning for Tripllication to Caboolture</td>
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<td>627,817</td>
<td>Lilley, Petrie, Dickson</td>
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<td>University Rd/Charles Barton Bridge Townsville</td>
<td>4,020,000</td>
<td>2,831</td>
<td>Herbert</td>
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<td>University Road-Melton Black Drive Townsville</td>
<td>512,000</td>
<td>-139,600</td>
<td>Herbert</td>
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<tr>
<td>University Rd Mark Reid Drive to Flinders H’way</td>
<td>9,438,000</td>
<td>97,742</td>
<td>Herbert</td>
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<td>Buchanan Road interchange</td>
<td>8,920,000</td>
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<td>Longman</td>
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<td>Skying Creek bridge and widening/rehab Cooroy and Skying Creek</td>
<td>9,000,000</td>
<td>4,370,358</td>
<td>Fairfax</td>
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<td>Yandina – Cooroy Range duplication</td>
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<td>Fairfax</td>
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<td>Nambour bypass</td>
<td>8,330,000</td>
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<td>Fairfax</td>
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<td>Caboolture Motorway 6 laning</td>
<td>35,000,000</td>
<td>4,417,867</td>
<td>Dickson, Petrie</td>
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<td>Portsmith Road duplication</td>
<td>10,000,000</td>
<td>4,754,000</td>
<td>Leichhardt</td>
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<tr>
<td>Ayr-Home Hill to Brandon bypass - planning</td>
<td>2,800,000</td>
<td>2,627,500</td>
<td>Dawson</td>
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<tr>
<td>House Ck bridge and approaches</td>
<td>1,800,000</td>
<td>213,500</td>
<td>Hinkler</td>
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<td>Warrego Highway</td>
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<tr>
<td>Brisbane to Toowoomba - Widen/Rehab</td>
<td>4,543,000</td>
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<td>Blair, Groom</td>
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<td>Marburg duplication</td>
<td>15,500,000</td>
<td>2,426,198</td>
<td>Blair</td>
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<td>Oakey bypass</td>
<td>12,000,000</td>
<td>677,102</td>
<td>Groom</td>
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<td>Yaralla Road - planning</td>
<td>250,000</td>
<td>24,558</td>
<td>Maranoa</td>
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<td>Dalby-McAlister upgrade</td>
<td>15,000,000</td>
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<td>Maranoa</td>
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<td>Roma to Morven - widen/ rehab</td>
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<tr>
<td>Douglas Ponds</td>
<td>9,500,000</td>
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<td>Thomson River bridge</td>
<td>24,800,000</td>
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<td>Barcaldine to Cloncurry - widen/rehab</td>
<td>8,541,000</td>
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<td>Capricornia, Kennedy</td>
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<td>New England Highway</td>
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<td>Dalveen project</td>
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<td>Maranoa</td>
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<td>Ipswich to NSW border - widen/Rehab</td>
<td>3,265,000</td>
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<td>Maranoa, Forde, Blair</td>
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<td>Thulimba to The Summit</td>
<td>6,246,000</td>
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<td>Maranoa</td>
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<td>Gore Highway</td>
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<tr>
<td>Widen/Rehab</td>
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<td>2,521,045</td>
<td>Maranoa, Groom</td>
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<td>Barkly Highway</td>
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<td>Cunningham &amp; New England Hwys, widening &amp; rehab, minor realign, o/t lanes and flood projects</td>
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* Commonwealth contribution

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<td>Replace single lane bridges (Ord, Bow, Fitzroy, Dunham Rivers)</td>
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* Commonwealth contribution

SOUTH AUSTRALIA

NATIONAL HIGHWAY

Adelaide Urban
Portrush Rd - Magill to Greenhill Rd | 36,800,000 | 854,172 | Sturt
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<th>Electorate</th>
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<td>Hogarth Rd to Grove Way - widening</td>
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<td>Kings Rd to Montague Rd - widening</td>
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<td>Port Wakefield Road</td>
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<td>Salisbury Hwy to Virginia access controls</td>
<td>3,900,000</td>
<td>12,454</td>
<td>Port Adelaide, Bonython</td>
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<td>Planning for further upgrading</td>
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<td>Pt Wakefield to Wild Horse Plains - duplication</td>
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<td>6,000,000</td>
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<td>Grey, Wakefield</td>
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<td>15,700,000</td>
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<td>Blanchetown Bridge replacement</td>
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<td>She-oak Log bypass</td>
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<td>Mt Barker Rd realignment</td>
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<td>Rehabilitation between Ceduna &amp; Lincoln Gap</td>
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<td>National Highway strategic overview</td>
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<td>Bass Highway</td>
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<td>Deloraine to Westbury</td>
<td>22,400,000</td>
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<td>Electorate</td>
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<td>Westbury-Hagley bypass.</td>
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<td>Heavy Vehicle Overload Strategy</td>
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<td>Penguin to Chasm Creek</td>
<td>65,860,000</td>
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<td>Midland Highway</td>
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<td>Hobart Northern approaches study</td>
<td>1,320,000</td>
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<td>Bridgewater Industrial Estate - service roads</td>
<td>2,760,000</td>
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<td>Bass and Midlands Hwy - Improve night time delineation</td>
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* Commonwealth contribution

**NORTHERN TERRITORY**

**NATIONAL HIGHWAY**

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<td>57,357</td>
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<td>Duplication between Elizabeth River Bridge and the Intersection of the Cox Peninsula Road</td>
<td>1,660,000</td>
<td>1,138,373</td>
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<td>Palmett and Bypass</td>
<td>4,242,000</td>
<td>108,564</td>
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<td>Palmerston Bridge</td>
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<td>Overtaking lanes between Darwin and Katherine</td>
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<td>Lindsay St to Crawford St, Katherine - duplication</td>
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<td>Victoria Highway</td>
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<td>Widening and rehabilitation west of Katherine including drainage structures &amp; upgrading of the Lost Creek Bridge</td>
<td>7,645,000</td>
<td>96,445</td>
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Payments for projects are made for expenditures incurred by the States and Territories plus an estimate of their cash flow requirements until the next due date of payment. A negative payment shown against a project indicates a recovery of surplus funds held by a State or Territory for that particular project.

(2) and (4) in respect of projects to be funded in 2000-01

The following table sets out the level of funding for each project in 2000-01.

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# Cost estimates currently under review
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<tr>
<td>Deer Park to Hopkins Rd grade separation</td>
<td>13.10</td>
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<tr>
<td>Widening - Nhill to Merwyn Swamp</td>
<td>16.00</td>
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<td>Mallee</td>
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<td>Widening - Kiata - Nhill &amp; Kaniva</td>
<td>20.00</td>
<td>8.00</td>
<td>Mallee</td>
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<tr>
<td>Armstrong - rail underpass</td>
<td>10.00</td>
<td>2.00</td>
<td>Ballarat</td>
</tr>
<tr>
<td>Goulburn Valley Highway</td>
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<tr>
<td>Hume to Nagambie duplication</td>
<td>53.00</td>
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<td>McEwen</td>
</tr>
<tr>
<td>Strathmerton planning study</td>
<td>2.00</td>
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<td>Murray</td>
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<tr>
<td>Murchison East deviation</td>
<td>94.30</td>
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<td>McEwen</td>
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<td>Nagambie Bypass study</td>
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<tr>
<td>RONIs</td>
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<tr>
<td>Calder Highway</td>
<td>72.30</td>
<td>8.70</td>
<td>Ballarat, Bendigo, Burke</td>
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<tr>
<td>TOTAL VICTORIA</td>
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<td>95.13</td>
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</table>

# Cost estimates currently under review
* Commonwealth contribution

<table>
<thead>
<tr>
<th>Highway</th>
<th>Estimated Cost</th>
<th>2000-01 Funding</th>
<th>Electorate</th>
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</thead>
<tbody>
<tr>
<td>Queensland</td>
<td></td>
<td></td>
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<tr>
<td>Bruce Highway</td>
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<tr>
<td>Yandina - Cooroy duplication</td>
<td>110.00</td>
<td>21.00</td>
<td>Fairfax</td>
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<td>Project Description</td>
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<td>2000-01 Funding</td>
<td>Electorate</td>
</tr>
<tr>
<td>----------------------------------------------------------</td>
<td>----------------</td>
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<td>Portsmith Rd duplication</td>
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<td>Leichhardt</td>
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<td>Warrego Highway</td>
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<td>Dalby-McAlister upgrade (Yaralla)</td>
<td>15.00</td>
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<td>Maranoa</td>
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<td>Marburg duplication</td>
<td>15.50</td>
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<td>Blair</td>
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<td>Toowoomba</td>
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<td>Thomson River Bridge</td>
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<td>Mt Isa – Cloncurry</td>
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<td>Mt Isa – Camoweal</td>
<td>16.00</td>
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<td>Kennedy</td>
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<tr>
<td>Bris-Sydney widening and rehab</td>
<td>30.00</td>
<td>5.00</td>
<td>Moreton, Ryan, Oxley, Blair, Forde, Maranoa</td>
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<tr>
<td>Bris-Melbourne widening and rehab</td>
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<td>5.00</td>
<td>Groom, Maranoa</td>
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<tr>
<td>Bris-Cairns widening and rehab</td>
<td>30.00</td>
<td>10.00</td>
<td>Various</td>
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<tr>
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<td>Various</td>
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<td>Barkly Highway</td>
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<td>Inca Creek</td>
<td>18.00</td>
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<td>Kennedy</td>
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<tr>
<td>Georgina, Buckley, Johnson, Nowraine</td>
<td>3.00</td>
<td>3.00</td>
<td>Blair, Dawson</td>
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<tr>
<td>Bridges – planning</td>
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<tr>
<td>Ipswich Motorway</td>
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<tr>
<td>Major upgrade concept planning</td>
<td>2.00</td>
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<td>Moreton, Oxley, Ryan</td>
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<tr>
<td>Traffic safety improvements</td>
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<tr>
<td>Pacific Highway</td>
<td>150.00</td>
<td>16.02</td>
<td>Fadden, Forde, McPherson, Moncrief, Moreton, Rankin</td>
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<tr>
<td>Port of Brisbane access road</td>
<td>44.60</td>
<td>5.50</td>
<td>Bowman, Griffith</td>
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<td>Total RONIs</td>
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<td>21.52</td>
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<tr>
<td>TOTAL QUEENSLAND</td>
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* Commonwealth contribution
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<tr>
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<th>Estimated Cost</th>
<th>2000-01 Funding</th>
<th>Electorate</th>
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<tbody>
<tr>
<td>Great Eastern Highway</td>
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<tr>
<td>Roe Highway to Scott St</td>
<td>14.00</td>
<td>7.30</td>
<td>Pearce, Perth</td>
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<tr>
<td>Sawyers Valley to Lakes</td>
<td>34.00</td>
<td>8.00</td>
<td>Pearce</td>
</tr>
<tr>
<td>Northam bypass</td>
<td>40.00</td>
<td>20.00</td>
<td>Pearce</td>
</tr>
<tr>
<td>Great Northern Highway</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Replace single lane bridges (Ord, Bow, Fitzroy, Dunham Rivers)</td>
<td>60.00</td>
<td>1.50</td>
<td>Kalgoorlie</td>
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<tr>
<td>Other</td>
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<td></td>
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<tr>
<td>NH Planning Studies</td>
<td>1.40</td>
<td>0.30</td>
<td>Various</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>20.00</td>
<td>5.00</td>
<td>Pearce, O’Connor, Kalgoorlie</td>
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<tr>
<td>Bridge Upgrading</td>
<td>6.70</td>
<td>1.30</td>
<td>Kalgoorlie</td>
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<tr>
<td>Asset Preservation</td>
<td></td>
<td>22.01</td>
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<tr>
<td><strong>Total National Highway</strong></td>
<td><strong>65.41</strong></td>
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</tr>
</tbody>
</table>

| RonIs                             |                |                |            |
| Mitchell Freeway                  | 25.00          | 6.25           | Moore      |
| Goldfields Hwy - Mt Keith to Wiluna Rd | 15.00      | 3.75           | Kalgoorlie |
| **Total RonIs**                   | **10.00**      |                |            |
| **Total Western Australia**       | **75.41**      |                |            |

* Commonwealth contribution

<p>| South Australia National Highway  |                |                |            |
| Adelaide Urban                   |                |                |            |
| Portrush Rd - Magill to Greenhill Rd | 36.80     | 5.50           | Sturt      |
| NH Northern Adelaide - planning  | 2.50           | 2.50           | Bonython, Wakefield |
| Dukes Highway                    |                |                |            |
| Keith to Vic border o/taking lanes | 6.20        | 3.00           | Barker     |
| Mt Barker                        | 138.00         | 0.90           | Mayo, Sturt |</p>
<table>
<thead>
<tr>
<th>Estimated Cost</th>
<th>2000-01 Funding</th>
<th>Electorate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$m</td>
<td>$m</td>
</tr>
<tr>
<td>Sturt Highway</td>
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<tr>
<td>Greenock - Truro</td>
<td>15.70</td>
<td>0.60</td>
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<tr>
<td>Adelaide to Port Augusta</td>
<td>16.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Eyre Highway</td>
<td></td>
<td></td>
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<tr>
<td>Ceduna to Lincoln Gap widening</td>
<td>29.80</td>
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<tr>
<td>Asset Preservation</td>
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<td>22.72</td>
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<tr>
<td>TOTAL</td>
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<td>42.62</td>
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<td>TASMANIA</td>
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<tr>
<td>NATIONAL HIGHWAY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bass Highway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Westbury to Hagley bypass</td>
<td>36.00</td>
<td>12.00</td>
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<tr>
<td>Port Sorrel Rd to Devonport duplication</td>
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<td>2.00</td>
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<td>Midland Highway</td>
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<tr>
<td>Bridgewater industrial area duplication</td>
<td>2.76</td>
<td>2.76</td>
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<tr>
<td>Bridgewater Bridge replacement (Planning)</td>
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<tr>
<td>Midland Highway - Powranna crossing</td>
<td>4.00</td>
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<td>Midland Highway safety review</td>
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<td>Bass-Midland Hwys</td>
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<tr>
<td>Heavy Vehicle Overload Strategy</td>
<td>1.60</td>
<td>0.40</td>
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<td>Junction upgrading</td>
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<td>Don interchange</td>
<td>3.47</td>
<td>3.00</td>
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<td>Other</td>
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<tr>
<td>NH planning projects</td>
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<td>Bridge upgrading</td>
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<td>1.00</td>
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<td>Asset Preservation</td>
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<td>6.75</td>
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<td>TOTAL TASMANIA</td>
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<tr>
<td>NORTHERN TERRITORY</td>
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<tr>
<td>NATIONAL HIGHWAY</td>
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</table>
Senator Cook asked the Minister representing the Minister for Trade, upon notice, on 16 August 2000:

1. (a) What is the Austrade budget for the 2000-01 financial year in regards to advertising Austrade as an organisation and its services domestically; and (b) can a breakdown be provided of print (including brochures) and electronic media, both radio and television.

2. Can the same details, as in (1), be provided for the 1998-99 and 1999-2000 financial years.

3. (a) What media markets is Austrade planning to use in advertising for the 2000-01 financial year; (b) can a breakdown, by state, be provided of the media product (for example print and electronic media) and the cost of each product.

4. Can similar details be provided as in (3) with: (a) a breakdown on the basis of regional advertising by product type versus metropolitan advertising; and (b) the respective costs of each of those media product types.

5. Can similar details be provided as in (3) and (4) for the 1998-99 and 1999-2000 financial years.
For advertising that is to be conducted in the 2000-01 financial year, will any of it feature the Minister; if so, how will the Minister be featured (for example; a picture on a brochure or a personal message).

Has the Minister featured in any similar Austrade advertising for the 1999-2000 financial year; if so, how was he featured.

Will Austrade, as part of its advertising for the 2000-01 financial year, be running a specific campaign to inform regional centres of the role that Austrade can play in assisting regional exporters; if so: (a) will the Minister feature in that campaign; and (b) in what capacity.

For the 1998-99 and 1999-2000 financial years, did Austrade run any type of similarly specific regional advertising campaign that featured the Minister; if so: (a) what were the costs of those campaigns; and (b) how much was spent on each type of media product.

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

The Austrade advertising budget for the financial years 2000-2001, 1999-2000 and 1998-1999, giving a breakdown of print and electronic media, is shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>1998-99</th>
<th>1999-00</th>
<th>2000-01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising including research, creative and media (press and magazines, also airport posters in 1998-99)</td>
<td>$621,735</td>
<td>$282,843</td>
<td>$420,000</td>
</tr>
<tr>
<td>Printed materials Includes Annual Report, Client Brochure and Corporate Profile</td>
<td>$85,292</td>
<td>$63,164</td>
<td>$73,225</td>
</tr>
<tr>
<td>Direct Marketing Export Update monthly newsletter</td>
<td>$234,027</td>
<td>$222,222</td>
<td>$228,020</td>
</tr>
<tr>
<td>Export Access</td>
<td>$16,349</td>
<td>$54,386</td>
<td>n/a</td>
</tr>
<tr>
<td>Television and radio Multimedia/video</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Totals:</td>
<td>$962,243</td>
<td>$622,615</td>
<td>$743,295</td>
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</tbody>
</table>

In 2000-2001 Austrade will conduct a small campaign for Business Club Australia and a more extensive campaign promoting the Austrade website. The Business Club Australia campaign will appear in The Australian newspaper and on the Australian Financial Review website. The campaign will run from week commencing 20 August to week commencing 10 September 2000.

The cost of the Business Club Australia campaign in the Australian newspaper will be $14,710 and the cost of the Business Club Australia campaign on the Australian Financial Review website will be $4,000.

The marketing campaign for the Austrade website, for which there is a budget of $390,000, is dependent on the rollout of the project. The creative development and media plan will be formulated late 2000/early 2001. It is likely that this campaign will involve press advertising and direct marketing. At this stage it is not possible to predict the media that will be used and the breakdown between metropolitan and regional exposure. It will, however, be a national campaign.

The marketing campaign for the Austrade website for which there is a budget of $390,000 is dependent on the rollout of the project. The creative development and media plan will be formulated late 2000/early 2001. It is likely that this campaign will involve press advertising and direct marketing. At this stage it is not possible to predict the media that will be used and the breakdown between metropolitan and regional exposure, only to say it will be a national campaign.
(5) Medium Campaign March - Nov 1998 % of total insertions/$ value Campaign March - Nov 1999 % of total insertions/$ value

<table>
<thead>
<tr>
<th>Medium</th>
<th>Campaign March - Nov 1998 % of total insertions/$ value</th>
<th>Campaign March - Nov 1999 % of total insertions/$ value</th>
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</thead>
<tbody>
<tr>
<td>Business</td>
<td>National 100% ($189,732)</td>
<td>National 100% ($136,764)</td>
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<tr>
<td>Magazines</td>
<td>Sydney 50% ($57,600)</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>Melbourne 50% ($53,400)</td>
<td>n/a</td>
</tr>
<tr>
<td>Airport Posters</td>
<td>National 16.6% ($67,017)</td>
<td>National 24% ($69,514)</td>
</tr>
<tr>
<td></td>
<td>NSW 16.6% ($38,654)</td>
<td>NSW 10.6% ($37,461)</td>
</tr>
<tr>
<td></td>
<td>Vic 12.5% ($26,340)</td>
<td>Vic 12% ($42,021)</td>
</tr>
<tr>
<td></td>
<td>Qld 14.6% ($24,831)</td>
<td>Qld 10.6% ($25,986)</td>
</tr>
<tr>
<td></td>
<td>SA 12.5% ($18,426)</td>
<td>SA 10.6% ($17,412)</td>
</tr>
<tr>
<td></td>
<td>WA 10.4% ($20,308)</td>
<td>WA 10.6% ($18,559)</td>
</tr>
<tr>
<td></td>
<td>NT 8.4% ($6,304)</td>
<td>NT 10.6% ($7,331)</td>
</tr>
<tr>
<td></td>
<td>Tas 8.4% ($6,727)</td>
<td>Tas 10.6% ($5,401)</td>
</tr>
<tr>
<td>Target audience</td>
<td>58% national and metropolitan</td>
<td>84% national and metropolitan</td>
</tr>
<tr>
<td></td>
<td>42% regional</td>
<td>67% regional</td>
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</table>

(6) The Minister is not featured in Austrade’s advertising campaigns. The corporate advertising campaigns are intended to raise awareness of Austrade and our services and encourage prospective exporters to contact us for additional information.

If the Minister is involved in specific Austrade events/seminars, his involvement is mentioned in the Export Update newsletter (three mentions so far this year). He may be featured in promotional material relating to Business Club Australia, probably by inclusion of a photo.

There has been a Ministerial welcome video at two recent Austrade events – the Eurolink series and China & the WTO series.

(7) The Minister was not featured in any Austrade advertising in 1999-00. His name appeared in Export Update if he was involved in the particular event described (there were two mentions during 1999-00). His photo appears in the introduction to Austrade’s Corporate Profile (12 page brochure produced February 2000) and the 1998-99 Annual Report (produced October 1999).

(8) Austrade will not be conducting a specific advertising campaign to inform regional centres of the role it can play in assisting regional exporters. Rather, regional awareness is built through regular editorial in local press, the Austrade and TradeStart network, and through attendance at field days.

There will be a campaign to raise awareness of Austrade’s website and its functionality – this will be conducted nationally and again will not feature the Minister. The timing for the commencement of this campaign, the creative concepts and media placement have not yet been determined.

(9) No, Austrade has not run any specific regional advertising campaigns featuring the Minister.

Definitions:
Advertising - paid promotion in press, print or electronic media
Editorial - promotion in press, print or electronic media (no charge involved)
Direct Marketing - mailing, faxing or emailing of information/promotional material
Medium - type of media, eg. press or radio.
Agriculture: Assistance Assessment Process
(Question No. 2745)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 16 August 2000:

(1) What assessment process was undertaken by the department prior to the approval of $2.025 million to assist farmers in the central and north-eastern areas of South Australia.

(2) (a) What were the exact areas covered by the assessment process; and (b) over what period will the funding be provided.

(3) (a) What other federal agencies were involved in the above assessment process; and (b) what was the nature of the work carried out by each agency.

(4) (a) Who initiated the assessment process; (b) when did the work commence; and (c) when was the assessment completed.

(5) Is the funding being provided through existing federal programs: (a) if so: (i) what exiting programs are providing the funding, (ii) what aspect of each program will be used to assist farmers, and (iii) what will be the annual funding levels allocated from each of these programs; and (b) if not: (i) what new programs are providing the funding, (ii) what aspect of each program will be used to assist farmers, and (iii) what will be the annual funding levels allocated from each of these new programs.

(6) (a) What assessment has been undertaken of rainfall levels in the above regions since 1 January 1997; (b) who undertook that assessment; and (c) what was the result of the assessment.

(7) (a) What assessment has been undertaken of the economic cost of locust and grasshopper plagues in the above regions since 1 January 1997; (b) who undertook that assessment; and (c) what was the result of the assessment.

(8) (a) What assessment has been undertaken of the economic cost of floods in the above regions since 1 January 1997; (b) who undertook that assessment; and (c) what was the result of the assessment.

(9) (a) What assessment has been undertaken of the economic cost of low commodity prices in the above regions since 1 January 1997; (b) who undertook that assessment; and (c) what was the result of the assessment.

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

(1) The National Rural Advisory Council (NRAC), formerly RASAC, examined two applications for Exceptional Circumstances (EC) assistance. On each occasion, NRAC found that the area did not meet the requirements of the EC guidelines. In its advice to the Minister on the latter application, NRAC noted that many farmers in the area were grappling with very difficult circumstances.

(2) (a) In its first application the South Australian Government requested a declaration of EC for an area of approximately 92,000 square kilometres. The area comprised the District Council of Orroroo/Carrietton, the District Council of Peterborough, the Eastern Districts Soil Conservation Board district, the North East Pastoral Soil Conservation Board district and the Northern Flinders Soil Conservation Board district (including the District Council of Hawker).

In its second EC application the South Australian Government divided the area into four sub-regions:

Area 1 Hawker - Orroroo - Yunta
This area comprised the District Council of Orroroo/Carrietton, part of the District Council of Flinders Ranges, the District Council of Peterborough (less the hundred (land division) of Yongala), and the unincorporated perpetual lease land immediately east and north of the District Council of Peterborough.

Area 2 Northern Flinders Ranges
This area comprised the Northern Flinders Soil Conservation Board district less part of the Flinders Ranges District Council.
Area 3 North East Pastoral
This area comprised the North East Pastoral Soil Conservation Board district less the unincorporated perpetual lease lands north and east of the District Council of Peterborough.

Area 4 Eastern Districts
This area comprised the Eastern Districts Soil Conservation Board district less the perpetual lease lands south of the Burra to Morgan road.

(b) The funding is for 2 years from August 2000 to August 2002.

(3)(a) The Department of Agriculture, Fisheries and Forestry (AFFA) was involved in the assessments. The assessments drew on advice of the Bureau of Rural Sciences (BRS) and the Australian Bureau of Agricultural and Resource Economics (ABARE).

(b) AFFA provided secretariat support to NRAC. BRS provided scientific advice and ABARE provided economic advice.

(4)(a) The assessment process was initiated by the lodgement of applications for EC assistance from the South Australian Government. NRAC assessed the applications at the request of the Minister for Agriculture, Fisheries and Forestry.

(b) NRAC’s assessment of the first EC application commenced on 24 November 1998. NRAC’s assessment of the second EC application commenced on 30 November 1999.

(c) NRAC completed its assessment of the first EC application on 18 March 1999. Assessment was delayed as the South Australian Government requested a variation to the boundaries of the application area on 17 February 1999. NRAC completed its assessment of the second EC application on 4 February 2000.

(5) Funding for the Central North East South Australian Farm Assistance Program is being provided by a specific new budget allocation. The Farm Assistance Program is part of an overall assistance package which included ex gratia payments. The ex gratia payment component of the package was intended to provide short term help with day to day family needs. The Farm Assistance Program was designed to address structural issues to enhance the long-term viability of the region.

(a)(i) Not applicable.

(ii) Not applicable.

(iii) Not applicable.

(b)(i) The program is being funded from the Central North East South Australian Farm Assistance Program.

(ii) The funding represents the full allocation for the program, ie. $2 million is to be used directly to assist farmers in the region. Assistance measures in the Farm Assistance Program consist of the provision of:

(A) grants to assist in the preparation of business plans that identify the long term viability and options for development or change in the business;

(B) grants to stimulate the development or re-development of properties and in particular the uptake of innovative farming practices and best practice;

(C) grants to facilitate on farm infrastructure such as fencing for new industries;

(D) funding for research into alternative farming methods and best practice for the region;

(E) rent rebates on pastoral lease rentals;

(F) funding to implement, manage, promote, evaluate, coordinate and administer program delivery at a professional standard and a high level of accountability to the community, South Australia and the Commonwealth; and

(G) funding to control grasshoppers.

(b)(iii) Farm Assistance Program
$1 million in each of 2000/01 and 2001/02 for payments to farmers plus $100,000 in 2000/01 to establish the program. This program funding is matched by the South Australian Government.

**Ex gratia Payment**

$358,415 for a 3 month period (1 March 2000 to 31 May 2000).

(6)(a) Assessment of rainfall levels in the area and the analysis of the effectiveness of that rainfall occurred throughout November 1998 to March 1999 and November 1999 to February 2000 as part of the process of assessing the two applications for EC assistance.

(b) NRAC undertook the assessment, with advice from BRS.

(c) The application area is characterised as an area that receives very low rainfall that also is highly variable. As well, autumn rainfall is characterised by low reliability across much of the area. Based on historical records for the region, this means that production that depends inherently on high falls of rain during the autumn will be unreliable.

NRAC found that, irrespective of the timeframe analysed, the rainfall deficiencies in the area did not meet the EC criteria for a 1 in 20 to 25 year event.

(7)(a) Analysis of the economic cost of locust and grasshopper plagues in the area was carried out as part of the examination of the EC applications. However, the focus of the analysis was on the overall impact of the combination of events being claimed as exceptional.

(b) NRAC undertook the assessment, with advice from BRS and ABARE.

(c) NRAC concluded that the impact of these insects in the area had not been demonstrated to be severe, on the basis that the South Australian Government could not quantify the actual impact of these insects and had undertaken a control program.

In its survey conducted in late September 1999, ABARE advised that properties reported a reduction in farm receipts because of locusts and grasshoppers in all sub-regions except the Eastern District. Losses were confined to the western portion of Northern Flinders and the North East Pastoral sub-regions, but almost all properties in the Hawker -Orroroo – Yunta subregion reported some loss in farm receipts because of locusts and grasshoppers in the past three years.

ABARE further advised that the reduction in receipts was reported for both crop and livestock although, generally, the reduction to livestock receipts through pasture removal was the larger. Impact on individual properties varied considerably, but on average losses were generally less than:

- 15 per cent in 1996-97 (in the Northern Flinders and Hawker sub regions);
- 15 per cent in 1997-98 (in the Northern Flinders, Hawker and North East sub regions); and
- 25 per cent in 1998-99 (in the Hawker sub region).

(8)(a) Analysis of the economic cost of floods in the area was carried out as part of the examination of the EC applications. However, the focus of the analysis was on the overall impact of the combination of events being claimed as exceptional.

(b) NRAC undertook the assessment, with advice from BRS.

(c) NRAC concluded that the impact of the flood on the application area as a whole was not significant, as it occurred only in a small part of the area.

(9)(a) Analysis of the economic cost of low commodity prices in the area was carried out in the assessment of the two EC applications. However, the focus of the analysis was on the overall impact of the combination of events being claimed as exceptional.

(b) NRAC undertook the assessment, with advice from ABARE.

(c) NRAC appreciated that the effect of the downturn of wool commodity prices on stock numbers could not be underestimated. NRAC further noted that the EC guidelines exclude events, such as normal commodity price downturns, which farmers are expected to be able to manage under their normal risk management strategies.
Department of the Prime Minister and Cabinet: Grants to Employer Organisations
(Question No. 2779)

Senator O’Brien asked the Minister representing the Prime Minister, 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 Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Department of the Prime Minister and Cabinet

(1) Nil

(2) (a) to (c) Not Applicable

(3) (a) and (b) Not Applicable

Department of Foreign Affairs and Trade: Grants to Employer Organisations
(Question No. 2782)

Senator O’Brien asked the Minister representing the Minister for Trade, 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 Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Department of Foreign Affairs and Trade (DFAT)

(1) Departmental financial records show that payments were made to the Motor Trader’s Association of Australia (MTAA) within the time frame specified in the honourable member’s questions.

(2) (a) MTAA: Several minor payments were made for venue hire such as the Association’s boardroom and conference room for training courses.

(b) In financial year 1996-97 payments were made to the value of $6,700.00

(c) No

(3) N/A. Payments were not made in relation to grants.

Austrade

(1) During 1996-97 Austrade made payments to several employer organisations for delivery of the Export Access and TradeStart programs. In addition, one payment was made to an employer organisation under the Export Market Development Grants scheme.

Austrade administers the Government’s Export Access Program through a network of nineteen Service Providers, which includes a number of employer organisations. Service Providers engage specialist Project Managers to provide eligible small to medium enterprises with export marketing
guidance and advice. The objective is to transform a new or potential exporter into a sustainable exporter over a period of twelve months or so. Service Providers are paid on performance up to an agreed annual target number of clients.

The TradeStart program extends the availability of Austrade services into regional Australia through a network of twenty-one offices established under arrangements with twelve Service Providers, among which are a number of employer organisations. Payments are made twice a year.

The Export Market Development Grants scheme annually assists 3,000 small to medium sized Australian based businesses to develop export markets. The $150 million per year scheme operates on a reimbursement basis where successful applicants receive up to 50% of incurred eligible export market expenditure, up to a maximum of $200,000 per annum. The scheme is administered by Austrade’s Export Finance Assistance Programs Unit which provides services to all States from offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

Total payments to employer organisations under these arrangements in the financial year 1996-97 are shown in the attached tables.

(2)(a) In each case, the purpose of Export Access was to enable the provision of professional export marketing advice and guidance to eligible small and medium Australian enterprises. The purpose of TradeStart payments was to facilitate the provision of Austrade services to businesses in regional Australia. The purpose of Export Market Development Grants was to provide financial assistance to Australian exporters to encourage companies to seek out and develop export markets.

(b) The actual value of payments for the financial year 1996-97 is contained in the attached tables.

(c) Payments under TradeStart and Export Access are made in accordance with contracts between Austrade and the Service Providers. Service Providers under the TradeStart program are required to submit proposals before being selected to participate in the program.

Export Access operates under guidelines which require that Service Providers meet certain criteria before appointment under contract. Recent appointments of new Export Access Service Providers have been as a result of favourable assessment of proposals submitted. Under the Export Access program, applications for assistance are made by individual businesses through a Service Provider to the Export Access National Office (Austrade). These applications are assessed on their individual merit in accordance with the program guidelines.

In accordance with established guidelines, applications may be made from businesses for up to 50% of incurred eligible market expenditure up to a maximum of $200,000 per annum under the Export Market Development Grants scheme.

(3)(a) Austrade officials assessed the applications (submissions) for TradeStart and Export Access payments from potential Service Providers, in accordance with the program guidelines.

With regard to the Export Market Development Grants scheme, Austrade assessed the application and authorised payment in accordance with the program guidelines.

(b) Austrade officers with the proper delegation authorised the appointments of Service Providers and entered into contracts on Austrade’s behalf.

Austrade officers with the proper delegation authorised payment under the Export Market Development Grants scheme.

Table 1: Disbursements to employer organisations under TradeStart (TS) and Export Access (EA) programs and Export Market Development Grants (EMDG) scheme:

<table>
<thead>
<tr>
<th>Organisation</th>
<th>Type of payment</th>
<th>1996-97</th>
<th>1997-98</th>
<th>1998-99</th>
<th>1999-00</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACT &amp; Region Chamber of Commerce and Industry</td>
<td>TS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>EA</td>
<td>0</td>
<td>0</td>
<td>30,000</td>
<td>30,450</td>
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<tr>
<td>Organisation</td>
<td>Type of payment</td>
<td>1996-97</td>
<td>1997-98</td>
<td>1998-99</td>
<td>1999-00</td>
<td>Totals</td>
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<tr>
<td>Australian Business Ltd</td>
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<td>0</td>
<td>0</td>
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<td>0</td>
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<tr>
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<td>273,000</td>
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<td>875,000</td>
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<td>103,253</td>
<td>103,253</td>
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<td>The Australian Institute of Export (Vic) Ltd</td>
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<td>30,000</td>
<td>70,000</td>
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<tr>
<td></td>
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<td>Australian Interactive Multimedia Industry Association</td>
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<td></td>
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<td>0</td>
<td>120,000</td>
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<td>0</td>
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<tr>
<td></td>
<td>EA</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>609,000</td>
<td>609,000</td>
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<td>0</td>
<td>364,000</td>
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<td>37,500</td>
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<td>91,000</td>
<td>62,500</td>
<td>63,438</td>
<td>307,938</td>
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<td>Queensland Chamber of Commerce and Industry</td>
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<td>0</td>
<td>20,000</td>
<td>20,000</td>
<td>40,000</td>
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<td>EA</td>
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<td>273,000</td>
<td>187,500</td>
<td>190,312</td>
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</tr>
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<td></td>
<td>EA</td>
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<td>182,000</td>
<td>125,000</td>
<td>126,875</td>
<td>615,875</td>
</tr>
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<td>Tasmanian Chamber of Commerce and Industry</td>
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<td></td>
<td>EA</td>
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<td>91,000</td>
<td>125,000</td>
<td>126,875</td>
<td>433,875</td>
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<td>Victorian Employers Chamber of Commercial and Industry</td>
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<td>EA</td>
<td>182,000</td>
<td>182,000</td>
<td>255,600</td>
<td>259,434</td>
<td>879,034</td>
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</table>
Table 2: total disbursements to employer organisations

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<th></th>
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<th></th>
<th></th>
</tr>
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<tr>
<td>Total Trade Start per year</td>
<td>0</td>
<td>0</td>
<td>72,500</td>
<td>75,000</td>
<td>147,500</td>
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<tr>
<td>Total Export Access per year</td>
<td>2,244,000</td>
<td>2,204,000</td>
<td>2,525,600</td>
<td>3,106,509</td>
<td>10,080,109</td>
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<tr>
<td>Total Export Market Development Grants</td>
<td>11,458</td>
<td>0</td>
<td>36,584</td>
<td>131,510</td>
<td>179,552</td>
</tr>
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<td>GRAND TOTAL</td>
<td>2,255,458</td>
<td>2,204,000</td>
<td>2,634,684</td>
<td>3,313,019</td>
<td>10,407,161</td>
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</tbody>
</table>

Export Finance and Insurance Corporation (EFIC)

(1) Nil
(2) Not applicable
(3) Not applicable

Department of Industry, Science and Resources: Grants to Employer Organisations

(Question No. 2790)

Senator O’Brien asked the Minister for Industry, Science and Resources, 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 Minchin—The answer to the honourable senator’s question is as follows:

To provide the information in the level of detail sought by the honourable member would require the diversion and expenditure of a significant level of resources in my portfolio. I am not prepared, at this time, to authorise the diversion of these resources.

Some of the information sought by the honourable member is publicly available in the Annual Reports of portfolio agencies.

Department of Veterans’ Affairs: Grants to Employer Organisations

(Question No. 2795)

Senator O’Brien asked the Minister for Veterans’ Affairs, 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 payments; 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 Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) Nil response.
Department of Industry, Science and Resources: Grants to Employer Organisations
(Question No. 2797)

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

Sport and tourism are part of the industry, science and resources portfolio. The response of sport and tourism agencies is incorporated in the answer to question 2790.

Department of the Prime Minister and Cabinet: Grants to Employer Organisations
(Question No. 2798)

Senator O’Brien asked the Minister representing the Prime Minister, 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 Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Department of the Prime Minister and Cabinet

(1) Nil

(2) (a) to (c) Not Applicable

(3) (a) and (b) Not Applicable.

Department of Foreign Affairs and Trade: Grants to Employer Organisations
(Question No. 2801)

Senator O’Brien asked the Minister representing the Minister for Trade, 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 Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:
Department of Foreign Affairs and Trade (DFAT)

(1) Departmental financial records show that payments were made to the Motor Trader’s Association of Australia (MTAA) within the time frame specified in the honourable member’s questions.

(2)(a) Rental Payments - R G Casey Building
(b) In financial year 1997-98 payments were made to the value of $1,654,296
(c) No
(3) N/A

Austrade

(1) During 1997-98 Austrade made payments to several employer organisations for delivery of the Export Access and TradeStart programs.

Austrade administers the Government’s Export Access Program through a network of nineteen Service Providers, which includes a number of employer organisations. Service Providers engage specialist Project Managers to provide eligible small to medium enterprises with export marketing guidance and advice. The objective is to transform a new or potential exporter into a sustainable exporter over a period of twelve months or so. Service Providers are paid on performance up to an agreed annual target number of clients.

The TradeStart program extends the availability of Austrade services into regional Australia through a network of twenty-one offices established under arrangements with twelve Service Providers, among which are a number of employer organisations. Payments are made twice a year.

Total payments to employer organisations under these arrangements in the financial year 1997-98 are shown in the tables included in the response to question 2782.

(2)(a) In each case, the purpose of Export Access was to enable the provision of professional export marketing advice and guidance to eligible small and medium Australian enterprises. The purpose of TradeStart payments was to facilitate the provision of Austrade services to businesses in regional Australia.
(b) The actual value of payments for the financial year 1997-98 is shown in the tables included in the response to question 2782.
(c) Payments under TradeStart and Export Access are made in accordance with contracts between Austrade and the Service Providers. Service Providers under the TradeStart program are required to submit proposals before being selected to participate in the program.

Export Access operates under guidelines which require that Service Providers meet certain criteria before appointment under contract. Recent appointments of new Export Access Service Providers have been as a result of favourable assessment of proposals submitted. Under the Export Access program, applications for assistance are made by individual businesses through a Service Provider to the Export Access National Office (Austrade). These applications are assessed on their individual merit in accordance with the program guidelines.

(3)(a) Austrade officials assessed the applications (submissions) for TradeStart and Export Access payments from potential Service Providers, in accordance with the program guidelines.
(b) Austrade officers with the proper delegation authorised the appointments of Service Providers and entered into contracts on Austrade’s behalf.

Export Finance and Insurance Corporation (EFIC)

(1) Nil
(2) Not applicable
(3) Not applicable
Department of Industry, Science and Technology: Grants to Employer Organisations
(Question No. 2809)

Senator O’Brien asked the Minister for Industry, Science and Resources, 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 Minchin—The answer to the honourable senator’s question is as follows:

To provide the information in the level of detail sought by the honourable member would require the diversion and expenditure of a significant level of resources in my portfolio. I am not prepared, at this time, to authorise the diversion of these resources.

Some of the information sought by the honourable member is publicly available in the Annual Reports of portfolio agencies.

Department of Veterans’ Affairs: Grants to Employer Organisations
(Question No. 2814)

Senator O’Brien asked the Minister for Veterans’ Affairs, 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 payments; 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 Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) Nil response.

Department of Industry, Science and Resources: Grants to Employer Organisations
(Question No. 2816)

Senator O’Brien asked the Minister for Sport and Tourism, 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 Minchin—The answer to the honourable senator’s question is as follows:

Sport and tourism are part of the industry, science and resources portfolio. The response of sport and tourism agencies is incorporated in the answer to question 2809.
Department of the Prime Minister and Cabinet: Grants to Employer Organisations
(Question No. 2817)

Senator O’Brien asked the Minister representing the Prime Minister, 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 Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Department of the Prime Minister and Cabinet

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Office of National Assessments

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Office of the Inspector-General of Intelligence and Security

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Office of the Commonwealth Ombudsman

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Australian National Audit Office

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Public Service and Merit Protection Commission

1. Nil
2. (a) to (c) Not Applicable
3. (a) and (b) Not Applicable

Office of the Official Secretary to the Governor-General

1. Nil
2. (a) to (c) Not Applicable
2(a) and (b) Not Applicable.
Department of Foreign Affairs and Trade: Grants to Employer Organisations
(Question No. 2820)

Senator O’Brien asked the Minister representing the Minister for Trade, 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 Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Department of Foreign Affairs and Trade (DFAT)

(1) Departmental financial records show that payments were made to the Motor Trader’s Association of Australia (MTAA) within the time frame specified in the honourable member’s questions.

(2)(a) MTAA: Payments were made for rental of the R G Casey Building.

(b) In financial year 1998-99 payments were made to the value of $16,942,141

(c) No

(3) N/A. Payments were not made in relation to grants.

Austrade

(1) During 1998-99 Austrade made payments to several employer organisations for delivery of the Export Access and TradeStart programs. In addition, two payments were made to employer organisations under the Export Market Development Grants scheme.

Austrade administers the Government’s Export Access Program through a network of nineteen Service Providers, which includes a number of employer organisations. Service Providers engage specialist Project Managers to provide eligible small to medium enterprises with export marketing guidance and advice. The objective is to transform a new or potential exporter into a sustainable exporter over a period of twelve months or so. Service Providers are paid on performance up to an agreed annual target number of clients.

The TradeStart program extends the availability of Austrade services into regional Australia through a network of twenty-one offices established under arrangements with twelve Service Providers, among which are a number of employer organisations. Payments are made twice a year.

The Export Market Development Grants scheme annually assists 3,000 small to medium sized Australian based businesses to develop export markets. The $150 million per year scheme operates on a reimbursement basis where successful applicants receive up to 50% of incurred eligible export market expenditure, up to a maximum of $200,000 per annum. The scheme is administered by Austrade’s Export Finance Assistance Programs Unit which provides services to all States from offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

Total payments to employer organisations under these arrangements in the financial year 1998-99 are shown in the tables included in the response to question 2782.

(2)(a) In each case, the purpose of Export Access was to enable the provision of professional export marketing advice and guidance to eligible small and medium Australian enterprises. The purpose of TradeStart payments was to facilitate the provision of Austrade services to businesses in regional Australia. The purpose of Export Market Development Grants was to provide financial assistance to Australian exporters to encourage companies to seek out and develop export markets.

(b) The actual value of payments for the financial year 1998-99 is shown in the tables included in the response to question 2782.
Payments under TradeStart and Export Access are made in accordance with contracts between Austrade and the Service Providers. Service Providers under the TradeStart program are required to submit proposals before being selected to participate in the program.

Export Access operates under guidelines which require that Service Providers meet certain criteria before appointment under contract. Recent appointments of new Export Access Service Providers have been as a result of favourable assessment of proposals submitted. Under the Export Access program, applications for assistance are made by individual businesses through a Service Provider to the Export Access National Office (Austrade). These applications are assessed on their individual merit in accordance with the program guidelines.

In accordance with established guidelines, applications may be made from businesses for up to 50% of incurred eligible market expenditure up to a maximum of $200,000 per annum under the Export Market Development Grants scheme.

(a) Austrade officials assessed the applications (submissions) for TradeStart and Export Access payments from potential Service Providers, in accordance with the program guidelines.

With regard to the Export Market Development Grants scheme, Austrade assessed the applications and authorised payment in accordance with the program guidelines.

(b) Austrade officers with the proper delegation authorised the appointments of Service Providers and entered into contracts on Austrade’s behalf.

Austrade officers with the proper delegation authorised payments under the Export Market Development Grants scheme.

Export Finance and Insurance Corporation (EFIC)

(1) Nil
(2) Not applicable
(3) Not applicable

Department of Industry, Science and Resources: Grants to Employer Organisations

Senator O’Brien asked the Minister for Industry, Science and Resources, 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 Minchin—The answer to the honourable senator’s question is as follows:

To provide the information in the level of detail sought by the honourable member would require the diversion and expenditure of a significant level of resources in my portfolio. I am not prepared, at this time, to authorise the diversion of these resources.

Some of the information sought by the honourable member is publicly available in the Annual Reports of portfolio agencies.

Department of Veterans’ Affairs: Grants to Employer Organisations

Senator O’Brien asked the Minister for Veterans’ Affairs, 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 payments; 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 Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) Nil response.

Department of Industry, Science and Resources: Grants to Employer Organisations
(Question No. 2835)

Senator O’Brien asked the Minister for Sport and Tourism, 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 Minchin—The answer to the honourable senator’s question is as follows:

Sport and tourism are part of the industry, science and resources portfolio. The response of sport and tourism agencies is incorporated in the answer to question 2828.

Department of the Prime Minister and Cabinet: Grants to Employer Organisations
(Question No. 2836)

Senator O’Brien asked the Minister representing the Prime Minister, 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 1999-00 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 Hill—The Prime Minister has provided the following answer to the honourable senator’s question:

I am advised by my department as follows:

Department of the Prime Minister and Cabinet

(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Office of National Assessments

(1) Nil
(2) (a) to (c) Not Applicable
(3)(a) and (b) Not Applicable
Office of the Inspector-General of Intelligence and Security
(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Office of the Commonwealth Ombudsman
(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Australian National Audit Office
(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Public Service and Merit Protection Commission
(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Office of the Official Secretary to the Governor-General
(1) Nil
(2) (a) to (c) Not Applicable
(3) (a) and (b) Not Applicable

Department of Foreign Affairs and Trade: Grants to Employer Organisations
(Question No. 2839)

Senator O’Brien asked the Minister representing the Minister for Trade, 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 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 Hill—The Minister for Trade has provided the following answer to the honourable senator’s question:

Department of Foreign Affairs and Trade (DFAT)
(1) Departmental financial records show that payments were made to the Motor Trader’s Association of Australia (MTAA), the South Australian Employers’ Chamber of Commerce (SAECC) within the time frame specified in the honourable member’s questions.
(2)(a) (i)MTAA: Several minor payments were made for venue hire such as the Association’s boardroom and conference room for training courses. Payments were also made for rental of the R G Casey Building. (ii) SAECC: Payments were made for attendance at business seminars.
(b) (i) MTAA: Minor Payments
In financial year 1999-00 payments were made to the value of $18,500.00 MTAA: Rental Payments - R G Casey Building
In financial year 1999-00 payments were made to the value of $16,923,048 (b)(ii) SAECC:
In financial year 1999-00 payments were made to the value of $520

(c) No

(3) N/A. Payments were not made in relation to grants.

**Austrade**

(1) During 1999-2000 Austrade made payments to several employer organisations for delivery of the Export Access and TradeStart programs. In addition, two payments were made to employer organisations under the Export Market Development Grants scheme.

Austrade administers the Government’s Export Access Program through a network of nineteen Service Providers, which includes a number of employer organisations. Service Providers engage specialist Project Managers to provide eligible small to medium enterprises with export marketing guidance and advice. The objective is to transform a new or potential exporter into a sustainable exporter over a period of twelve months or so. Service Providers are paid on performance up to an agreed annual target number of clients.

The TradeStart program extends the availability of Austrade services into regional Australia through a network of twenty-one offices established under arrangements with twelve Service Providers, among which are a number of employer organisations. Payments are made twice a year.

The Export Market Development Grants scheme annually assists 3,000 small to medium sized Australian based businesses to develop export markets. The $150 million per year scheme operates on a reimbursement basis where successful applicants receive up to 50% of incurred eligible export market expenditure, up to a maximum of $200,000 per annum. The scheme is administered by Austrade’s Export Finance Assistance Programs Unit which provides services to all States from offices in Sydney, Melbourne, Brisbane, Adelaide and Perth.

Total payments to employer organisations under these arrangements in the financial year 1999-2000 are shown in tables included in the response to question 2782.

(2)(a) In each case, the purpose of Export Access was to enable the provision of professional export marketing advice and guidance to eligible small and medium Australian enterprises. The purpose of TradeStart payments was to facilitate the provision of Austrade services to businesses in regional Australia. The purpose of Export Market Development Grants was to provide financial assistance to Australian exporters to encourage companies to seek out and develop export markets.

(b) The actual value of payments for the financial year 1999-2000 is shown in the tables included in the response to question 2782.

(c) Payments under TradeStart and Export Access are made in accordance with contracts between Austrade and the Service Providers. Service Providers under the TradeStart program are required to submit proposals before being selected to participate in the program.

Export Access operates under guidelines which require that Service Providers meet certain criteria before appointment under contract. Recent appointments of new Export Access Service Providers have been as a result of favourable assessment of proposals submitted. Under the Export Access program, applications for assistance are made by individual businesses through a Service Provider to the Export Access National Office (Austrade). These applications are assessed on their individual merit in accordance with the program guidelines.

In accordance with established guidelines, applications may be made from businesses for up to 50% of incurred eligible market expenditure up to a maximum of $200,000 per annum under the Export Market Development Grants scheme.

(3)(a) Austrade officials assessed the applications (submissions) for TradeStart and Export Access payments from potential Service Providers, in accordance with the program guidelines.

With regard to the Export Market Development Grants scheme, Austrade assessed the applications and authorised payment in accordance with the program guidelines.

(b) Austrade officers with the proper delegation authorised the appointments of Service Providers and entered into contracts on Austrade’s behalf.
Austrade officers with the proper delegation authorised payments under the Export Market Development Grants scheme.

**Export Finance and Insurance Corporation (EFIC)**

(1) Nil
(2) Not applicable
(3) Not applicable

**Department of Industry, Science and Resources: Grants to Employer Organisations**

(Question No. 2847)

Senator O’Brien asked the Minister for Industry, Science and Resources, 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 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 Minchin—The answer to the honourable senator’s question is as follows:

To provide the information in the level of detail sought by the honourable member would require the diversion and expenditure of a significant level of resources in my portfolio. I am not prepared, at this time, to authorise the diversion of these resources.

Some of the information sought by the honourable member is publicly available in the Annual Reports of portfolio agencies.

**Department of Veterans’ Affairs: Grants to Employer Organisations**

(Question No. 2852)

Senator O’Brien asked the Minister for Veterans’ Affairs, 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 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 payments; 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 Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) One grant, provided to the Master Builders Association of the Australian Capital Territory.

(2)(a) To produce practical information about industry design specifications and standards for home modifications, adaptable housing and home structural maintenance especially as it relates to older persons. The material includes a 60 page booklet in non-technical language and diagrams for the veteran community and the production of a CD-ROM for use by the building trade.

(b) $172,350.

(c) Yes.

(3)(a) The application was assessed at the Department’s National Office taking into consideration the degree to which the project would:

- meet DVA funding criteria and national priorities;
(b) The Minister for Veterans’ Affairs approved the application, on recommendation from the Department.

**Department of Industry, Science and Resources: Grants to Employer Organisations (Question No. 2854)**

**Senator O’Brien** asked the Minister for Sport and Tourism, 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 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 Minchin**—The answer to the honourable senator’s question is as follows:

Sport and tourism are part of the industry, science and resources portfolio. The response of sport and tourism agencies is incorporated in the answer to question 2847.

**Public Debt: Retirement (Question No. 2900)**

**Senator Mark Bishop** asked the Minister representing the Treasurer, upon notice, on 7 September 2000:

1. (a) What were the amounts and dates of public debt retired with the proceeds of the sale of the first tranche (33.3 per cent) of Telstra; and (b) what were the public debt interest savings associated with each of these debt retirement payments.
2. (a) What were the amounts and dates of public debt retired with the proceeds of the sale of the second tranche (16.6 per cent) of Telstra; and (b) what were the public debt interest savings associated with each of these debt retirement payments.
3. Which measure does the Government use to assess the public debt interest value of prospective asset sales: the current 10-year government bond rate; the current average rate of the outstanding stock of Commonwealth debt; or another measure, and why.
4. What is the current average rate of the outstanding stock of Commonwealth debt.

**Senator Kemp**—The Treasurer has provided the following answer to the honourable senator’s question:

1. (a) Statistical information on Commonwealth Government securities, including debt issuance and debt redemption for the year, has been reported annually in the publication Commonwealth Debt Management. For 1999-00 it will be reported in the annual report of the Australian Office of Financial Management (AOFM). When undertaking and reporting debt related transactions, the Australian Office of Financial Management (AOFM) does not hypothecate individual cash flows, including from asset sales. It is therefore not possible to identify amounts and dates of public debt retired with the proceeds of the sale of the first tranche of Telstra.
2. See (1) (a).
3. See (1) (a).
4. To fully assess the impact on public net debt interest of prospective asset sales a simulation approach is utilised. The value of any interest savings in each year from this approach cannot be represented as a single measure. Rather, interest savings are dependent on a number of specific factors including: bond yields; coupon rates on the outstanding debt stock; discounts or premia (to face value) on any bonds repurchased prior to maturity; and discounts or premia on any new bond issues.
5. The weighted average effective interest rate for 1999-00 for Commonwealth Government securities was 7.88 per cent.