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Monday, 6 November 2000

The PRESIDENT (Senator the Hon. Margaret Reid) took the chair at 12.30 p.m., and read prayers.

HEALTH INSURANCE AMENDMENT (RURAL AND REMOTE AREA MEDICAL PRACTITIONERS) BILL 2000

In Committee

Consideration resumed from 2 November.

The bill.

Senator CHRIS EVANS (Western Australia) (12.30 p.m.)—by leave—I move:

(1) Schedule 1, item 1, page 3 (lines 10 to 19), omit “rural or remote area” (wherever occurring), substitute “medical workforce shortage area”.

(5) Schedule 1, item 1, page 3 (after line 26), at the end of section 19ABA, add:

(8) In this section:

medical workforce shortage area means a rural or remote area or an area designated by the Minister for the purposes of this section as an area of medical workforce shortage.

Opposition amendments Nos 1 and 5 are intended to clarify exactly which areas a doctor may be required to serve in to serve out their bond. The term ‘rural and remote’ may seem self-explanatory, but there have been increasing problems with the situation of regional cities serving rural and remote townships. Even under the current schemes there are problems with incentives that only cut in a short distance outside a regional centre, which create anomalies about where a doctor lives and works and what they are entitled to in terms of rural incentive programs. In the case of the bonded scholarships scheme for general practitioners it may seem reasonably evident that the commitment is that they live in a rural small town which has limited access to other GPs. There is no uniform distribution of the shortage of doctors, and there are anomalies in the sizes of towns which are considered rural and remote. Some dormitory towns close to metropolitan areas enjoy a rural classification, whilst other areas further out do not because they are close to regional towns yet have a lower accessibility to doctors.

When one looks at the case of specialists the problem gets more complex. Students taking out bonded scholarships are allowed to choose their area of speciality, subject to the proviso that they need to be able to fulfil their obligations to serve their bond out. This becomes quite complex as specialist positions in remote and even medium-sized towns are very few, yet many regional cities where major base hospitals are located find it extremely hard to fill positions of some categories of specialists. Labor’s amendments will allow the minister to apply a more considered definition of the boundaries of the zones in which different specialties may serve their bond. This flexibility will enable the minister to set realistic criteria to achieve the underlying goal of an appropriate distribution of doctors across Australia and maximise the availability of services in the hierarchy of health services which provide for the 30 per cent of Australians who live in rural and remote areas.

I understand the government has recognised this problem and is considering a definition in its contracts to allow bonded GPs to locate in an area classified on the RRMA scale as being between four and seven while a specialist would be able to locate in RRMA areas 3 to 7, which will include regional towns. It is unsatisfactory for such an important decision to be left to variation in the contract. We believe we need to have a legislative definition that will ensure that bonded scholarships are directed into areas of workforce shortages where they are needed. We believe these amendments would improve the bill, improve the transparency and clarification available to people, and deal with this ongoing problem—which, as I say, I understand the government has recognised—of what is rural and remote and the need to make sure that the bonded scholarships are directed to the areas of need in rural and remote Australia. I commend the amend-
ments to the Senate because, as I say, I think they improve the bill.

Senator LEES (South Australia—Leader of the Australian Democrats) (12.34 p.m.)—I have to say that these amendments basically gut the intention of the bill. They turn what is intended to be a plan for rural and regional Australia into one basically addressing general shortages in the medical work force. In particular, I refer to the map that shows quite graphically what we are talking about for the first intake of students. The contract will be changed over the years to look at the immediate shortage faced—looking ahead to the six to eight years it takes for people to come out of medical training—and to look at where the definition of rural and remote is at that point in time.

I agree with Senator Evans that whenever you draw a line basically there will be some anomalies—there will be people inside and people outside. But in looking at this map can I say that you have, except in Sydney, the opportunity to live basically in the CBD and commute out to your practice if you are so intent on living in an inner city area. In Adelaide the green area—in other words, the area of shortage—is Victor Harbor. So if you were basically able to get a job at Victor Harbor when you came out of uni and you really wanted to live in inner Adelaide, you could still maintain your place in North Adelaide and commute out.

This will change over the years, and we acknowledge that in the contract. But my real worry is that if we start trying to address every shortage in the medical work force we will in fact be attracting the wrong sorts of students. We will not be attracting students with a commitment to rural and regional Australia; we will be attracting in students that think, ‘But I might just be able to get something in the city. There might just happen to be a shortage there.’ Presumably, from the way they read, the ALP’s amendments will mean that with this general definition the minister would determine, as these people were coming out of their training, what was an area of shortage. ‘I may be lucky,’ these students may think, ‘I might actually come out in a year where an area of shortage is in the city. So—whew!—I will not actually have to go to a rural and remote area.’

We have to have a system that does what we are designing it to do, and that is to get the right sorts of students into the courses and for them to know that they are going to rural or remote areas. In South Australia, again looking at the Adelaide Hills and over as far as Murray Bridge, Murray Bridge is about an hour and 10 minutes on the freeway—90 minutes if there is nobody around. It is not that short, whether you can do it in 90 minutes or whether you can do it in 55 minutes, but it is still within commuting distance. This is one of the areas which, given the intake that will be going in initially with these scholarships, students could choose to take up. There are vacancies now for both specialists and GPs in that part of South Australia, very close to Adelaide. In Sydney, as I say, it would be a different matter: while the line does not quite go down to Wollongong, it does go out a fair way and takes in the Sydney Basin.

They are really quite dangerous amendments. It sounds quite logical—areas of need. But we also have to remember that, while there are shortages in Adelaide—and Senator Crowley could list them, particularly looking in the western suburbs and some of the southern suburbs; it can take you three or four days to get to see a GP of your choice—you can always go to the nearest hospital. You are probably 20 minutes to half an hour away—and, yes, you might wait four hours in casualty, but at least if it is an emergency you can be seen very quickly. In many of the areas shown on the map, there is nothing out there. Unless we can get doctors out into rural and regional areas, there is no alternative other than maybe a three- to five-hour drive if something goes wrong and you need a doctor very quickly. We will not be supporting these amendments. I think they are quite dangerous amendments and they in fact gut the intent of the bill.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.39 p.m.)—
In looking at amendments Nos 1 and 5 proposed by Senator Evans on behalf of the opposition, I would like to indicate that from the government’s perspective, which is similar to that of the Democrats, these amendments are not supported. The legislation refers to a contract under which the practitioner agrees to work in a rural or remote area. The contract defines the place of work according to the rural and remote metropolitan area classification, as published by the Department of Primary Industries and Energy and the Department of Human Services. Under this classification, general practitioners will be able to work in RRMAs 4 to 7—which include towns of up to 25,000—and specialists will be able to work in RRMAs 3 to 7, which include towns of up to 100,000 people.

General practitioners would be able to work in towns such as Armidale, New South Wales; Albany, Western Australia; or Mildura, Victoria. Specialists would be able to work in Shepparton, Victoria; Lismore, New South Wales; or Whyalla, South Australia. A list of these locations will be attached to the contract. The reason that specialists will be able to practise in larger towns is to enable them to work in areas where the population catchment is large enough to support a specialist. Should a scholar show exceptional aptitude for a particular field of study that is itself a national priority and is not viable in a rural area, the scholar would be able to apply to the minister to exercise his or her discretion in the application of the penalty for breach. This program is part of a broader strategy to meet the need for more doctors in rural and remote Australia. If this government wishes to develop particular schemes for other areas of medical work force shortage, it will be able to come back to parliament with another scheme. The government does not support these amendments, as the rural and remote area classification system is the most appropriate for this legislation.

Senator Chris Evans (Western Australia) (12.41 p.m.)—I gather that that debate can be summed up by saying that the Democrats think our amendments are dangerous and the government’s position is dangerous and that they are gutting their own bill. Effectively what the government are saying is that they concede that the points we made are valid in terms of some of the regional centres but the government are not supporting us inserting those sorts of things into the legislation that talks about the contract. I am quite perplexed, Senator Lees, about why you think it is so dangerous. I suppose that, if you are not going to vote for it, it does not really matter how you get to that position. On a quick assessment of the numbers, I am losing the amendments.

It would be wrong not to correct the record from our point of view that it is not at all about gutting the bill. It is about making sure that rural and remote areas that are areas of need are recognised. It is recognised that sometimes those areas have larger population centres—places like Townsville, Bendigo and Bunbury—where there are particular needs in terms of specialists et cetera and where we do have difficulty attracting medical professionals to those regions, as you would be well aware; and we ought to be looking to accommodate those issues as well. That was the intent of the amendments. I think even the government concedes that.

The government has a preference for doing everything in terms of the contract. Labor has a general position that we think the legislation ought to include much more definition about this scheme and the conditions that apply. That is something I will be arguing in future amendments. I do not think these amendments are dangerous or go any way towards gutting the legislation; that is just not accurate. But they do try to make an improvement which allows us to consider the needs of those rural and remote areas which may be of higher populations or in which there are special needs, and it has a more considered definition of the boundaries of the zones, which we think is a practical improvement of the bill. I can count, so I will leave it at that.

Senator Lees (South Australia—Leader of the Australian Democrats) (12.44 p.m.)—
will go to Senator Evans’s invitation as to why I have made the points I have. If you start broadening this out to give students the idea that they can be sent anywhere in Australia, but the minister declares as the students come out of university that an area of need is Wollongong or the southern suburbs of Sydney, there is a chance that basically this will be undone and that they will not have to go rural.

We need to attract students to this who are prepared to go rural. If, at the end of the day—in six or eight years time when these students are graduating—a motion is put forward in this place to say that the minister is adding a couple of inner urban areas or a couple of specific areas of need, maybe in Brisbane, fine—you will probably find students will accept that. But we have to attract students who want to go rural; students who are not going to come in in the hope that, when they finish, you may have reclassified some inner city areas as areas of need and therefore they can go there.

I will give you an example of what happened in teaching. I went in on a four-year bonded scholarship to go rural and remote. However, I was one of the first to get a choice off the list, and one area in inner Sydney had been reclassified. That was simply an off-chance: Green Valley in inner Sydney had been reclassified because no-one wanted to go there. They were desperately short of students coming out that year who would go there. I happened to choose to go there. But I accepted a scholarship in the full knowledge that I was expected to go to Taree or some of the other places—Armidale was on the list. A raft of other areas in northern and western New South Wales were on the list that we had to choose from. We were set in the knowledge that, yes, we would be going rural. If something changed, fine. But to get students into these medical scholarships believing that there is an outside chance they will not have to go is, I think, only building us up for problems and dissatisfied students who, when they have to make a choice of going out to, say, Ballarat when they had hoped they would be able to hang on and get an area of need classified in Melbourne. That is not what we should be looking at.

It is quite specific. If Senator Evans has a copy of the map that we asked the department to send to us, the red areas are the areas which do not need GPs or specialists, and the yellow areas are the ones that need specialists. The students will have all the information they need to make a decision so that they go in in the full knowledge that, when they come out, these areas are off limits—that there is no way they will be reclassified as areas of need. They will come out knowing that the green areas are the areas that are completely free in terms of where they can elect to go and do their time in rural and remote areas. I really do think, Senator Evans, that it is risky, if for no other reason than that we will attract students who keep their fingers crossed right through medical school that somehow they will get to stay in an inner city area.

Senator CHRIS EVANS (Western Australia) (12.47 p.m.)—I do not want to labour the point. It seems Senator Lees has some personal experiences that are driving her on this issue. But I think it is quite clear that the amendments deal with larger regional towns, not the inner suburbs of Sydney. For Senator Lees to say that the minister may use the rural bonded scheme to send people to inner Sydney is a construction she has put on it based on some personal history of hers with the teaching service. It is not part of this debate—the logic does not flow through. I think the government concedes there are difficulties in regional centres. The map you refer to is one I have not seen. I do not know whether you want to table it so that it can become part of the debate or whether it is just some private correspondence again between the government and the Democrats. I have not seen it, so I am not able to help. But I think it might be useful if you table that so that people who read the debate can follow it, because I was having difficulty. Anyway, as I say, this is designed to try to give some legislative framework to what the government says it is going to do with contracts. That seems to be the key point of difference
between us on this issue. Your issue seems to be a separate one which, as I say, I do not accept. But I will not delay the committee any longer.

Amendments not agreed to.

Senator CROWLEY (South Australia) (12.48 p.m.)—I have a question, Mr Temporary Chairman. During the course of the second reading debate I asked about consideration of shorter than six-year contracts, and I gather from non-verbal assistance across the chamber that that is not being considered. But I would like to ask the parliamentary secretary if he could explain whether that is absolutely verboten for all time, particularly in light of evidence, even in the last discussion, that maybe areas of high need will be different three years from now. In, say, 10 years time there may be regional centres that need doctors. There may be a flight of doctors to the bush and suddenly we will not need so many in rural and remote Australia. But also, importantly, if you had a three-year contract and a three-year scholarship, you would be asking medical students when they are somewhat older to make a decision about being under contract to serve in a particular designated area. They would be in a better position to make that decision and it would be a little closer to the time when they would be choosing an area or have some idea of what the area they would be going to would be like. The other thing is that they would have a three-year or a four-year—let us say, less than six years—bonded period, and I think there is some good sense in that.

Senator Lees has just given us a curious argument about doctors who might think, ‘If I was lucky enough I could get a designated area that was closer to home and I would not have to go to a country area.’ Those of us who grew up when teachers had scholarships and were bonded know that it was the luck of the draw: that they might finish in remote areas of a state or they might, indeed, finish in city schools. But that did not stop them knowing that, if they took a teaching bonded scholarship, they would have to fulfil that obligation. I think there was a sense of teachers knowing that, for three years, they could cope, but a six-year period of bonding is very much longer. It is particularly the case that if you have to make a decision about a six-year period of bonding to work as a doctor in rural and remote Australia when you are 17, a decision that you will not be able to put into effect until you are about 27, it is a pretty hard ask. Indeed, people may not choose the scholarship option. But, if you ask people when they are 20—they are well into their medical degree, they are pretty clear that they would like to complete their medical degree; they are looking forward to being a doctor, they have had a taste of what their medical degree will allow them to do as a practitioner, and so on—they would appreciate that they would have a bond for three or four years. I think it is a very realistic alternative to the way this bill is arranged. I ask the parliamentary secretary: was any consideration given to that? Is there the possibility of any consideration in the future? Would it be part of a review, as you go, of this project? If it is a possibility in the future, why not entertain it now?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.52 p.m.)—In answer to Senator Crowley’s questions, it is important that I establish that this is a new scheme to commence on 1 January next year to provide 100 places in addition to those that are currently in existence. It is complementary to, and runs alongside, other existing scholarships at the moment, such as RAMUS and the John Flynn scholarship. It is intended to be a new and additional scheme; it is not intended to be picking up students who have already commenced or who are part way through their studies. For that reason it needs to be comprehensive in so much as it picks up the full course for those starting in these 100 new and additional places on 1 January next year. It is not contemplated at this point in time that the scheme be altered or amended in the area that Senator Crowley is suggesting.

The TEMPORARY CHAIRMAN (Senator Sherry)—Senator Lees, are you proceeding with your amendment?
Senator LEES (South Australia—Leader of the Australian Democrats) (12.53 p.m.)—No. Our concern has been that students signing up may find, on completion of their study or perhaps two or three years down the track of their six years, that there are extenuating circumstances of a personal nature that mean they have to have a break. It may be for reasons of personal illness, motor vehicle accident or family illness that they need some time out. We acknowledge that this scheme only requires that doctors work for nine out of every 12 months, year after year after year, and therefore in any year they can take three months out, say, if a child is sick or they have to look after an ailing parent back in a capital city, without asking for any special privileges. It would be automatic. They would simply notify where they were going and why in a brief note to the department and that would be it.

However, we wanted to go just that one step further. Hopefully it would be only one per cent of students in this entire period, through both their training and their placement under their bond, for whom something would come up that would be best described as an extenuating circumstance that perhaps would not impact at all on the granting of a Medicare number. Obviously, if they are unwell, they may not be contemplating working at all; but the amendment would simply give them the opportunity of not having to pay back that $20,000 a year that they have contracted to repay if they break their bond. However, we had further legal advice on our amendment and it basically was not worth very much at all. What is valuable is to ensure that there is an opportunity to have special circumstances taken into consideration as a provision within the contract. There is an undertaking in writing from the minister that this issue and several others—I will just go through a couple of them—will be within the contract. The three lines relevant to this question are:

The contract will be revised to include a provision requiring that the Minister must consider exceptional circumstances such as temporary or permanent incapacity when exercising his or her discretion under the contract.

This is a legal avenue giving the person the right, should the minister still not do that, to go to further appeal and go through natural justice processes.

There were a couple of other issues that we did have, and I know in one case the Labor Party was also concerned. One issue relates to confirming that there is actual legal advice. The minister has again undertaken in writing—and I understand the parliamentary secretary will be tabling this shortly—that there will be a clause inserted into the body of the contract stating that, by signing the contract, the scholar is confirming that they have obtained independent legal advice and that they understand the terms and conditions of the contract. This is more valuable than us trying to go through the amendment process here. We actually want it in the contract, and this is the written undertaking that the minister is prepared to give.

Senator CROWLEY (South Australia) (12.56 p.m.)—I wanted to ask a question that may be relevant here, Parliamentary Secretary, and perhaps you could answer both. The way this is being looked at by Senator Lees talks to the more expected reasons for why people might be unable to conclude a contract. I mentioned the other day whom you might fall in love with—I am glad you are smiling again, Secretary; I think it is terribly important. Imagine you are a 17-year-old who has signed on to this contract and, after that, you realise, ‘Lord, I can only fall in love with people who are prepared to hit the country for six years.’ This is a restriction on who you can go dating with. This is a little flippant, but not entirely. If people have actually promised away six years of their lives in rural and regional Australia at the age of 27 or so, they could well find that their partner or spouse is not prepared to go with them. Say somebody has signed a contract for six years at the age of 17 and at the age of 20 or 18—two or three years into their degree—something of the sort I have just described emerges and they know that they will not then be able to fulfil that scholarship. Can they withdraw from the scholarship after year one, after year two or after
year three and promise to pay back the debt owing at that time? Is that a possibility?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (12.56 p.m.)—I will respond to Senator Crowley first and then to the issues raised by Senator Lees. I am so pleased to note that Senator Crowley has this very romantic support notion in her policy commitments. She did raise it last week and I think I commented at that particular time. If I can also be a little bit flip-pant and responsive, in the note that I will be tabling in a moment for Senator Lees I think the consequence of what Senator Crowley is talking about is embraced and picked up in the first issue addressed, which is with regard to notes that will be in the contract. There will be a clause which allows each scholar 12 months parental leave for each newborn or each adopted child who was born or adopted after the date of the contract. That may well be the second phase of Senator Crowley’s falling in love stage, but I think it is important and necessary that it be recognised.

The other important part that we have to recognise is the issue Senator Crowley raised about the need for relationships and the residential addresses that subsequently can be involved. I think Senator Lees covered that very adequately when she referred to the map showing the classifications, access areas and the choices that people will make. I appreciate that there will be problems if the bonded scholar chooses to work in Yundumlu when their partner is perhaps in Alice Springs or Adelaide. The distance factors would certainly be embraced. But there are plenty of choices within the designated and classified areas for easy relationships.

I think this problem is common. Certainly I see a lot of it when families have to make living arrangements in the Northern Territory. A current student, a friend of mine from Alice Springs, is presently studying at Flinders University. As part of his arrangements next year he will be required to serve his residency in Darwin. Of course, his family have been living with him in Adelaide during his study period but they want to return to Alice Springs where the family home is and where eventually I have no doubt he will return as a GP, because that is his intention. The family will have to make an arrangement whereby next year part of the family will be living in Alice Springs and part of the family, the scholar in that sense, will be living in Darwin. I do not think it is just restricted to the medical profession; it is part of life today that we have to recognise. So I think the issues raised by Senator Crowley are being seriously addressed.

I will refer now to the issue raised by Senator Lees. Very importantly, she raised the issue, addressed in the note explaining the contract, of a provision requiring the minister to consider exceptional circumstances when exercising his or her discretion under the contract. I can certainly confirm, as Senator Lees read out, that the notes contain the paragraph that the contract will be revised to include a provision requiring that the minister must consider exceptional circumstances such as temporary or permanent incapacity when exercising his or her discretion under the contract. It is important to acknowledge this issue. The other two issues addressed in this note include a clause to be inserted into the body of the contract stating that, by signing the contract, the scholar is confirming that they have obtained independent legal advice and that they understand the terms and conditions of the contract. Similarly, there is a fourth note with regard to an amendment to allow double degree students to apply for the scholarship. Each of these issues are addressed in the note which I understand Senator Lees has requested that I table, and I am pleased to do so.

Senator CHRIS EVANS (Western Australia) (1.03 p.m.)—I formally move opposition amendment No. 2 on sheet 1991:

(2) Schedule 1, item 1, page 3 after line 26, at the end of section 19ABA, add:

(5) This section also applies to a contract only if the contract contains dispute resolution procedures for the settlement
of any dispute arising from an application by the practitioner:

(a) to vary the terms of the contract to allow an obligation to be suspended; or

(b) in respect of all or part of the period that would be applicable to the practitioner under subsection (2)—for relief from the sanction mentioned in subsection (1).

I have only just had handed to me the document the minister has just tabled. It contains notes explaining the contract. As I said earlier, the Labor Party prefers the approach that the legislation lay down the conditions governing the operation of the scheme. We think that the approach the minister adopts of issuing letters to minor parties in the Senate, of dropping documents, of understandings about what will go into contracts, et cetera, is not the appropriate way to conduct business before this parliament. We think it would be much better if these issues were debated in the parliament and resolved by way of amendment.

I note Senator Lees’ argument about their amendment, but I think it is a very narrow and, at the end of the day, self-defeating way of operating unless the parliament takes on the issue of legislating proper amendments to schemes proposed by the government to ensure protections that we think are important. One of those protections that we think is important is to have a dispute resolution provision in the bill. The effect of our amendment would be to require each contract to have a dispute resolution provision under which an independent person could be appointed to consider cases of hardship where the practitioner has sought a suspension of the obligation to provide six years continuous service or an application to vary the terms of the contract due to hardship. I think this is an unremarkable provision, one that the Democrats and others have always supported in terms of consumer law more generally. An obvious example is a doctor seeking parental leave to raise a child. I see there are now some notes here about parental leave. But there are many other circumstances where a doctor practising and resident in a rural area could reasonably seek some deferral of the obligation to continue his service. Hardship could exist where a practitioner suffered a permanent disability due to an accident or serious illness and was unable to continue the obligation, even if they wanted to.

The proposed legislation is silent on the arrangements for hardship, but experience suggests that fair and workable procedures should be built in from the start. The opposition does not accept the argument that the minister is the appropriate person to consider individual hardship applications on two grounds. Firstly, whenever a contractual dispute arises, the person will have to take up their problem with the minister. This is the minister who has already probably made the decision on behalf of the department in the case anyway. It is impractical to expect a minister for health to divert his or her attention from major policy and budget issues to consider the family or other circumstances of a doctor in a small town. There would not be a chance for personal interview and no possibility of visiting the local area if relevant issues needed to be considered. Secondly, it is inappropriate for the minister to determine contractual disputes because he or she will be one of the signatories to the contract. What is the point of a contract dispute resolution procedure when the person mediating the dispute is one of the signatories? It is a very one-sided and unfair process. Labor is proposing that the contract should have a fair and reasonable contract dispute resolution clause which involves someone independent to hear the argument and suggest ways to solve the conflict by varying or suspending the obligations under the contract. I think the government is making a mistake in not being prepared to consider that sort of approach.

It is important to make the more general point which Senator Lees alluded to earlier. Labor support this scheme and support the attempt at bonded scholarships, but we have to also build support for them by showing people that they are fair and reasonable contracts and that it is a scheme that will operate on just terms. We are asking very young
people to sign up to a considerable financial and personal commitment, and we need to make sure that we have built in the safeguards for those young people so that they get fair treatment and so that the treatment is seen to be fair. This seems to me a very unremarkable amendment which would ensure that there is an independent dispute resolution procedure—the sort of thing that we encourage in all sorts of commercial and industrial contracts or laws to ensure that, in the event of a dispute, in the event of an argument about whether or not someone is able to fulfil their side of the contract, there is an independent umpire available to resolve those matters. We think that is a very sensible and prudent measure to include.

The government ceded some ground with this latest document, one of the Wooldridge letters, which at least recognises some parental leave concessions and some acknowledgment that the person entering the contract ought to have obtained some independent legal advice. Apart from that, all there is is a proposal that the contract will be revised to include a provision requiring that the minister must consider exceptional circumstances, such as temporary or permanent capacity, when exercising his or her discretion under contract. It still comes down to his or her discretion. The minister will rule on the dispute between the minister and the doctor. It is not a principle we support in any other legislation. It is not a principle that the Democrats, the Greens or any of the other minor parties have generally supported when we have dealt with industrial law.

This is a contract to serve out a period of employment, virtually, and we think it is a minimum requirement that we have that sort of dispute resolution procedure in there. What the government has offered is a step towards that, but it is a very small step and one which does not meet the tests of fairness and transparency in such matters that would be desirable. I commend the amendment to the committee.

Senator LEES (South Australia—Leader of the Australian Democrats) (1.09 p.m.)—Senator Evans seems to have a problem with the fact that the Minister for Health and Aged Care has not sent him a letter. All I can say to Senator Evans is that if you sit down with some of these amendments and work them through, either with the government or, as we did, with some independent legal advice, you will—

Senator Chris Evans—The question is whether it is secret or not.

Senator LEES—It is not in secret. It has all been tabled. I understand this material has all been tabled, and we will make sure anything that is binding is tabled when we actually need it in the legislation. As much as we possibly can, we make sure, as we work through a raft of different bills relating to the health portfolio, that we have the best possible legal advice and that, if there are problems, we have done everything possible to convince the government to find a solution to them. With the Labor Party, it seems that moving an amendment—any amendment—is better than sitting down and seriously working through what the issues are.

This amendment talks about ‘a person’. I am not sure what your version of ‘a person’ is, but it is a minefield to have the term ‘a person’ with no definition, not even a vague idea of from where they should come—whether it is the judiciary, whether you want them from the department or whether you want a member of parliament. It is just ‘a person’. Surely, you must look at the way in which your amendments are structured to actually define this and to put it in place.

But that is not my major problem, anyway. The way in which this amendment is written is questionable, but our concern is—as we said in the previous discussions—that we have now seen in the contract the request that the minister must consider exceptional circumstances. If they do not, we then have a process by which legal avenues are opened and appeals can follow. As we go through issues such as parental leave, I do not believe that these have not been addressed, Senator Evans. You now have a copy of the minister’s undertaking with the contracts. The very first one is a clause which allows each scholar 12 months parental leave for each
newborn or adopted child who is born or adopted after the date of the contract. I think it is pretty specific that that has been answered.

The last one, related to permanent or temporary incapacity, is answered. To get back to Senator Crowley’s point, I understand the personal ramifications that it can have if your partner is residing elsewhere. But let us go back to the map. We are not sending people to Yuendumu without choice. They will come out of university and they will have a list of options. If they have been studying at Flinders in Adelaide, the options, no doubt, that they would consider would be the vacancies that exist down along the Fleurieu Peninsula, out towards Murray Bridge. They could commute every day from wherever they are living in Adelaide—presumably, with a partner that does not want to shift—to a rural practice where they can fulfil the requirements of this scholarship.

We are not suggesting any forced marching of people to somewhere north of Port Augusta or somewhere west of Alice. We are saying that the way in which the map is drawn gives you—except in Sydney—the capacity to live in the CBD and to commute. If you want to live in Redfern or if you want to live in Potts Point in Sydney, you will probably have trouble, because the line is outside the Sydney basin almost everywhere, despite the fact that there are, no doubt, some vacancies within it. There, you are going to have to compromise and live halfway between where the two partners have either employment or other commitments.

Listening to Senator Evans, you would think we were dealing with draconian legislation that was going to frogmarch people away from their families. I understand that this is the language that the AMA has been using—that some within it consider this to be draconian legislation—but we are talking about 100 additional medical places that are designed for people who have a commitment to rural and regional Australia. We do not want to get so many outs and loopholes into the legislation that change the definition of things like areas of need that these people think, ‘Look, we just desperately want to get into medicine. We’ll sign up for one of these scholarships but keep our fingers crossed we can get out of it.’ We want this reasonably watertight but with allowances in the contract. Both parties have to sign this contract, Senator Evans. This is a commitment from the government and a commitment from the student that both of them will undertake what is in the contract. The contract spells this out. There should not be a problem.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.14 p.m.)—The government does not support the Labor Party amendment for the legislation to refer to the contract and for it to contain a dispute resolution procedure. The Commonwealth does not want to create the expectation that scholars can get out of their bond to work in rural and remote areas. These scholars will have entered into a legal contract. They will have obtained legal advice regarding the conditions of the contract before they signed the contract. The contract requires the students to note that they fully understand their obligations. The Commonwealth is meeting its side of the bargain to make sure that the scholars are fully informed by ensuring that the contract sets out the obligations clearly and that the information pack states the conditions of the scheme very clearly.

There are conditions within the contract for deferral and for parenting leave. It is up to ministerial discretion to make the decision that a scholar is not in breach of the contract, to defer the bonded work or, in the event of a breach of contract, to reduce the payment. Senator Evans seems to be implying by the motion that in some way he does not trust the minister to exercise that discretion. I can say quite clearly that I see no complication whatsoever with Dr Wooldridge carrying out and exercising that function. Perhaps Senator Evans is reflecting on future Labor Party ministers if he needs and requires this type of amendment.

Another important point to make is that it is expected that a very small proportion of the 100 scholars each year will find them-
selves unable to meet their obligations for reasons beyond their control. Again, from my experience in the Northern Territory, a place which I hope will be one of the major beneficiaries at the end of the day, I know that many of these students will be well aware of the complications of distance but at the same time will be aware of the opportunities, the challenges and the experience that they are going to receive by being able to exercise their medical profession in remote, rural and particularly Aboriginal communities such as the Northern Territory.

I do not anticipate and I cannot foresee that there are going to be many complications. Even if we took the 1,000 students for the decade, I would anticipate and would hope that this sort of thing would not be necessary except in very exceptional cases. There should be no cause for dispute of the core obligations of the bond, which are simple and clear. If the scholar wishes to take it further, the common court system is available to them. As well, having a dispute system may encourage scholars to enter into disputes which do not have a strong legal basis. This may create unrealistic expectations on the part of scholars and unnecessary work for the government. The Commonwealth does not wish to create potential loopholes for scholars to renegade on their commitments to work in rural areas. As I said, I do not anticipate that this would occur in anything other than very exceptional circumstances. This is a scheme to deliver doctors to rural communities.

Senator CROWLEY (South Australia) (1.18 p.m.)—I would like to take up the case of this being at ministerial discretion. While I am on my feet, I would like to ask whether the department can provide an example of any other time when the minister for health will in the end decide the employment conditions of any other person under the health portfolio. Is there any other precedent where the minister has this kind of responsibility? We know the minister has it for some other decisions about restricted imports through customs, for example. There are decisions that come down to the minister. They are rarely exercised, and they are not the way to make good law. There is a precedent that says this should be decided independently. The minister can have an opinion about the continuation of this scholarship and the scholar or the bonded doctor can have an opinion, but an independent arbiter should make the final decision.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.20 p.m.)—I would like to take note of the comments that Senator Crowley has made. Specifically, at the outset, she asked where the minister would be required to exercise his authority or discretion with regard to other areas. I am informed that there are a couple of very important areas where exemptions do apply with regard to temporary resident doctors...
and overseas trained doctors, particularly with regard to their service in rural and remote areas. I think I need to restate and reinforce the point that I made earlier: this is a very special and unique scheme. It is designed to provide 100 additional places. The numbers, therefore, are not expected to be large, but they will be important in meeting the need. These exceptional areas that the Labor Party is pursuing more as a matter of industrial relations policy than necessarily good health policy are matters on which we will differ.

Senator CHRIS EVANS (Western Australia) (1.21 p.m.)—I would just like to respond to a couple of the points of discussion. Senator Tambling might like to label it as industrial relations policy, but if he is saying we are pursuing what we think are fundamental rights, then the answer is yes. That is why I think his assertion that there are only small numbers and therefore you should not worry is fundamentally flawed. It is about every person’s right to a fair contract and to have that contract reviewed if special circumstances take place. Those are principles and basic industrial and human rights that we will assert in any context, whatever the numbers. That is why I am very surprised at the Democrat position in not supporting this amendment.

I agree with Senator Tambling; I do not think there will be large numbers of disputes. But we are saying that the principle at stake here is this: if the department and, therefore, the minister are in conflict with a doctor about the terms of the contract and how that should be pursued, the minister should not be the umpire. There should be an independent umpire to resolve those disputes. Those disputes may well occur on a fairly infrequent basis; I hope that is right. But it is not the number that determines the principle; it is the principle. The principle is that there ought to be some method of dispute resolution that recognises the rights of both parties, not that one party determines what the outcome will be when they are in dispute with another party. That is at the core of our amendment. That is not provided for by the government concessions, which have been tabled today. We think that is a principle worth pursuing. We are very surprised that it has not got wider support, because it just seems to us to be a very fundamental principle.

I do want to say a couple of other things. Firstly, in responding to the parliamentary secretary’s suggestion that somehow people will abuse their rights granted under this amendment, I think that is quite a nonsense. Certainly, if we give people rights, they may well access them, but they would access them before an independent umpire. They would have to assert their case and have their case judged on its merits. As I say, the government has come some way towards the intent of this amendment by putting in a clause now, we understand, which will allow 12 months parental leave and a provision that the minister may consider exceptional circumstances. I still urge the Democrats to look at that because, while the minister may consider exceptional circumstances, he or she, Labor or Liberal, will still be making a decision about a dispute between their department and an individual. They will still be prejudging the case. It seems to me that that is not fair and that it does not provide an appearance of fairness either. So, for that reason, we think our amendment ought to be supported.

By way of some comments on the process, I would say to Senator Lees that there is a reason why I talk about transparency in these matters. I have no difficulty with the Democrats negotiating with the government or negotiating with us, or us negotiating with the government. What I am getting concerned about is the phenomenon of the Wooldridge letters, as I have referred to them, whereby the Democrats come into this chamber and announce in the course of the debate that they are not supporting something, or that they are taking a particular position, on the basis of a letter which they have received from the minister. It seems to us that ought to be resolved by way of the legislative process in the chamber. I have no difficulty with them having negotiated and come to an agreed position; that is perfectly within their
But what I do get annoyed about is that the proper legislative process is usurped by exchange of the Wooldridge letters, which have not proved to be terribly lasting or effective in holding the government to the commitments contained therein. But also that does not allow the other senators in this chamber to make a judgment about those issues, because they are not debated and they are not resolved by way of legislation.

I also want to say that—again, this is obviously as a means of securing Democrat support—there is this thing that has been tabled today entitled ‘Medical Rural Bonded Scholarship Scheme, note: explained in the contract’. This has obviously been enough to satisfy the Democrats not to support the Labor amendments. That, as I say, is a decision for the Democrats, and that is fine. I suppose at least today this was tabled, but it was tabled as the debate commenced.

Senator Lees—Because we had only just got them this morning.

Senator CHRIS EVANS—I just want to point out to you, Senator Lees, that I never want you to ever criticise me again for distributing amendments late.

Senator Lees—They are not amendments; we have been dealing with your amendments for the last week.

Senator CHRIS EVANS—No, but it is a document that you use to defend your refusal to support amendments which otherwise are in complete agreement with Democrat policy. All I am suggesting to you is that Senator Tambling, when it suits him, is very fond of talking about how late the circulation of certain amendments has been. I just want to put him on notice also that dropping documents in the middle of a debate which purport to answer our amendments, without giving other senators the capacity to see those prior to that debate, does limit their capacity to respond and does limit their capacity to be involved in the process. I only make that point. At the end of the day, it comes down to the debate in the chamber. I am prepared to wear it and to take it on the chin.

But I do want to put you both on notice, because I do get a bit tired of being lectured about the lateness of amendments when we have people coming into this chamber and dropping another Wooldridge letter, or alluding, as was done the other day in the tobacco bill, to another Wooldridge letter—which is still secret, which is still hidden from the parliament and from the people of Australia because it has not been tabled—and then arguing that, on the basis of that correspondence, the parliament ought not take a particular view. I just make that point about the process. I do not think it does the parliament any good, and I do not think it does the Democrats any good in the end. But that is for them to decide, and I should not purport to lecture them about it. I think Dr Wooldridge has written more letters than Lady Chatterley in the last couple of years, and I am not sure that they will sell as well because, quite frankly, their currency is very short. They have a very short shelf life, unlike Lady Chatterley’s, which stood the test of time.

As I say, I do not think this is the right way to resolve legislation. But anyway, having seen the document that has persuaded the Democrats, I indicate that we are not persuaded. I do concede that the government has moved some ground, and we are pleased about that. I still think we are making a mistake by leaving it all to the minister and the contract. I think this is a scheme established by the parliament that ought to be regulated properly by the parliament. The Democrats and others always rail about things being done by regulation and not being brought before the parliament to be resolved. We all rail about the difficulties of amending disallowable instruments, et cetera. I just think we ought to take a view on these issues of major substance and put them in the legislation.

I would urge the Democrats again to think about whether or not they really are comfortable about voting against an amendment that in the legislation includes a procedure for resolving disputes between a doctor and the government, or whether they think it really is appropriate that the government—that is, the
minister—ought to determine disputes between it and an individual doctor. None of this is designed to undermine the scheme; it is to make sure that there is procedural fairness. It is to make sure that those people who are signing quite long contracts, making a huge commitment, are able to access a proper dispute resolution measure. I think it is, as I say, an unremarkable amendment but a quite important one for there to be some acceptance out there in the broader community, and particularly among the medical student fraternity, that there will be some sort of procedural fairness applied to those who do enter into these contracts.

Senator CROWLEY (South Australia) (1.30 p.m.)—I have a question. What is the status of that letter, which has been tabled in this parliament? If there were a dispute in court in 12 years, how would this document contribute to that discussion? Will it be included in the wording of the contract? Will it be added to the explanatory memorandum? Will it have any particular status? I seek the parliamentary secretary's advice.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.31 p.m.)—In response to Senator Crowley's question, I indicate that it is not a letter. An information sheet was tabled this morning to make available additional information that was raised properly in the course of the debate both by the opposition and by Senator Lees on behalf of the Democrats. That information sheet was made available properly as part of the contribution to that debate.

The note explains issues that will be reflected in the contract, specifically with regard to the clause that Senator Lees raised: the provision requiring the minister to consider exceptional circumstances when exercising his or her discretion under the contract. It includes a commitment that the contract will include a provision requiring the minister to consider exceptional circumstances. That will now form part of the basis of a clause in the contract. That has been well established. Therefore, there is a contract. In refuting the issue raised by Senator Evans as to whether the minister or an independent person should make that decision, I can provide an assurance that certainly the present Minister for Health and Aged Care—and I am pretty confident any future coalition health minister—will look at the detail very carefully in considering this important aspect.

Senator CROWLEY (South Australia) (1.32 p.m.)—Thank you for that explanation, but I am not still satisfied as to the status of this piece of paper. Does it have any particular weight? Will it appear in the *Hansard* of the consideration of this legislation in committee but have no further significance other than promising that certain things will happen? Will it be an addition to the explanatory memorandum that, as I understand it, can be taken into account in any court of law to help people understand the intent of the legislation in debate during its passage? I will be very pleased to know the exact status of this piece of paper. The parliamentary secretary says that it is an information document. Is it just a promise that the government will change words in the contract or does it have some status of its own?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.33 p.m.)—Obviously any document that has been tabled in this place can be taken into account in any subsequent court matter. The intent of this particular issue, and that raised by Senator Lees, is that, once this aspect is incorporated in the contract, it is—and will be—legally enforceable.

Senator CROWLEY (South Australia) (1.34 p.m.)—Say I am a young doctor looking at this law and my mum and dad are trying to find out all about it on my behalf. How will I get hold of that bit of paper? Will I have to read the *Hansard*? Will it be appended to the explanatory memorandum to the bill? Please tell me.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.34 p.m.)—Most young doctors or scholars studying to be doctors are not dumb: they are highly in-
telligent and very competent young people. I am sure that the information packs, the information that will be referred to them, the legal advice they will seek in entering into a contract and the contract itself will be important issues. During today’s debate both Senator Lees and I have quoted in full this particular aspect that seems to be worrying people. Therefore, the information is certainly readily available to any solicitor or any future student.

Senator CROWLEY (South Australia) (1.35 p.m.)—I am glad to hear that medical students are not dumb. Most people in the community are not dumb but they often find it extremely difficult to access law that is pertinent and relevant to them. I am seeking an assurance about the status of that document and the promises that it contains. For example, how will anybody trying to decide about a scholarship access the full information? If the parliamentary secretary says that it is provided in an information pack that will be distributed to students and their families, that is one step. But I am still not clear about the status of this bit of paper. I appreciate that it is entitled ‘Further Information’. Where will it be found: in the Hansard, appended to the explanatory memorandum, or somewhere else?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.36 p.m.)—For Senator Crowley’s elucidation, I can indicate that the information that has been made readily available in the Senate today will naturally be found on the record in Hansard, in the information pack and in the contract.

Senator CHRIS EVANS (Western Australia) (1.36 p.m.)—I wonder whether the parliamentary secretary will table the map that was referred to earlier. It might be hard for people to make sense of some of this debate and Senator Lees indicates that she is happy for it to be tabled. I still do not quite understand the commuting argument: as I understand it, most of the needs are in regions that are situated much further than a daily commuting distance to a capital city. That is certainly the case in my state of Western Australia. Nevertheless, I think it would be useful to table that map. I also ask the parliamentary secretary to indicate whether the contracts, once finalised, will be tabled in the Senate and whether they will be made available to the Employment Advocate.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.37 p.m.)—I am pleased to table the map that both Senator Lees and Senator Evans have sought. It is an important adjunct to this particular debate. I hope Senator Evans will look at the map of Western Australia, reflect on it, see the importance of the classification around Perth that is very obviously metropolitan and note that the total balance of the rest of his state falls into the RRMA categories 4 to 7 of small and remote communities. In looking at the Northern Territory, I can see a touch of red based on Darwin, where I live and where many of the people I know who would want to participate in this scheme would live. The rest of the Northern Territory similarly falls into it.

Senator Lees made an important contribution earlier when she was able to look at the map and see from the perspective that the distances are reasonable. We certainly expect metropolitan areas to be defined, and we do that in so many other forms of legislation in that particular area. It is not onerous for someone living in a capital city to seek employment not too far from the city. Even just looking at the map myself, I can see many desirable areas in either the red or the yellow tonings where someone may choose to live and be able to access employment in a nearby region if they did not want to go to the more remote and challenging areas in the isolated parts of Australia that I would ask them to go to. Senator Evans was also keen to know details with regard to the contract itself. That is a matter that will still have to be developed in the future, and I am sure it will be subject to a lot of scrutiny. He is welcome to pursue that on future occasions here in the chamber.
Senator CHRIS EVANS (Western Australia) (1.39 p.m.)—I may be welcome or not welcome to pursue things in the chamber, and I guess I will take my chances. But it does not really answer the question: will you be making available to the chamber and publicly a copy of the contract when finalised? That was the question, and I would not mind a direct answer to that, if that is possible.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.39 p.m.)—That will certainly be considered when finalised.

Senator CHRIS EVANS (Western Australia) (1.39 p.m.)—I want to pursue this slightly. Is 'considered when finalised' code for 'go away and die', or is it a yes or a no? It seemed to me to be a 'go away and die'. This is the point I was making to Senator Lees before. The government and the Democrats are insisting that they will not amend this legislation to provide these provisions and are reassuring people that the sorts of concerns I am raising will be taken care of in the contract, so it seems to me that the contract has to be public. You have had two goes at it, Senator Tambling. The second one was a little less evasive than the first but still not helpful. Will you or will you not make those contracts public?

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.40 p.m.)—Certainly the contract will be made available to the chamber, and it will also be posted on the department of health's web site, which will make it certainly public.

Question put:
That the amendment (Senator Chris Evans's) be agreed to.

The committee divided. [1.45 p.m.]
(The Temporary Chairman—Senator A.J.J Bartlett)

Ayes…………… 23
Noes…………… 36
Majority……….. 13

AYES
Bolkus, N. Brown, B.J.
Buckland, G. Campbell, G.
Carr, K.J. Collins, J.M.A.
Conroy, S.M. Cook, P.F.S.
Cooney, B.C. Crowley, R.A.
Denman, K.J * Evans, C.V.
Faulkner, J.P. Forshaw, M.G.
Gibbs, B. Hogg, J.J.
Hutchins, S.P. Ludvig, J.W.
Mackay, S.M. Murphy, S.M.
Sherry, N.J. 

NOES
Abetz, E. Allison, L.F.
Bartlett, A.J.J. Boswell, R.L.D.
Bourne, V.W. Brandis, G.H.
Calvert, P.H. Campbell, I.G.
Chapman, H.G.P. Coonan, H.L *
Ellison, C.M. Ferris, J.M.
Gibson, B.F. Greig, B.
Herron, J.J. Kemp, C.R.
Knowles, S.C. Lees, M.H.
Lightfoot, P.R. Macdonald, J.A.L.
Mason, B.J. McGauran, J.J.J.
Minchin, N.H. Murray, A.J.M.
Newman, J.M. Patterson, K.C.
Payne, M.A. Reid, M.E.
Ridgeway, A.D. Stott Despoja, N.
Tambling, G.E. Tchen, T.
Tierney, J.W. Vanstone, A.E.
Watson, J.O.W. Woodley, J.

PAIRS
Bishop, T.M. Crane, A.W.
Crossin, P.M. Heffernan, W.
Lundy, K.A. Hill, R.M.
McKiernan, J.P. Macdonald, I.
McLucas, J.E. Troeth, J.M.
Schacht, C.C. Ferguson, A.B.
West, S.M. Aiston, R.K.R.

* denotes teller

Question so resolved in the negative.

Senator CHRIS EVANS (Western Australia) (1.48 p.m.)—I move opposition amendment No. 3:

Schedule 1, item 1, page 3 (after line 26), at the end of section 19ABA, add:

(6) This section also applies to a contract only if the contract provides for certification by the practitioner contracting with the Commonwealth, that he or she, before entering the contract:

(a) received independent professional advice about the contract; and
(b) fully understood the obligations he or she entered into under the contract.

I think this issue has already been discussed at some length, and the government has come some way to meeting our concerns by agreeing for a provision to be inserted in the contract. It is now a requirement of credit law that anyone who is guaranteeing a loan or making a substantial financial commitment on behalf of another must get independent legal advice to ensure that they are fully aware of the extent of the commitment they are taking on. There is a close parallel to this situation, and it would be wrong for the government to encourage enthusiastic 17-year-olds keen to get a place at university to sign up to such a contract without giving them a chance to get independent advice so that the significance of the commitment is made clear to the potential student and acknowledged by them.

The government’s tabled note says that they recognise the importance of legal advice by moving it from the covering clause of the contract to the body of the contract. I think Labor’s position, which I do not expect to get support for, is that it should be moved into the legislation so that it is binding and clearly part of our legislative attempt. But, given my strike rate at the moment, I am not overly optimistic. Clearly, Labor has the view that that ought to be included in the legislation. As I say, I do concede that the government have come some way towards meeting our concerns by putting it into the body of the contract.

**Senator TAMBLING** (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.49 p.m.)—I indicate that this amendment is not supported by the government. It is a condition of the contract that the scholar obtains independent legal advice before entering into the contract, and they are asked to acknowledge that they understand the conditions of the contract. The Commonwealth has no interest in entering into a contract with a person who does not understand the conditions of the bond.

**Senator LEES** (South Australia—Leader of the Australian Democrats) (1.50 p.m.)—I reiterate that this is not legislation that is deliberately trying to trip people up. Some comments have been made about the average age. These comments have been made by the AMA but today a couple of ALP senators also mentioned 17 as an age when people are going to be getting themselves into what they almost describe as an inextricable problem. If you look at students going into medical schools now, the average age is actually somewhere around 21 or 22. There are plenty of young Australians who are making major decisions about their lives—everything from career choices to whether or not they are going to enter into a mortgage and tie themselves up for 25 years.

So I think we should take a different approach from the ALP—one of acknowledging that these young people are capable and competent, that they now actually have to sign to say that they have had independent legal advice. It is a requirement of the contract that they sign to say they have had it. They will be fully informed. The actual requirements are not draconian. In fact, the map that was just tabled—and I stress again to Senator Evans that we asked for this map months ago—has been on the wall in our party room for months. You only had to ask and you would have had a copy sent over from the department. To suggest that everything is being put upon you at the last minute I think is quite extraordinary. These maps have been freely available. We asked for our copy months ago so that we could better understand what these young people were actually going to be required to do.

As I said, I am very pleased to note that this detail is in the contract. The actual RRMs—that is, the rural and remote metropolitan area classifications—are actually in the contract in black and white and the understanding of that, with legal advice now being provided, is that that is all going to be signed and sealed. The young person has to sign to say that absolutely every detail of this contract has been gone through with a legal adviser, that they have the legal information
they need and that they know what they are getting themselves in for. I stress again—and
Senator Crowley was one of the people that mentioned the 17-year-olds—that a good half, if not more, of these students will be of mature age and they would already have done some training in another area, perhaps nursing, before they even get themselves into these contracts.

Amendment not agreed to.

Senator CHRIS EVANS (Western Australia) (1.53 p.m.)—I move opposition amendment No. 4:

(4) Schedule 1, item 1, page 3 (after line 26), at the end of section 19ABA, add:

(7) A contract with the Commonwealth under which a practitioner agrees to work in a medical workforce shortage area must be in the form prescribed by the regulations.

I think that was an invitation to attend the Democrats’ party room and view their maps. I must take that up one day. I know that you are a broad church, but I did not know that I would get in. I know a few of my former Labor Party colleagues have made the move, so maybe I ought to join them. Any party that takes Senator Ian Campbell at any stage of his career is a worry to me.

In terms of amendment No. 4—and I know I should not digress—we are concerned here that the contract be in the form of a regulation. We think there is a need for consistency across states and jurisdictions. It provides a level of accountability which is desirable, and I think it provides consistency, as I said, across jurisdictions. We think the scheme will only work if the conditions are consistent, fair and transparent. We think that the AMA’s suggestion that the terms of contract should be set by regulation so it is clear when changes are made and that the legality of the clauses will be subject to scrutiny is a good one. It is consistent with our approach about making sure that there is transparency and fairness about the whole process. As I can see, I am not getting much support for those measures.

Senator LEES (South Australia—Leader of the Australian Democrats) (1.54 p.m.)—I believe that the level of inflexibility that this would entail has not been thought through by the opposition. It would be administratively impractical to constantly bring back here any changes in any individual contract. It may be that specific issues are raised in legal advice and a variation in a particular contract may be asked for, for example, in respect of a particular disability that a medical aspirant may have. There is always the flexibility there if specific issues have to be raised at the time that the contract is being signed. Our worry is that bringing in here effectively almost individual contracts would just be a minefield. I think it would almost make it impossible for the government or the administrator—the bureaucracy that is working through this ready for the minister’s seal of approval—and it would preclude any individual consideration in what is an individual contract with every medical student. Also, as Senator Evans has just said, this is a concern of the AMA or some people within the AMA—I do have to qualify that because there are a lot of doctors out there who are members of the AMA who actually support what we are doing—but we would just be opening ourselves up to yet another round of complaints and another mechanism whereby people would hope that they could further water down the contracts. I do not believe we should be looking for mechanisms where we can water down these contracts. People are going to be signing up to them with their eyes open, with legal advice.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.56 p.m.)—The government does not support this amendment. There is no need for regulations to specify a form of contract as this would make the scheme inflexible and overregulated.

Amendment not agreed to.

Senator CHRIS EVANS (Western Australia) (1.56 p.m.)—I move amendment No. 6:
Schedule 1, item 1, page 3 (after line 26), after section 19ABA, insert:

19ABB Certain contracts with the Commonwealth to contain particular provisions regarding breach of contract

(1) This section applies to a contract with the Commonwealth under which a person agrees to work in a medical workforce shortage area.

(2) A contract to which this section applies is not enforceable unless the contract stipulates that, in the event that the person does not become a medical practitioner, either:

(a) the amount to be repaid by the person, together with interest; or

(b) a method of calculating the amount to be repaid by the person, being a method that includes interest.

I find it hard to accept that the Democrats seem to be taking a much tougher line than the government and arguing the legal complexities rather than providing some procedural fairness to some of these people, but it seems that those issues are not getting any sympathy from the Democrats. I think that is a bit surprising and unfortunate. But anyway, this final amendment seeks to ensure disclosure of obligation on breach of contract. We think the extent of obligation should be explicit and not concealed in hard to understand clauses in the contract. The amendment ensures that these contracts are fair and ensures that students contemplating signing will be fully aware of the consequences. As I said, given Senator Lees’s general line on these matters, I am not confident of any support.

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (1.57 p.m.)—I inform the Senate that Senator Richard Alston, the Minister for Communications, Information Technology and the Arts and minister representing a number of portfolios in this place, will be absent from the Senate this week. Senator Alston is travelling to London and Israel to attend an international telecommunications conference and to participate in information technology negotiations. During Senator Alston’s absence I shall take questions relating to the Agriculture, Fisheries and Forestry portfolio. Senator Minchin will take questions directed to the Communications, Information Technology and the Arts portfolio and questions relating to arts and Centenary of Federation. Senator Ellison will take questions relating to the Employment, Workplace Relations and Small Business portfolio as well as Employment Services.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Small Business

Senator HUTCHINS (2.00 p.m.)—My question is directed to Senator Hill, representing the Prime Minister. Is the minister aware of an article in the Business Review Weekly of 3 November which states:

During the 1996 federal election, Prime Minister John Howard promised small businesses he would halve their paperwork and red tape. He lied. What Howard meant was that by 2000—

The PRESIDENT—Order! Senator, would you withdraw that.
Senator HUTCHINS—It is a quote, Madam President.

The PRESIDENT—It is quite clear that you cannot use newspapers and quotes to do that. It has been the case for a long time. I ask you to withdraw that.

Senator HUTCHINS—Madam President, I am actually quoting from Business Review Weekly.

The PRESIDENT—Your question, Senator.

Senator HUTCHINS—An article in the 3 November edition of Business Review Weekly alleged that the Prime Minister had misled small business in relation to halving their paperwork and red tape. I quote the end of the article, which said:

What Howard meant was that by 2000, the paperwork of most small-business owners would double.

When will the Howard government be honouring its promise? (Time expired)

Senator HILL—Fortunately, I have an article from Business Review Weekly which I presume is the one referred to by the honourable senator. It is headed ‘Business likes Howard’s ways’. To give you some flavour of the article, it starts off by saying:

Australian chief executives regard Prime Minister John Howard as the undisputed political leader of the day. He is clearly preferred as Leader of the Liberal Party and the Government, and no one in the Opposition is seen as posing a challenge to him.

I am sure all honourable senators will agree. The article continued:

They also believe that history will remember Howard as a good prime minister.

Again, all honourable senators no doubt agree. It continued:

BRW’s quarterly survey of chief executives found that they supported Howard’s mixture of economic reform and approved of his political pragmatism.

For example, when asked to assess the Government’s management of the goods and services tax ... 59% of chief executives said it was good and 15% per cent bad ...

Interesting. It continued:

Of the Labor Opposition’s management of the GST, 78% of chief executives said it was bad and only 1% said it was good.

I do thank the Labor Party for the dorothy dixer, I might say in passing. It was really helpful that Labor asked this question. The article went on to say:

Howard got an approval rating of 53% as preferred Prime Minister, and Opposition Leader Kim Beazley got only 4% ...

That probably reflects the views of most Australians, because what Australians want is a parliamentary leader who is interested in policy, interested in ideas, puts down a program for Australia and can implement that program into actions that deliver strong economic outcomes, and that is what Prime Minister Howard has always has been about—strong economic outcomes, strong economic growth, high employment, low interest rates, very low inflation rates. The wellbeing of all Australians has benefited from Mr Howard as Prime Minister, and I thank the honourable senator for the question.

Senator HUTCHINS—Madam President, I ask a supplementary question. Isn’t that fine quoting the chief executives of the 100 top companies in this country? My question relates to small business. Is it not a fact that prior to the introduction of the GST they only had to fill in one tax return a year, and now they are having to collect paperwork to fill in five returns—that is, four for the BAS plus their usual tax return? Is this what the Prime Minister meant by ‘a new simplified tax system for small business’?

Senator HILL—I will tell the honourable senator about small business. He was not in the Senate when Labor was in office for 13 years and we saw Labor implement a policy of high taxation, high interest rates and high inflation which drove small business to the wall, which resulted in one million Australians being unemployed. That is the alternative of Labor. That is not the alternative that small business wants. Under Mr Howard they have got tax reform—that is true; reform that means they pay less tax, less tax because the Howard Liberal government is
all about a lower tax alternative. If the Labor Party wants to debate tax policies we are happy to any day. But before they can debate tax policies they have got to develop one for themselves. All we know so far is that they support the goods and services tax—one would have trouble understanding that from the question—but with a touch of roll-back.

(Time expired)

Electoral System: Queensland

Senator MASON (2.06 p.m.)—My question is to the Special Minister of State, Senator Ellison. Will the minister inform the Senate of the federal implications of the Courier-Mail’s expose of electoral rorting by the Australian Labor Party in the 1987 federal election? How are these allegations undermining the public’s confidence in the Australian electoral system? What is the Howard government doing to strengthen the integrity of the electoral roll?

Senator ELLISON—This is a very important question from Senator Mason. Of course, as a Queensland senator he is interested in electoral matters. At the weekend we had a disturbing report by the Courier-Mail in relation to allegations of electoral fraud in that state. A Labor official, a member of the 1987 federal election campaign team, revealed that he and other ALP supporters cast numerous votes for Mr Lavarch and other ALP candidates in state and federal elections by illegally impersonating people. The Courier-Mail expose gives an example of how Labor went about rorting the process. It said:

On polling day in Fisher he recalls there were many female names on the rort list but a lack women in on the scam. We got one girl of 16 from Young Labor who thought it was quite exciting. She voted 14 times—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Ellison there is too much noise in the chamber and exchanges across the chamber are disorderly.

Senator ELLISON—It goes on:

This was a Labor subculture which condoned rorting because it was better than losing.

What we have here is a systemic abuse of the electoral system, and in these days when you have narrow margins this could easily affect the outcome of an election. This expands and goes further than the recent evidence in the courts of fraudulent activity in relation to the electoral roll by the Labor Party which dealt with internal politics. This goes to the very operation of the electoral system in this country.

It is amazing that Premier Beattie, the Labor Premier for Queensland, said on the Sunday program that it happened in every party and that you could point sticks at both sides with regard to this internal party politicking. But, of course, what he was not telling viewers and the Australian people is that these allegations are not about internal party politics but about fraudulent activity which goes to the very heart of the integrity of the electoral roll and the electoral system. These allegations deal with electoral fraud and not the internal party politicking that Premier Beattie would like to have people believe. In fact, he is simply demonstrating a remarkable lack of understanding of the system. Look at the comments by the Leader of the Opposition, Mr Beazley, when he said, ‘The rules in Queensland are now good and the rules at the federal level are good so I am happy about the situation.’

Of course, he was talking about the internal aspects of the Labor Party. He was completely refusing to address these allegations of serious electoral fraud involving the Labor Party in Queensland. This is a very serious matter indeed. It should be fully investigated by the Joint Standing Committee on Electoral Matters and also taken further. In that regard the Prime Minister has written today to the Minister for Justice asking that these matters be investigated.

We have proposed regulations which Labor in Queensland has rejected. We have proposed regulations which will go a long way to addressing the situation and tightening enrolment procedures so that you do not have the current situation where it is harder to get a video out of a video store than it is to enrol to vote.
We have heard from Labor today—and I refer to Senator Faulkner’s interview—when Senator Faulkner said the AEC does not support these regulations. I have contacted the AEC today and the AEC is not on record as opposing these regulations—

Honourable senators interjecting—

The PRESIDENT—Senator Ellison, order! Senator Macdonald and Senator Evans, we are waiting to proceed with Senator Ellison’s answer.

Senator Faulkner—I do not give a damn what they say now.

The PRESIDENT—Senator Faulkner, you are out of order.

Senator ELLISON—Madam President, if Labor were dinkum about electoral reform and preserving the integrity of the electoral roll it would join with the government in these proposed regulations and see that they are enacted. These regulations will go a long way to ensuring the integrity of the electoral roll which is so important to all Australians.

(Time expired).

Honourable senators interjecting—

The PRESIDENT—The Senate will come to order so we can proceed. The Senate is supposed to be dealing with question time, and senators will come to order. Senator Kemp and Senator Faulkner will cease disrupting question time.

Goods and Services Tax: Small Business

Senator McLUCAS (2.12 p.m.)—My question is to Senator Hill representing the Prime Minister. What advice does the minister have for Mike Storey, a small businessperson running Detection Dog Services, who is profiled in this month’s BRW and took nearly five hours to fill in the Prime Minister’s two-sided BAS? Is this another example of the new simplified tax system for small business—spending five hours filling in forms to collect Mr Howard’s new tax rather than spending five hours running and earning money for his small business?

Senator HILL—It was interesting to see the Morgan and Banks recent survey in relation to these matters. Those who put the report together concluded that all the indications are that the GST has been implemented remarkably smoothly by Australian businesses. I think that is the overwhelming impression of most Australians.

It is a new system, and some people will have some teething difficulties when they are completing and putting in their first returns. Equally, no doubt, after a submission or two the process will become much easier for them. I think, however, when you look at the temporary difficulties that some might experience you have to balance those against the very long-term enduring benefits not only to the particular business concerned but also to the broader community.

This was a tax reform that all Australians recognised was long overdue. It should have been introduced earlier, but governments in the past did not have the courage to do so.

Senator Cook interjecting—

Senator HILL—Even Labor leaders in the past knew it was the right thing, Senator Cook, but did not have the political courage to carry it into implementation. Why did they believe it was necessary? Because it is so obvious that, to take tax off production and to put it onto consumption, must be of benefit to the economy and, if it is of benefit to the economy, that gives people the opportunity to grow with that economy and to receive the benefits that they obviously wish for themselves and their families.

Senator Cook interjecting—

Senator HILL—It is an excellent tax for Australia’s export potential, Senator Cook, because the GST is not a tax on exports, and it enabled us to get rid of that wholesale sales tax which was such a burden. I am not sure where the Labor Party stands on wholesale sales tax now. We know they support the GST, but they have not made a point on the wholesale sales tax. Do they want to have both? I do not know. But it enabled Australia to be rid of an unfair tax upon business—the goods and services tax. It also enabled Australian business to be rid of a range of other taxes as well. Overwhelmingly, it was good for business, and therefore any short-term
difficulties in implementation will be outweighed by those long-term benefits.

I thought that one of the most interesting comments was made in one of these recent surveys. I am sure the honourable senator will take note of this, because it was a rare reference to the Labor Party. It in fact made reference to the Labor Party policy of roll-back. The only policy that we know the Labor Party have is to support the goods and services tax, but with roll-back. The trouble is the Australian people do not understand what roll-back means, because the Labor Party have never explained it them. Why they have not explained it to them is because roll-back means you put up income taxes. So you have the goods and services tax plus higher income taxes. The Labor Party have form, and the Australian people know that, because what the survey found was near total opposition to Labor’s roll-back: a massive 90.5 per cent of the Australian people surveyed were against the Labor Party policy of roll-back. So, before the Labor Party come in here seeking cheap political points on the difficulty of completing one form, I suggest they look at their own backyard and come in here and engage in a decent policy debate on taxation, and everyone will be better off. (Time expired)

Senator McLUCAS—Madam President, I ask a supplementary question. Is the minister also aware of the statement by Sue Prestney, the Institute of Chartered Accountants chairperson for small and medium size businesses, who, in relation to the BAS, said: ... companies are finding the statements very complicated. We are hearing that it is taking up to 20% longer than expected.

Why has the Howard government forced small businesses to become unpaid tax collectors for Mr Howard’s new tax—spending hour upon hour filling in GST paperwork—rather than allowing small businesses to get on with doing what they do best: running their businesses and creating jobs for Australians?

Senator HILL—I really do find this extraordinary, because this comes from the Labor Party—the Labor Party that sent small business to the wall through high interest rates, high unemployment, big deficits and high taxes. And that is what Mr Keating, the then Leader of the Labor Party, said was ‘as good as it gets!’ That is where the Labor Party stands in relation to small business.

Senator Cook—It does not!

Senator Sherry interjecting—

The PRESIDENT—Order! Senators on my left will stop shouting. Senator Sherry, Senator McLucas has asked the question and should be able to hear the answer.

Senator HILL—How do some temporary difficulties in filling in forms compare with that sort of record? And, in the same way as the Labor Party sought panic from the Australian community before the implementation of the tax, they now seek to engender the same panic in relation to filling in the first returns. It will not work, because small business is smarter than the Australian Labor Party. Small business will manage. They see the benefits in the tax reform that the Howard Liberal government was the first to have the courage to implement. Small business will prosper through a tax system which is fairer. (Time expired)

Natural Heritage Trust: Projects

Senator McGAURAN (2.19 p.m.)—My question is to the Minister for the Environment and Heritage, Senator Hill. Will the minister inform the Senate of recent milestones in the work of the government’s Natural Heritage Trust and how the funding provided by the trust is helping local communities?

Senator HILL—I am very pleased to do so, because the Natural Heritage Trust is building on its reputation as the most successful environment program in Australia’s history. It also is the best funded environment program in Australia’s history, with $1.5 billion coming from the part sale of Telstra.

Senator Bolkus—you’ve wasted $5 billion on this.

The PRESIDENT—Order! Senator Bolkus, you have been shouting since Sena-
Senator Hill started his answer. You have not got the call and you are not entitled to be speaking. Your behaviour is disorderly.

Senator HILL.—It is important to remember that not a cent of this money would have gone into the environment if the Labor Party had had its way. I again remind the Senate what Senator Faulkner said during the 1996 election campaign. He said:

It's now clear to anyone with the most rudimentary understanding of Australian politics that the trust fund will never see the light of day.

How wrong he was. And, even though Labor has tried everything it could to stop this environmental fund going ahead, the coalition has delivered on its election promise.

The Natural Heritage Trust recently passed another significant milestone with the announcement of funding of this year's successful projects. In recent years we have announced more than 2,500 projects worth about $180 million. This means that the trust has now invested more than $1 billion in environment and sustainable agricultural projects across Australia. Around 10,000 projects have been funded so far from the trust, and we estimate that more than 300,000 Australians have been involved in community based projects. So we are delivering on our commitment to support local communities to become part of the solution to the environmental challenges facing Australia. As the Natural Heritage Trust slogan says: 'We're helping communities to help the environment'. The latest round of funding further builds on that grassroots effort. In Senator McGauran's own home state of Victoria, almost $40 million has been allocated this financial year to more than 430 projects. Nearly 90,000 Victorians have been involved in trust projects, which have included the planting of more than 2.4 million seedlings and effective weed management on over 65,000 hectares of land.

The work has also seen the establishment of more than 1,900 kilometres of protective fencing, most of which provides protection for Victoria’s waterways. So the community are making a difference and we have been able to support them financially through the trust. We will now seek to build on the remarkable results of the trust with the Prime Minister’s National Action Plan for Salinity and Water Quality, which commits a further $700 million from the Commonwealth to address these key environmental issues. Through that plan we will be able to target 20 key catchments and regions and work with local communities to set and achieve targets for both salinity and water quality. As I told the Senate last week, we will be expecting the states to lift their game in terms of both governance and market orientated programs in land and water management issues. The foundation has been set through the Natural Heritage Trust, but this is a government not to rest on its laurels but wishing to go forward. The new national action plan will allow us to build on the successes of the trust to date to provide enduring benefits and to provide landscape-wide benefits. I think this again is something that is long overdue and for which the Australian people will recognise the Howard government as having made a great achievement.

Goods and Services Tax: Business Profitability

Senator CONROY (2.23 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. How does the minister explain the clear results of the Morgan and Banks survey that nearly 95 per cent of Australian businesses claim the GST has damaged their profitability?

Senator KEMP—I had the opportunity to explain to the Senate last Thursday how misleading the Labor senators can be in making quotes. I had to draw to Senator Cook's attention some views by Mr McCrann about his party. Today I am afraid that we have exactly the same problem. I wonder aloud whether Senator Conroy has actually read the Morgan and Banks survey. Hello—I got a nod there. I detect a nod. If, as Senator Conroy said, there was a problem with cash flow and profitability, he could not be quoting from the Morgan and Banks press release, which is headed 'No Worries for November GST Payments'. I simply wonder whether Senator Conroy has been well
briefed on this issue. Senator Conroy, you have made a little bit of a goose of yourself today, I am afraid. The trouble is you were given a question by Senator Cook and you did not check it out. I have told Labor senators time and time again when they get a question from Senator Cook to check it out very carefully, get the background material and make sure that they are totally across it.

The Morgan and Banks survey, among other things, said ‘No Worries for November GST Payments’, indicating only 12 per cent of employers were worried about cash flow in meeting their GST payments. So what does that show, Senator? It shows that you stood up and you tried to deliberately mislead the Senate, as you do time and time again.

The PRESIDENT—Senator Kemp, you ought not to cast aspersions on another senator. I would ask you to withdraw that statement.

Senator KEMP—The Morgan and Banks survey—

The PRESIDENT—Senator Kemp, I asked you to withdraw that statement.

Senator KEMP—Indeed, yes, of course I withdraw it.

Senator Faulkner—Thank you and keep going.

Senator KEMP—Now I may proceed. Thank you, Senator Faulkner. With regard to the Morgan and Banks survey, they released three press statements. The first one was headed ‘Australia Wins Gold Again’, finding a record number of businesses will be hiring permanent staff in the next quarter. The second one, as I just mentioned to Senator Conroy, ‘No Worries for November GST Payments’, indicated that only 12 per cent of employers were worried about cash flow in meeting their GST payments.

Senator Conroy—How many businesses is that? Is that 100,000?

The PRESIDENT—Senator Conroy, if you have a further question you will have an opportunity to ask it at the end of the minister’s answer.

Senator KEMP—The most interesting press release from Morgan and Banks—this was the survey that Senator Conroy drew to the Senate’s attention—was that entitled ‘GST Rollback Not Appropriate’. This showed that a resounding 90.5 per cent of businesses—as time is on the wing; Senator Conroy, if you could ask me a supplementary I will provide you with some additional information.

Senator CONROY—I ask a supplementary question. Isn’t it true, as claimed by Mr Ian Burns of Morgan and Banks, that the effect of the GST on Australian businesses can be summed up as, ‘It’s costing people money’? Does the minister also agree with Mr Ian Burns’s statement that: A lot of companies spent an absolute bomb implementing it.

How can the GST be good for business, and therefore the country, if nearly 95 per cent are seeing their profits fall and their compliance costs go through the roof?

Senator KEMP—As I have said—and thank you for the supplementary, by the way—Senator Conroy is highly selective in his quotations. I was going to reveal a very important figure that goes to the very core of Labor Policy— the roll-back. It is at the absolute core of the Labor Party policy. This is truly the most revealing part of the survey. The most revealing part of the Morgan and Banks survey was the near total opposition to Labor’s roll-back. A massive 90.5 per cent of people in business opposed roll-back. This is singularly possibly the most unpopular policy ever introduced by any political party since Federation. This is a massive defeat for Labor. (Time expired)

Centrelink: Overseas Pensions

Senator LEES (2.29 p.m.)—My question is to Senator Newman, the Minister for Family and Community Services. Can I ask the minister if she will confirm that Centrelink has sent letters to thousands of Australian pensioners born overseas threatening to cancel their pensions if they do not claim a pension from their country of origin within 42 days? Is the minister aware that this
heavy-handedness on the part of Centrelink is causing considerable distress and anxiety to thousands of pensioners, many of whom fled those countries because of war or persecution? Finally, I ask the minister: is this the start of a breaching campaign against aged pensioners, against aged and infirm people who, because of health, transport or perhaps problems with language, cannot access their local Centrelink office or cannot navigate the complex, time consuming Centrelink call centre?

**Senator Newman**—A measure passed the Senate, as I expect Senator Lees knows, which requires people who have the opportunity to have any entitlement, shall I say, to any income support in retirement from a previous country to apply for it. I understand that letters have gone out. I cannot say that I have received a copy of the letter and I will ask to have a look at the language that was used. But Senator Lees should be aware of the fact that many people are entitled to a greater amount of income support in their retirement than they are currently collecting. That is not fair to them and it is not fair to taxpayers in Australia who are meeting the total amount of support for these people.

What people were encouraged to do and asked to do because of the change in the law was to contact the country where they had spent some time working, where they believed that they would have some entitlement to retirement income, and to make a formal application. It was recognised by this government that some people would have great difficulty in proving their case because of things such as war or other problems to do with the retrieval of records, for example, and they were invited to contact Centrelink which has a call centre in Hobart for people who speak English as a second language. The call centre in Hobart is focused on international issues, and that is where they can be given all the help they need. The people in Hobart are particularly professional, and I think people who have had to deal with that call centre will agree with me. This is not a punitive measure. If the language is unsatisfactory I will follow that up, but this gives these people the opportunity to have more money in retirement than they are currently getting and it gives the taxpayer in Australia the opportunity to not be maintaining the full responsibility for people who have entitlements elsewhere as well. It is not to cut them off Australian pensions; it is to see that they get their entitlements. You might like to ask a further question if you want to follow it up.

**Senator Lees**—Madam President, I ask a supplementary question. This is of concern because this letter actually says very clearly: ‘You now need to commence claiming a comparable foreign pension from’—in this case Germany—’within the next 42 days.’ It goes on to say, ‘Your existing Australian payment may be suspended or cards cancelled if you do not.’ Centrelink knew that this person had no entitlement: the records are all there. If I could ask a specific question using another case as an example, why was this threatening Centrelink letter sent to an aged amputee with serious health problems, originally from Peru, in the case where, on the customer’s file in Centrelink, it says specifically that there is no entitlement? It shows clearly that there is no comparable pension paid by the Peruvian government.

**Senator Newman**—Madam President, I am very happy to follow that up for Senator Lees. It does not sound professional on the face of it.

**Goods and Services Tax: Exports**

**Senator Cook** (2.34 p.m.)—My question without notice is to Senator Hill, representing the Minister for Trade. Does the minister recall the repeated claims of the Prime Minister that the GST is meant to be of great assistance to Australian exporters, a claim that I think Senator Hill echoed a moment ago? How then does the government explain that 96.1 per cent of the tourism industry and 88.6 per cent of the resources industry—two of Australia’s largest export earners—have seen their profitability fall because of the GST, as reported in the Morgan and Banks survey?

**Senator Hill**—The last set of export figures were very strong. I thought Senator
Cook would have started his question by acknowledging that export success. As I recall also, it was contributed to significantly by the large number of tourists who attended the Olympic Games, and that is a good asset for Australia: to be able to attract and to increase its share of international visitors and to earn the services wealth that can result therefrom. In terms of export income or its equivalent, as I said, Australia is doing well. In terms of the relationship of the GST to further export prosperity, it seems to me obvious that, as you do not pay GST on exports, it has to be of benefit to an exporter. That might not be obvious to Senator Cook, but it is obvious to all Australian businesspeople.

**Senator COOK**—Madam President, I ask a supplementary question. The answer must be, from that answer, that the survey is wrong. But, Minister, didn’t the Prime Minister also claim that the GST would be good for the Australian dollar? Given that the Australian dollar was worth just on US$60c before the GST was introduced and has now plummeted to just over US$52c, can you tell me, Minister, when will the GST boost the Australian dollar?

**Senator HILL**—It is very hard to work out exactly where the Labor Party now stand because, as far as we believe, on taxation policy they support the GST with a touch of roll-back, yet Senator Cook now seems to be suggesting that Australia would be better off without the GST. If that is the position of Labor, surely they would come in here and say that they will abolish the GST, reintroduce the wholesale sales tax, put up income taxes and put corporation taxes back up again. It is very unclear. All I suggest to Senator Cook is that he heed the words of former Senator Bob McMullan, the Labor spokesman, who on Adelaide radio recently said, ‘The GST is good for exports.’ Bob McMullan at least came out and was honest and said that the GST is good for exports. I know that the Labor Party have argued against the GST. I do not want to grouch, but Senator Cook is the only one.—(Time expired)

**Dairy Industry: Deregulation**

**Senator HARRIS** (2.37 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry. Is the minister aware Australia’s largest rural industry, the dairy industry, is collapsing? Even the most modern, high producing and largest farms are closing, causing immense hardship and social upheaval. There has been no benefit to consumers, even though the price farmers used to receive, prior to deregulation, has been slashed by 50 per cent. Was this an outcome the government envisaged?

**Senator HILL**—There is a fundamental error in the question. It suggests in some ways that this is a government policy that is being implemented. This was a policy advocated by the dairy industry itself. The dairy industry called upon government to assist it in its implementation and government assisted the dairy industry through the adjustment package. This was Australian industry looking to secure its future.

**Senator Sherry**—Do Queensland dairy farmers want deregulation?

**The PRESIDENT**—Order! Senator Sherry, I call you to order.

**Senator HILL**—I could provide some detail of the extent to which the government assisted through the adjustment package, and that might be of interest to the honourable senator. But I do not think it will answer the question, because the question is simply—I regret to say—misconceived. Generally speaking, we on this side of the chamber believe that industry can best determine what is in its own interests rather than be told by governments what is in its interests. In this instance, it was the dairy industry which voted with its feet and called upon support from government, and government gave that support, as requested.

**Senator HARRIS**—Madam President, I ask a supplementary question. I thank the minister for his answer, but the question initially was: was the outcome something that the government envisaged? I did not imply that it was government policy. As a supple-
mentary question, I ask: is the minister aware that farmers who previously received 45c per litre for their milk are now only receiving 27c a litre, while supermarkets have trebled their margins? Does the minister acknowledge that this has been achieved at the dairy farmers’ expense?

Senator HILL—I regret that that simply does not make sense. If that were to be the outcome, why would the dairy industry have chosen this course of action? I am one who has sufficient confidence in the dairy industry to believe that they know their own business best and that they can predict their own economic future best. What they saw was that the previous system was untenable in the long term and that there had to be rationalisation if they were to continue to be sufficiently economically efficient. They chose that path. It was not going to be easy for all of them. The government supported them to provide for adjustment so, at least, there was fairness during this process of change. I suspect we will find in the end that the dairy industry were right and that they chose a path that will give them long-term economic viability through economic efficiency.

Goods and Services Tax: Petrol Prices

Senator CARR (2.41 p.m.)—My question is to Senator Kemp in his capacity as Assistant Treasurer. Minister, is it a fact that, on 1 July this year, the Howard government reduced fuel excise by 6.7c per litre yet imposed a GST of 8.2c per litre? Is the Speaker, Mr Neil Andrew, therefore correct in claiming, ‘At current price levels, the reduction in excise has not been enough to offset the effect of the GST’? Or is Mr Stewart McArthur, the Liberal member for Corangamite, correct in claiming, as he did in the Geelong Advertiser on 28 October, ‘The new tax system has not fundamentally increased the government’s tax take’?

Senator KEMP—I appreciate receiving a question from Senator Carr, as we always do. The excise was reduced by 6.7c per litre. After adjusting for the effect of the state excise surcharge, in fact, fuel excise collections will actually fall by $0.9 billion in the year 2000-01. In relation to the other matter you raised, Senator Carr, there was a report put out by the ACCC—as you will be aware—which looked at the issue of petrol prices and the impact of the GST. Senator Carr, I am actually speaking to you and to the rest of the chamber. Would you mind listening? Madam President, Senator Carr asked me a question. I am trying to provide him with an answer. He then goes and has a chat with his neighbour. The point I am trying to make to you, Senator Carr, is—

Senator Carr—You are struggling today.

Senator KEMP—You are struggling, Senator Carr. You would not know, because you were talking to your neighbour. You were not even listening. The ACCC looked at the very issue that Senator Carr has raised before this chamber. I quote what the ACCC, an independent body, the independent arbiter, said:

The Commission’s analysis suggests that actual fuel prices have not increased as much as expected on the basis of movements in underlying factors including historical wholesale and retail margins. This is not inconsistent with the suggestion that cost savings from the NTS changes have been passed on.

Senator Carr, that should give you a great deal of comfort. That is not my quote. That is the ACCC’s quote. That is not Mr Beazley’s quote. That is not Mr Carr’s quote. That is the quote of the independent arbiter, Senator Carr. I hope that will give you some comfort.

All of us are very concerned about the rise in petrol prices. This is of great concern to the government. It should be of concern to the Labor Party, but they seem to be obsessed with attempting to score political points from what is truly a worldwide problem. The worldwide problem is that, in the last 18 months or so, the price of crude oil has soared on world markets.

Senator Cook—You’ve overrun the budget.

Senator KEMP—Senator Cook calls out. Therefore, let me make the point that, when we were trying to bring in the new tax system, Senator Cook took a leading role. He was the chairman of a committee. Do you
know what the Labor Party’s criticism in that committee was? It was that we had cut excise by too much. That was the Senator Cook thesis, and they approvingly quoted a report from the Australian Conservation Foundation which said—and I may be wrong, but correct me if I am wrong—that Australia is one of the few countries that is actually cutting the excise on fuel. That was a quote which Senator Cook made approvingly, in a sense, to attack the government. I say to you, Senator Carr, that no-one knows where the Labor Party stand on any particular issue. I have always said that the hardest question I could be asked is: what do the Labor Party stand for? Frankly, I have not got a clue what the Labor Party stand for.

Senator Knowles interjecting—

[Senator Kemp}

—As my colleague Senator Knowles says, neither has anybody else.

Senator CARR—Madam President, I ask a supplementary question. It is quite clear the minister has not understood the question he has been asked. I asked the minister whether he could comment on the quote by Mr Neil Andrew, who is the Speaker of the House of Representatives, where he said, ‘At current price levels, the reduction in excise has not been enough to offset the effect of the GST.’ This supposition is contradicted by Mr Stewart McArthur. I ask you again, Minister: can you clarify the confusing and conflicting statements about petrol taxes which are being made by your parliamentary colleagues? If the cut in excise has not been enough to offset the impact of the GST, as claimed by Mr Andrew, how can Mr McArthur’s claim be right that the GST has not increased the government’s fuel tax take?

Senator KEMP—Senator, it was not a question of me not understanding the question; it was a question of you not understanding the answer. The reason you probably did not understand the answer is that you were so much in deep conversation with your neighbour. It is a little bit frustrating to have to stand up here in question time and get these questions, which are probably written by Senator Cook—who knows?—who gives them to Senator Carr. Senator Carr reads them out and then completely loses interest. Your attention span is dreadfully short, Senator Carr. It is one of the shortest attention spans I have seen.

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

Senator KEMP—Thank you, Madam President. Senator Carr wanted to know about the facts of the case, so I quoted the independent arbiter on this issue, the ACCC. The ACCC looked at petrol prices and then concluded:

This is not inconsistent with the suggestion that cost savings from the NTS changes have been passed on.

That goes to the nub of both of your questions. That is the answer. Mr Andrew has corrected the statement. (Time expired)

Economy: Tax Reform

Senator WATSON (2.47 p.m.)—My question is directed to Senator Kemp, the Assistant Treasurer. Will the minister inform the Senate of the latest figures on Australian economic performance, in particular today’s ANZ job advertisement figures and car sales figures, which confirm the strong performance of the Australian economy since the implementation of tax reform on 1 July? Is the minister aware of any alternative policies?

Senator KEMP—Thank you, Senator Watson, for what could only be described as a very good question. In recent weeks, I have been able to mention to the Senate a number of very important and positive figures in relation to the performance of the Australian economy. In many ways, the Australian economy is the envy of many countries in the sense that we have a high growth economy and a comparatively low inflation economy. The very positive trade figures that I announced last week were greeted very favourably by people, and I quoted the strong retail trade figures rising above market expectations. I am very happy to report today that again we have some very good figures for the economy. Once again, I am able to refer the Senate to the motor vehicle sales
figures for October, which are up some 10.4 per cent on those of October last year.

Senator Ian Macdonald—Wow!

Senator Kemp—Yes, indeed. Wow, Senator Macdonald. It is a very impressive figure. In fact, Senator Macdonald immediately cottoned on to this. This is the best October result ever recorded, I am advised, after we have already seen the best September quarter results ever. In addition, today not only did we get the excellent motor vehicle sales figures but also the ANZ job advertisement series shows an almost 12 per cent rise in job advertisements for the month of October. Senator Cook is delighted to hear those figures, and I am very pleased to share those with you, Senator. This is again a very strong rise, and I think it would be welcomed by Australian consumers. There is more news on the economy. It comes from the Australian Chamber of Commerce and Industry’s National Survey of Business Expectations. In contrast to some of the questions we have received during question time from the Labor Party, the survey reports:

Business confidence in the national economy improved significantly in the latest survey ...

It goes on to say:

The December quarter 2000 survey shows that the index of business confidence in the Australian economy improved to 53.5, substantially higher than the 46.4 recorded in the previous survey ...

So we are seeing some very positive figures in relation to the Australian economy. The government take great pride in the fact that we have been able to cut unemployment from the high levels that were left to us by the previous government.

The only contribution that we have seen from the Labor Party to the whole debate on the economy and the tax system is the policy of roll-back. They are worried about the additional compliance costs that will certainly come from the Labor Party policy. It is interesting to note that in Senator Conroy’s own particular sector, the transport industry—the Transport Workers Union is, of course, Senator Conroy’s home union—the opposition to roll-back is 94 per cent. Six per cent are for Senator Conroy’s policy and 94 per cent oppose it. This is in the transport industry. I refer to Senator Conroy because he has had a very close association with the Transport Workers Union. (Time expired)

Civil Aviation Safety Authority: Dr Paul Scully-Power

Senator O’Brien (2.52 p.m.)—My question is addressed to Senator Macdonald, the Minister representing the Minister for Transport and Regional Services. Can the minister confirm that the Howard cabinet approved the appointment of Dr Paul Scully-Power to the board of the Civil Aviation Safety Authority based in part on his alleged experience as a pilot in the Royal Australian Navy and as a high-performance jet pilot? Can he also confirm that the minister only became aware that Dr Scully-Power had no such qualifications when he signed off on the answer to my question on notice No. 2722, which advised that Dr Scully-Power’s only pilot qualification is, in fact, an Australian student pilot licence issued in 1990? Has the minister sought an explanation from Dr Scully-Power or the Department of Transport and Regional Services as to how cabinet could be provided with such inaccurate and misleading information in relation to such an important appointment?

Senator Ian Macdonald—I am asked whether cabinet appointed Dr Scully-Power on the basis, I think you said, of his reputation. I have to confess regrettably I am not in cabinet, so I am not quite sure of what might have been any one of the number of reasons that Dr Scully-Power was appointed.

Senator Hill—The trouble is there’s so much talent on our side.
Senator IAN MACDONALD—Yes, as my leader quite rightly says, it is because there is so much talent on our side. Perhaps if I were on the other side, I would go straight into cabinet. But I understand, and my recollection is, that Dr Scully-Power was appointed before the last election, and I am quite sure that he would have been appointed on the basis that he was an exceptionally qualified person for that role. I have to say that the Civil Aviation Safety Authority has for a long period of time had a degree of difficulty in its morale and in its method of operation, and that has changed under Dr Scully-Power. The morale and the systems that CASA is now operating have improved. I am quite sure that Dr Scully-Power was appointed by cabinet on the basis that he was by far an exceptional person for the job, and I am quite sure that the government still maintains that position.

Senator O'BRIEN—Madam President, I ask a supplementary question. I draw to the minister's attention the fact that then Minister Sharp, in his press release of 9 July 1997, on the appointment of Dr Paul Scully-Power, remarked on Dr Scully-Power's alleged pilot qualification—and perhaps you may seek to pursue this matter with the minister you represent in this chamber, Minister, and return to the chamber with an answer to the substantial question. While you do that, perhaps you could find out for the Senate whether the minister believes that the position of the Chairman of the Civil Aviation Safety Authority is an important and sensitive one? Also, in the light of the Howard government's trumpeting of appointing qualified and experienced pilots to CASA, don't these revelations of the chairman's false statements make the government look foolish in the extreme?

Senator IAN MACDONALD—The Chairman of CASA, Dr Paul Scully-Power, has not misrepresented his qualifications to the government. The government does not believe and has never believed that Dr Scully-Power is a high-performance jet pilot. Dr Scully-Power has always said that he is US Navy qualified for high-performance jet aircraft and US Air Force qualified for full pressure-suit flying. I am advised that these qualifications enable him to fly in the second seat of these aircraft. It is very unreasonable to hold Dr Scully-Power responsible for an inadvertent mistake made in Mr Sharp's office at the time this was first implemented.

Great Barrier Reef: Dangerous Cargo

Senator BARTLETT (2.57 p.m.)—My question is addressed to Senator Hill, the Minister for the Environment and Heritage. Minister, given that an unpiloted foreign ship that was a number of miles off course and laden with toxic chemicals and 1,200 tonnes of fuel currently remains aground on the Great Barrier Reef—the largest world heritage area, a vital source of tourism dollars to Queensland and a home to millions of living creatures—will the government now consider banning all vessels carrying dangerous cargo from the inner reef? If not, will the government at least support the call by the World Wide Fund for Nature for ships travelling through the world heritage area to have to be piloted at all times?

Senator HILL—The accident is obviously highly regretted by the government and, I would think, by all Australians. It has always had the potential to occur, but fortunately incidents in the past—although there have been a few of them—have been relatively minor, at least compared with this. Interestingly, when I was looking at this matter, I noticed that there have been four incidents or shipping accidents relating to vessels—the Svendborg Guardian, the Peacock, the New Reach and the Carola—since 1995, all of which were piloted at the time of the accidents. So presumably one would think with a pilot aboard there is less chance of accident, and that is the argument for piloting.

In fact, as the honourable senator knows, in the areas that have been seen in the past as particularly hazardous there has been a compulsory requirement for pilots. This is reviewed from time to time. In fact, the government is in the process of extending it in relation to some areas, particularly Hydrog-
raphers Passage at the moment. But the intended extensions did not include the area where this accident occurred. I was told—I presume it is correct—at the end of last week that, in fact, the channel in this particular area is some nine kilometres wide. One can only hazard a guess as to how a modern ship of this nature, with all the modern navigational equipment, could possibly be so far off channel that it could collide with the reef when the channel is some nine kilometres wide.

But the honourable senator may be aware—if not, I will tell him now—that the minister for transport has indicated today that AMSA, the Australian Maritime Safety Authority, will be asked to coordinate a comprehensive review of current controls over shipping operations within the reef area and to examine proposals for strengthening these arrangements. That will include the issue of extending pilotage. In relation to the call that I notice was made by the Australian Democrats that all ships carrying dangerous cargo be excluded from the inner reef, the problem is of course that the mere fuelling requirements of these ships is hazardous in terms of the marine environment and, therefore, it is not simply a matter of reclassifying the cargo that they can carry. Furthermore, it is not possible to avoid all shipping travelling within the inner reef because, of course, many of these ships are visiting ports—travelling either to or from ports along the Queensland coast that fronts the Great Barrier Reef.

So it is a particularly difficult area; the government recognise that. We want to take all precautions possible to see that accidents are minimised and to ensure that, if an accident does occur, the reef is not damaged. As I have said, in that spirit, it has been announced today to which he referred will also consider whether deregulation of the Australian shipping industry has led to an increased risk for Australia’s marine environment, including the Great Barrier Reef Marine Park, which he is responsible for protecting? When this ship is refloated—which I am sure we all hope happens as soon as possible—what is currently in place in Australian law to prevent this vessel and other unpiloted ships from continuing their trips until the next time one crashes into the reef?

Senator HILL—The cause of this accident has not yet been ascertained. All our efforts at the moment are concentrating on removing the ship without causing any further damage. As I have said, there will be a review of safety requirements in relation to shipping in the inner passage. As to what the honourable senator referred to as the ‘deregulation of shipping’, I think that touches upon the Labor Party’s assertion that perhaps this accident occurred because the ship was old and unsuitable for the purpose. In fact, I think this ship was launched in 1997 and is fully certified to all the necessary safety requirements. So that does not seem to be related at all to the cause of the accident. In the spirit of my answer, the government takes this issue very seriously. We hope that lessons will be learnt from this unfortunate incident to make a similar accident less likely in the future.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Atomic Test Sites: Licensing Obligations

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (3.03 p.m.)—I seek leave to incorporate in Hansard further information in response to questions that I was asked on 2 November by Senator Jacinta Collins and Senator Allison.

Leave granted.

The documents read as follows—

Senator Collins alleged in question time on 2 November 2000 that figures I used in an answer to a question without notice from Senator Brandis
on 31 October 2000 in relation to the state of the manufacturing industry were incorrect.

I have been advised that as a result of changes to the way the Australian Bureau of Statistics (ABS) codes industry data in the Labour Force Survey, employment estimates classified by industry from February 2000 onwards are not strictly comparable with estimates for earlier periods. Despite this, the ABS itself, and the Manufacturing Minister in the Victorian Labor Government, Mr Hulls, are among those who have made such comparisons. In fact, Mr Hulls himself yesterday issued a media release stating that “more than 20,000 nett new jobs have been created in Victoria” in the past year, using exactly the same statistics as myself.

Footnotes alerting users to the lack of comparability of industry estimates before and after February 2000 were attached to relevant tables in ABS publication 6203.0, but unfortunately, the footnotes were omitted from the relevant tables in the ABS Australian Economic Indicators publication and on the AusStats service on the ABS website, from which the figures used were derived. After adjusting for the change in the ABS coding procedures, manufacturing employment is estimated to have increased by an estimated 25,400 people or 2.3 per cent in seasonally adjusted terms between August 1999 and August 2000.

Manufacturing industry value added, or output, rose by 3.1 per cent on a seasonally adjusted basis between June 1999 and June 2000. To state that this change is not strictly speaking ‘in the last financial year’ is simply playing with words. Whether measured as 1999-2000 compared with 1998-99, or the June quarter 2000 compared with the June quarter 1999, the key point is that the manufacturing sector in this country continues to grow.

Senator Allison asked me in a question without notice on 2 November about the Maralinga rehabilitation project, and in particular whether the ARPANSA licensing obligations would be maintained if the site were decommissioned as a controlled facility.

I advise the Senate that in the event of handback of the Maralinga site to the South Australian Government, regulatory arrangements for the site would formally be the responsibility of South Australia.

However, in issuing a licence for the federal government to decommission or abandon the site, ARPANSA have made it clear that they would need to be convinced that there was a satisfactory long-term management plan in place.

My Department is jointly drafting a long term management plan for the site with the SA Government, and the Maralinga Tjarutja traditional owners.

Senator Allison also asked about amendments to the ARPANSA Act—I advise the Senate that the administration of this Act is the responsibility of the Minister for Health. However, given my response to the first question, there is no need to amend the Act.

**Goods and Services Tax: Small Business**

**Senator COOK** (Western Australia—Deputy Leader of the Opposition in the Senate) (3.03 p.m.)—I move:

That the Senate take note of the answers given by the Assistant Treasurer (Senator Kemp) and the Minister for the Environment and Heritage (Senator Hill), to questions without notice asked by senators today, relating to the goods and services tax and small business.

It is about time we had some straight talking in this chamber. It is about time we had some truth in politics in this chamber and it is about time we addressed the question: how much is a John Howard promise really worth? In the lead-up to the 1996 election what did Mr Howard promise? He promised small business in Australia that he would cut red tape in half. Did that happen? No, it did not. What else did he promise? Did it get worse? Yes, it did. Is it a problem for small business? They complain about it constantly.

What do small business want? When you ask them, they say that they want to get government off their back. What else do they want? They do not want to be tax collectors for the Commonwealth of Australia. They do not want to have to spend their spare time—if they have any—working as tax collectors and filling out forms for the government. That takes up to five hours a week, according to one of Australia’s leading small business promoters who was quoted last Friday in the *BRW*. Is there any proof of my assertions? I turn to the *BRW*, which is a weekly newsletter for the Australian business community. Page 14 of the 3 November edition says:
During the 1996 federal election, Prime Minister John Howard promised small businesses he would halve their paperwork and red tape.

To continue with that quote I would have to use an unparliamentary word because the article uses an unparliamentary word to describe the truth-telling characteristics of the Prime Minister. I cannot use the word because standing orders prevent me from telling the truth. The article goes on:

What Howard meant was that by 2000, the paperwork of most small-business owners would double. Howard should have also said that in 2000, small-business owners would be forced to speak to their accountants every day, week or—in the case of some—every month; and that small-business owners would have less time to spend running their businesses and more time filling in forms.

It is now starting to dawn on owners of small businesses that they are victims, not beneficiaries, of the new tax system, particularly the goods and services tax (GST).

That is the opinion of the *BRW*. It is the opinion not of the Labor Party but of a business magazine that reports the attitudes of Australian small business.

Are they alone? Are they the only organisation that holds this view? No, they are not, because last week we had the report of a Morgan and Banks survey into attitudes of small business; it was the August 2000-January 2001 survey. The question asked was: how has the GST impacted upon your organisation’s profitability? Then the industries were listed down a column: advertising and marketing, chemicals and oil, construction, property, education, electronics and so it goes down with over 20 categories. There is a zero return in the ‘no change’ category. In terms of the impact on profitability, in the column for ‘a decrease’ in profitability, the response rate is between 98.7 per cent down to 88.6 per cent—that is, all of those categories of small business report their profits are less because of the GST. So has the Howard government told the truth to Australia about the impact of the GST on small business? No, it has not. Are businesses complaining? Yes, they are. Are there grounds? There are solid grounds. It is not just that they are taken out of their business to become tax collectors and it is not just that the bookwork burdens them after hours; it is as well that their profits have fallen dramatically. *(Time expired)*

Senator GIBSON  (Tasmania)  (3.08 p.m.)—I rise on behalf of the coalition to respond to the motion that the Senate take note of the answers on the GST and the whole tax package as implemented by the government. Reference was made today to the Morgan and Banks survey which was released last week and published in the *Sunday Telegraph* yesterday. What did that survey say? It said: ‘Australia Wins Gold Again’, finding that a record number of businesses will be hiring permanent staff in the next quarter; ‘No Worries for November GST Payments’, indicating only 12 per cent of employers were worried about cash flow in meeting GST payments; and ‘GST Roll-back Not Appropriate’, showing a resounding 90.5 per cent of businesses oppose Labor’s roll-back policy.

The only contribution from the Labor opposition to economic policy is to criticise everything the government has done. For two years, the Labor opposition, led by Senator Cook during the Senate committee inquiries into ANTS, criticised everything we did, yet what have they done? They have now accepted the GST. However, they were consistent for a long time in pushing the idea of roll-back, but now we know how popular that idea is. Again, the details from the Morgan and Banks survey state that opposition to roll-back in the manufacturing industry is 93 per cent, opposition to roll-back in the transport industry is 94.2 per cent, opposition to roll-back in the engineering industry is 94.4 per cent and opposition to roll-back in the electronics industry is 96.6 per cent. A more unpopular policy is difficult to imagine. But since the Labor Party are talking about roll-back once again, perhaps it is time for them to tell us what they are going to roll back, how much it will cost and how they intend to pay for it.

For quite a time there a few months ago, they were saying on a very regular basis that
roll-back was going to happen. I have lots of quotes here. On 8 July Mr Beazley said on radio that Labor’s commitment will be to roll back the GST. In an interview with Graham Richardson on 2 June, Mr Beazley said:

But people should not be in any way shape, or form confused about whether or not we will. We will roll it back.

Again, on 3 July, Mr Beazley said:

... the Labor Party opposes the GST, and in Government we will roll it back.

And on and on the quotes go. But since then, they have accepted that the GST is a sensible tax and that the tax package the government has brought in is sensible and has been good for Australia, good for exporters, good for business and good for people on ordinary incomes. It has given them incentives to work harder and to work overtime. Within the business community, lots of comments criticising the idea of Labor’s roll-back are emerging. Let me quote one from the Head of Tax Practice in PricewaterhouseCoopers in New Zealand, John Shewan, on ABC radio Life Matters on 26 June. The presenter said:

... the Australian Labor Party is talking about rolling back GST. I remember during the early part of the debate on GST in Australia I had one of your competitors on, Andersons, one of their Melbourne partners who was saying very much the same sort of thing as you. But in reality, can any political party unroll out a GST, once it’s unfurled?

Shewan replied:

Realistically, no. I think that once you’ve got a GST in place, within a short period it becomes so entrenched in the system and such a significant revenue gatherer, that to repeal it means that you obviously have to replace it with something and the New Zealand experience is sobering here. The New Zealand National Party, which was our sort of, right-leaning party [said] they would repeal it...

Labour brought it in. But what has happened? They basically accepted it. The Prime Minister of New Zealand, Helen Clark, recently said:

... it is a very well accepted tax at the moment and no one seriously thinks it would ever be changed ...

The interviewer asked:

And does it apply to things like tampons, for example, and if so, have you ever thought of lifting the tax off items like that?

Clark replied:

No ... And I think it is true to say that once you start differentiating between classes of goods, you get into anomalies that can be a bit hard to explain.

That is what happened. The Labor Party continues this confusion. (Time expired)

Senator CONROY (Victoria) (3.13 p.m.)—I am glad that Senator Gibson stayed for the debate and I am glad that he wanted to take some quotes from various places, because I have just gone through today’s newspapers alone to come up with—

Senator McGauran—Today?

Senator CONROY—Just today. Senator McGauran, and I am looking forward to your contribution. I will be listening in my office, don’t you worry. We have headlines like ‘Liquidators lick their lips’. That article states:

Company liquidators are gearing up for a rush of new clients in crisis as 2 million business owners face the business activity statement deadline this week.

Mr Hall, from PWC, said:

The seeds for cash-flow problems are already planted and the GST is another burden on top of that.

Mr Greg Hayes, of Hayes Knight, said:

This would have its greatest effect over the first two quarterly returns.

He is then quoted as saying:

It is likely that the cash demands of BAS payments will be a trigger event for a number of small business failures.

The article also said:

Significantly, a Morgan and Banks survey has found 94 per cent of businesses have experienced a profit slump since the introduction of the GST.

So the headline was ‘Liquidators lick their lips’ and that is what this government is de-
This government is delivering a tax system that will crush and destroy small business, just like it did in New Zealand. Senator Gibson shakes his head, but Senator Gibson was on the GST committee with me and we heard the evidence from New Zealand small business and business groups. That is right—strong support. They did not mention though at the committee the hundreds of thousands of businesses that were driven out of business by the GST in New Zealand. Peter Switzer, under the heading ‘Welcome to a never-ending, very costly story’, said:

I received a call from Alan last Friday week. He was hot under the collar and fuming about his latest shock encounter with the new tax system.

He and his wife were one of the small business couples profiled on this page before July 1 and the start of the GST. They were proud of their preparation—they had read the books and attended the courses—but then they realised that the BAS was a whole new ballgame. The couple worked out that between March this year and April next, they will have paid money to the tax office for seven of the 14 months.

An article headed ‘Uphill battle as GST costs and interest rates climb’ states:

The small-business sector fears interest-rate rises and is being hit by GST-compliance costs, new surveys have found—
one of them being a survey by the Institute of Chartered Accountants. Robert Gottliebsen, a known supporter of the GST, in today’s paper yet again, under the headline ‘Taxing times cut deep into credit flesh’, says:

I have just run into the happiest group of business people in Australia—the companies that are financing amounts owing to small enterprises, usually via factoring.

Business has never been better, thanks to the GST.

These are the people who are charging exorbitant rates to small business simply to help them through this cash flow crisis. The article continues:

In 1999, the factoring companies financed around $8 billion worth of debts. This year it will top $10 billion and next year it will be $12 billion or more.

That is a 50 per cent increase in factoring financing in two years. Mr Gottliebsen says:

Another—

another group that is exceptionally happy—is that accountants and small business people are bemoaning the fact that both MYOB and Quicken are taking a very long time to answer their phone because of the avalanche of queries on their software.

So this tax is a nightmare. But let us turn again to today’s papers. Phillip Hudson in the Age states:

Footscray plastics manufacturer Angus McLeod thought he would be a big winner under the new tax system. The 22 per cent sales tax on his product, a mini-hothouse for plants and seedlings, was abolished—and, because his turnover is less than $50,000 a year, he did not have to charge the GST.

But despite his product now being one-sixth cheaper, Mr McLeod’s Suntech Technology is losing business. He has been told by BBC Hardware that it will no longer deal with suppliers “that are not registered for the GST”.

“They’re driving small companies out of business or forcing them to pay GST when they are not required to.”

BBC Hardware would not return the call. But what did Bunnings, their main competitor, say? They said:

“It’s an administrative nightmare for us to have some suppliers who are registered for GST and some who are not, so we prefer to have a supplier that is registered than one that is not.”

That is what Bunnings said. They are being driven out of business by this government.

(Time expired)

Senator McGAURAN (Victoria) (3.19 p.m.)—Senator Conroy finished by quoting Bunnings—hardly a small business, Senator Conroy. Bunnings is one of the biggest businesses in this country, and I am sure that it has all the software and capabilities to handle this new tax system. It does not surprise us that when bringing in a major new tax sys-
tem and introducing an activity statement for the first time there will be difficulties. It is a new document to handle. There is no surprise at this at all. To quote Bunnings as an example, I am sure Bunnings has the whole system down pat, Senator Conroy.

But Senator Cook introduced this debate by saying, 'Let’s have a bit of straight talking in regard to the GST.' There could not be anything straighter from this government when we went to an election in 1998 presenting a whole new tax system to the electorate and we won. That is the strongest endorsement you can have in regard to a tax system. You cannot get straighter talking than that, let alone the endless debate that both houses of parliament undertook in regard to the new tax system and the numerous committees that were set up. That is straight talking. What about a bit of straight talking from the opposition when it comes to their tax system? Listening to the radio this morning, I heard the old word 'roll-back' back on radio again. It had simply died away. We thought we would never hear that word again. That policy was never going to pass the lips of the opposition again. But this morning Simon Crean reintroduced the word 'roll-back'.

Let us hear what roll-back really is. If you are game enough to bring it back and put it on the radio this morning, let us hear what roll-back really means. What are you rolling back? What will you change in the new tax system and how much will you roll back the tax system? You have a problem. You want to roll back the tax system, yet you want to deliver to the states the same amount as they will be getting under the existing GST. Since we have come into government, we have halved capital gains tax. Since then, we have halved capital gains tax. You introduced fringe benefits tax—one of the first new taxes you introduced. So capital gains was a new tax. Fringe benefits was a new tax. And what could have been more complicated for business, let alone small business, than the introduction of the fringe benefits tax? Since we have come into government, we have untangled it and made it a far simpler tax to understand and adhere to.

Fuel tax: you introduced the indexation on fuel tax and increased fuel tax by over 500 per cent when you were in government. Company tax: we will be reducing company tax to 30 cents in the dollar to make it more attractive to invest in this country—a better proposition for small business. When you left government it was 36 cents in the dollar. Income tax cuts: you just did not deliver on income tax cuts. The average income earner in this country is paying around 40 cents in the dollar. This government’s new tax system introduced from 1 July over $13 billion in tax cuts—the largest of any government since Federation. Small business need only be reminded of the Victorian situation, which is really coming to the top now, to know that Labor in government is no friend of theirs. It is just a matter of time before they squeeze small business, as they are doing in Victoria in nothing less than the increases in WorkCover insurance. Time is against me, but small business will never be your constituency. They have haunting memories of when you were in government, and they are reminded by the Victorian government, which is just starting to revert to kind now. To cheaply latch on to some article in regard to your credibility is a joke. (Time expired)

Senator HUTCHINS (New South Wales) (3.24 p.m.)—Earlier today I sought to ask a
question of the Leader of the Government in the Senate, Senator Hill, in relation to an opinion piece in the *Business Review Weekly*. It is headed ‘View opinion’. I am not sure whether this is unparliamentary, but I am sure you, Madam Acting Deputy President, or someone else will pull me up if it is. The heading of the editorial is ‘Small business chokes on the big GST lie’. As a result of that leading piece, I determined to ask Senator Hill a question in relation to that editorial. I do not normally wander through the pages of the *Business Review Weekly*, but I did on this occasion because it was pointed out to me that this opinion piece was something quite out of kilter with probably the political, social and economic aspirations of the people that read the *Business Review Weekly*. As I said, it is not something that would normally be drawn to my attention to read. As far as I know—and I am sure my Labor colleagues would join with me on this—the *BRW* has generally been regarded by us and by many other people in this country as the mouthpiece and indeed probably the weekly epistle of those people that we imagine inhabit the Melbourne Club, the Union Club, the Brisbane Club or the Adelaide Club—those clubs that are named after the capital cities—where we imagine they make decisions that affect the economy of this country.

When I asked Senator Hill the question, which was specifically relating to small business, all I got in reply was that a survey in the *BRW* had said that 100 top chief executives in this country had responded and said that the GST was a good thing, or words to the effect. They would say that, wouldn’t they, Acting Deputy Madam President, because, as you would recall so vividly from the last federal election, the Business Council for Tax Reform not only advocated and actively campaigned for what they saw as tax reform on behalf of the coalition but poured millions of dollars into making sure that that decision was effected. What intrigued me in the answer of Senator Hill was clearly that, when I asked him a particular question on small business, he reverted to what probably is the top 100 to 400 companies in this country who employ a huge number of people in their single enterprises. However, I wanted to know why there was this disquiet in what they would regard as their natural constituency. There was no answer. We still have had no answer.

You have heard, Madam Acting Deputy President, from Senators Cook and Conroy about the disquiet from the small business sector. Where is their response? Why are they angry? Why are they confused? Why are they disillusioned? Why do they feel betrayed? Because in 1996, and again in 1998, the Prime Minister went to an election and said that he would make a simpler system. You have heard from Senators Conroy and Cook that that is not the case at all. Whereas once upon a time small business only had to fill out one income tax return, they now have to fill out five—from one to five in the space of a year. The *BRW* opinion piece said that small business believe that the tax is no longer on the consumer but on their suppliers. They are looking forward to insolvency. They are staring bankruptcy in the face because they are no longer in a position to be able to wear these costs introduced by a government that said it would be made simpler for them. I said earlier that, when I asked Senator Hill the question, he responded on behalf of what I would regard as the big end of town. I look over there at the coalition senators and there are very few people, in this house in particular, that speak on behalf of small business.

**Senator McGauran**—I do.

**Senator HUTCHINS**—You would have to be a joke, Senator McGauran. You would be one of the ‘big enders’ in this place, along with almost the full frontbench. These people do not represent small business, and small business feel betrayed. They are no longer your constituency, and we will show you that at the next federal election.

Question resolved in the affirmative.

**Great Barrier Reef: Dangerous Cargo**

Senator BARTLETT (Queensland) (3.29 p.m.)—I move:
That the Senate take note of the answer given by the Minister for the Environment and Heritage (Senator Hill), to a question without notice asked by Senator Bartlett today, relating to the grounding of a vessel on the Great Barrier Reef.

It hardly needs saying how vital the Barrier Reef is for so many reasons, but I think it is worth emphasising them again anyway. As a Queenslander in particular as well as the Democrats environment spokesperson I do not think we can emphasise enough how incredibly valuable and vital the Great Barrier Reef and the surrounding world heritage area are. The reef is vital in terms of not just its environmental values and its enormous biodiversity but also its economic contribution to Queensland, and to North Queensland in particular. Whether it is in terms of tourism dollars, whether it is fishing, whether it is other aspects that draw people to the region, it is a crucial underpinning of the Queensland economy as well as an environmental asset that is indeed unique in the world.

As senators may know, the Great Barrier Reef is already designated by the International Maritime Organisation as a particularly sensitive sea area. It was the first in the world to be so recognised, and I think that highlights exactly why it is so crucial that we do everything we can to protect the reef. After this accident, the Queensland Premier was reported as saying that everything that can be done will be done. I am sure that the state government and officers, as well as federal government officers, are doing everything that can be done now to ensure that this accident does not cause further damage to the reef and there is no pollution from the cargo. But in terms of doing everything that can be done we also need to look at what we do for the future to stop or reduce significantly the prospect of further accidents happening.

We should take this incident as a warning. It looks like—although the danger is not over yet—we may have got away without major pollution and environmental contamination of the reef, and I am sure we all hope that turns out to be the case. If that occurs, then I think we should count ourselves very lucky. We should take this as a very serious warning that next time we may not be so lucky. There are 3,000 ships or more that go through the inner reef every year, carrying millions of tonnes of oil and other substances that are potentially highly polluting. It is almost inevitable that one day we will have a serious accident that will cause serious damage to the reef. We need to look again at whether or not we are doing all we can do absolutely minimise the prospect of such an accident to its complete lowest level.

The Democrats welcome the review—announced today by the Minister for Transport and Regional Services, Mr Anderson—into current controls over shipping operations within the reef area and to examine proposals for strengthening these arrangements. Certainly we hope that that is a comprehensive review. I would hope that it does consider some of the issues in terms of the deregulation of the shipping industry. For quite a long period of time, the Maritime Union has been warning—not just after but before the accident—about the prospects of accidents like this because of declines in the training and skills of crews that staff these vessels and the inadequacy of the regulation of vessels.

Certainly it would be quite reasonable for anybody to hold the assumption that this government, given its past history of ideologically driven fixation on destroying the Maritime Union and the wharfies, would be quite willing to explore other mechanisms to weaken the Australian shipping industry. Those concerns that have been expressed need to be examined further as part of this review—in terms of not just its impact on the Australian shipping industry and jobs but also whether we are putting at greater risk our environmental assets, including such precious ones as the Barrier Reef. The reef should certainly not have its exposure to degradation increase simply as a result of an ideological driven desire by the government to punish the Maritime Union.

The Democrats believe any inquiry—including the one that is being established by
the federal Minister for Transport and Regional Services—has to seriously and openly examine those issues and those claims. I call on the federal government to make sure that its inquiry does enable those claims and those concerns to be properly examined, because we do need to make sure that everything that can be done will be done. Otherwise, we will inevitably have an accident in the future. I desperately hope I am not in the position some time down the track of standing up and saying, ‘I told you so on this issue.’ I really think all of us would hope that we never get to that situation. We need to make sure that this valuable asset is protected.

The ACTING DEPUTY PRESIDENT (Senator Crowley)—Order! The time for the debate has expired. Question resolved in the affirmative.

NOTICES
Withdrawal
Senator O’BRIEN (Tasmania) (3.34 p.m.)—On behalf of Senator Faulkner I withdraw business of the Senate notice of motion No. 1 standing in his name for today relating to the reference of a matter to a committee.

Presentation
Senator CALVERT (Tasmania) (3.35 p.m.)—On behalf of Senator Coonan and the Standing Committee on Regulations and Ordinances I give notice that at the giving of notices on the next day of sitting she shall withdraw business of the Senate notice of motion No. 1 standing in Senator Coonan’s name for seven sitting days after today for the disallowance of Civil Aviation Amendment Order (No. 9) 2000; and business of the Senate notice of motion No. 1 standing in the name of Senator Coonan for 11 sitting days after today for the disallowance of the Bankruptcy Amendment Regulations 2000 (No. 2), as contained in Statutory Rules 2000 No. 220. I seek leave to incorporate in Hansard the committee’s correspondence concerning these instruments.

Leave granted.

The correspondence read as follows—
Civil Aviation Amendment Order (No.9) 2000
31 August 2000
The Hon John Anderson MP
Minister for Transport and Regional Services
Parliament House
CANBERRA ACT 2600
Dear Minister
I refer to Civil Aviation Amendment Order (No.9) 2000 made under section 98 of the Civil Aviation Act 1988, that requires the installation of portable megaphones in passenger aircraft with certain defined seating capacities.

The Committee notes that Clause 2 of the Order states that the Order commences on 1 September 2001 but the Explanatory Statement provides no explanation for the lengthy delay in commencement. The Committee considers that the Explanatory Statement should have addressed this matter and would therefore appreciate your advice on the delayed commencement date.

The Regulatory Impact Statement notes that the genesis of the changes introduced by this Order was a review of aviation safety requirements that commenced in June 1996. The Committee notes that the Explanatory Statement provides no information on why it has taken four years for this amendment to be made. The Committee would therefore appreciate your advice on the reason for this delay and when other major aviation countries, such as the USA, Europe, Canada, and New Zealand, commenced requiring megaphones to be carried.

The Committee also notes that this amendment is limited to aircraft carrying more than 60 persons. The Committee would appreciate clarification on why it has been limited to these aircraft and why it is not appropriate for the Australian requirement to vary from that which is applied in other countries. The Committee would also appreciate clarification as to whether this requirement will apply to international carriers when operating in Australian airspace.

The Committee would be grateful for your advice as soon as possible but before 9 October 2000 when disallowance action may be initiated.

Yours sincerely
Helen Coonan
Chair

12 October 2000
Senator Helen Coonan  
Chair  
Standing Committee on Regulations and Ordinances  
Parliament House CANBERRA ACT 2600  

Dear Senator Coonan  

Thank you for your letter of 31 August 2000 in relation to Civil Aviation Amendment Order (No. 9) 2000 that requires the installation of portable megaphones in passenger aircraft with certain defined seating capacities. Your letter was referred to the Civil Aviation Safety Authority (CASA) for advice. I have now received CASA’s response and am able to address the issues you raised.

In relation to the delay in the commencement date, as foreshadowed in the Regulatory Impact Statement (RIS), CASA has advised that the date of effectiveness was determined after consideration was given to the time required for training airline crew members in the operation of the equipment. For reasons of brevity, this comment was not repeated in the Explanatory Statement.

In regard to your concern about a four year delay in making this amendment, CASA has advised that while the Regulatory Framework Program commenced in 1996, it did not proceed to the point where, regulations requiring the carriage of megaphones were developed. The requirements, that are set out in this amendment were first introduced in the Notice of Proposed Rule Making (NPRM) 9809RP relating to passenger and crew safety which was released in November 1998, and were subsequently incorporated into the Discussion Paper on Commercial Air Transport Operations released in April 2000, relating to Civil Aviation Safety Regulation (CASR) Part 121A. Under CASA’s proposed regulatory reform timetable, CASR Part 121A is not expected to come into effect until November 2002. However, following the interim factual report from the Australian Transport Safety Bureau of the Qantas accident at Bangkok, which revealed that the public address system of the aircraft was destroyed in the aircraft impact, CASA decided to bring forward the requirement as reflected in the amendment to the Civil Aviation Order. CASA advised that this information was not set out in the Explanatory Statement as it had been included in the RIS.

As to when other major aviation countries commenced requiring megaphones to be carried, CASA has advised that the United States Federal Aviation Administration requirements dated 11 June 1969 refer to the carriage of megaphones on aircraft as part of Federal Aviation Regulation 121. In respect of Europe, the Joint Aviation Requirements governing the carriage of megaphones on aircraft is prescribed in JAR-OPS 1 which was adopted by the European Joint Aviation Authorities in 1995. The New Zealand Civil Aviation Authority (NZCAA) requirements for the carriage of megaphones on aircraft became effective on 1 April 1997 as part of the NZCAA review of aviation legislation.

In response to your query about why the amendment is limited to those aircraft carrying more than 60 persons, the RIS explains that the proposal will align the Australian regulations with those of other major aviation countries such as the USA and New Zealand. As stated in the Discussion Paper (DP 00010S) on Commercial Air Transport. Operations - Large Aeroplanes, JAR-OPS 1 was used as the ‘base code’ for the new operational requirements as these requirements were clear to understand and interpret and based upon ICAO Annex 6. The use of JAR-OPS as the basis for CASR Part 121A supports the Government’s policy that Australian aviation regulations should be harmonised with those of leading aviation nations and be clear and simple.

CASA has advised that in instances where it believes that harmonisation with other aviation nations may result in inadequate or unsafe practices when applied in the Australian environment, legislative harmonisation will not occur.

Finally, in relation to international airlines operating into Australia, the requirements for the carriage of megaphones would be those specified by the aviation regulatory authority in the country of registration of the aircraft.

Yours sincerely  

JOHN ANDERSON

Bankruptcy Amendment Regulations 2000 (No.2), Statutory Rules 2000 No. 220  
31 August 2000  
The Hon Daryl Williams AM QC MP  
Attorney-General  
Parliament House  
CANBERRA ACT  2600  

Dear Attorney  

I refer to the Bankruptcy Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 220 which amend the Bankruptcy Notice to reflect the introduction of the Federal Magistrates Service.
Item 7 omits paragraph 10 from Form 1 in Schedule 1 of the Principal Regulations. The Committee notes that the omitted paragraph allowed for the address and telephone number of the relevant Federal Court Registry to be inserted for the benefit of the debtor, although this was not a statutory requirement. The Explanatory Statement states that this information will still be readily available to debtors, but it does not explain how. The Committee would therefore appreciate your advice as to how debtors will be given this information and why it was decided to remove it from Form 1.

The Committee would be grateful for your advice as soon as possible but before 30 October 2000 when disallowance action may be initiated.

Yours sincerely

Helen Coonan
Chair

27 October 2000

Senator Helen Coonan
Chair
Senate Standing Committee on Regulations and Ordinances
Parliament House
CANBERRA ACT 2600

Dear Senator Coonan,

I refer to your letter dated 31 August 2000 concerning the Bankruptcy Amendment Regulations 2000 (No. 2), Statutory Rules 2000 No. 220 which amended the prescribed Bankruptcy Notice to reflect, in particular, the commencement of shared jurisdiction between the Federal Court and the Federal Magistrates Service, (FMS) in bankruptcy matters.

Item 7 omitted paragraph 10 from Form 1 in Schedule 1 of the Principal Regulations. The Committee noted that the omitted paragraph allowed for the address and telephone number of the relevant Federal Court Registry to be inserted for the benefit of the debtor, although that was not a statutory requirement.

The Committee has sought advice as to how debtors will now be given the information and why it was decided to remove it from Form 1.

Under the new shared jurisdiction a debtor can address any queries concerning a Notice he or she has received to either the Court or the FMS most convenient or otherwise relevant to the debtor. The addresses of the various courts are, of course, public information discoverable through telephone directories (including the white pages internet service). Removal of what might seem restrictive address information (and which could, by mischance, be erroneous) was a more practical approach because the creditor or the creditor’s adviser, when preparing the Bankruptcy Notice, may well not be aware of which registry address was the most relevant and convenient for a particular debtor. Therefore it was considered that removal of paragraph 10 from Form 1 was desirable and would not disadvantage a debtor. Further, as your letter notes its inclusion was not a statutory requirement.

Yours sincerely,

AMANDA VANSTONE

27 October 2000

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

That the Joint Standing Committee on Migration be authorised to hold a private meeting otherwise than in accordance with standing order 33(1) during the sitting of the Senate on 7 November 2000, from 8 pm.

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

That the Foreign Affairs, Defence and Trade References Committee be authorised to hold a public meeting during the sitting of the Senate on 10 November 2000, from 9 am to 3 pm, to take evidence for the committee’s inquiry into the disposal of Defence properties.

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

That the Legal and Constitutional Legislation Committee be authorised to hold public meetings during the sittings of the Senate:

(a) on 10 November 2000, from 9 am to 2 pm, to take evidence for the committee’s inquiry into the Crimes Amendment (Forensic Procedures) Bill 2000; and
(b) on 28 November 2000, from 7 pm to 9.30 pm, to take evidence for the committee’s inquiry into the provisions of the Sex Discrimination Amendment Bill (No. 1) 2000.

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

That the following matter be referred to the Select Committee on Superannuation and Financial Services for inquiry and report by the last sitting day in the first sitting week in June 2001:
The benefit design of Commonwealth public sector and defence force unfunded superannuation funds and schemes, with particular reference to:

(a) the method of indexation used by trustees to preserve the real value of fund members’ preserved unfunded component of their employer benefit;

(b) the rationale for using this method;

(c) the costs and benefits to fund members and trustees of using this method over other alternatives;

(d) indexation methods used by unfunded and funded state government superannuation schemes where the member’s preserved employer benefit remains in the fund;

(e) the possible implications of adopting another method of indexation; and

(f) any other issues related to the scope of this inquiry.

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

That the Select Committee on Superannuation and Financial Services be authorised to hold a public meeting during the sitting of the Senate on 27 November 2000, from 3.15 pm to 6.30 pm, to take evidence for the committee’s inquiry into the Taxation Laws Amendment (Superannuation Contributions) Bill 2000.

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

That, in accordance with section 5 of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone, together with supporting documentation, relating to a garbage hopper enclosure at West Block.

Leave granted.

Senator Minchin to move notice that, on the next day of sitting, I shall move:

COMMITTEES

Superannuation and Financial Services Committee

Extension of Time

Motion (by Senator Calvert, at the request of Senator Watson) agreed to:

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.

Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee

Meeting

Motion (by Senator Calvert, at the request of Senator Ferris) agreed to:

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.

PARLIAMENTARY ZONE

Garbage Hopper Enclosure, West Block

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (3.38 p.m.)—In accordance with the provisions of the Parliament Act 1974, I present a proposal for works within the Parliamentary Zone, together with supporting documentation, relating to a garbage hopper enclosure at West Block. I seek leave to give a notice of motion in relation to the proposal.

Leave granted.

Senator MINCHIN—I give notice that, on the next day of sitting, I shall move:
That, in accordance with section 5 of the Parliament Act 1974, the Senate approves the proposal by the National Capital Authority for capital works within the Parliamentary Zone, being a garbage hopper enclosure at West Block.

COMMITTEES

Membership

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

Motion (by Senator Ian Campbell)—by leave—agreed to:

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

Senators’ Interests—Standing Committee—

Appointed: Senator Lightfoot
Discharged: Senator Ian Macdonald

Legal and Constitutional Legislation Committees—

Participating member: Senator Collins.

FAMILY AND COMMUNITY SERVICES (2000 BUDGET AND RELATED MEASURES) BILL 2000

Second Reading

Debate resumed from 28 August, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator CHRIS EVANS (Western Australia) (3.40 p.m.)—I rise to speak on the Family and Community Services (2000 Budget and Related Measures) Bill 2000. The bill makes a number of changes to social security and child-care programs following the announcements by the government in this year’s budget. Most of the measures are either technical or mildly beneficial. The opposition will be supporting the bill, but we do have concerns about the government’s overall approach in some of the areas covered by this legislation. In terms of Abstudy, the bill will bring one aspect of the Abstudy rules into line with other benefits by generally exempting Abstudy income for the purposes of the social security income tests. At present, Abstudy payments are treated as income for the purposes of the Social Security Act. The effect of this is that partners of Abstudy recipients have a reduced entitlement to other benefits. This would not be the case if their partner were receiving some other benefit. The bill will correct this anomaly, and we are pleased to support that section.

In terms of data matching, currently Centrelink and the ATO examine taxation information from no more than two years previous to the current financial year. The Family and Community Services (2000 Budget and Related Measures) Bill 2000 will extend the time limit to four years, with the opposition’s full support. Labor has no objections to data matching: in fact, it was a Labor government that started the process with the original data matching legislation in 1990. We have no brief with welfare fraud, and we have a track record of dealing with it effectively in government. Yet I think it is important to register the opposition’s grave concern with the way the government consistently demonise welfare recipients as cheats. We are constantly hearing about how the government are cracking down on welfare fraud. Yet, when you examine the hard evidence, it is obvious that most of the problems with overpayments are accidental and that there is far less deliberate fraud than the government would have us believe. On the most recent figures, there were 1.1 million reviews, but only 1,347 convictions for welfare fraud—or 0.1 per cent. This is hardly the epidemic of rorting that the government’s rhetoric suggests. The government are addicted to playing wedge politics on the issue of welfare fraud. They think they are on an electoral winner by denigrating ordinary families and some of the most vulnerable members of our community. It really gives the lie to their professed concern to rebuild our welfare system on more compassionate lines and their supposed interest in social coalitions. Division seems to be a key theme, and they will never be community builders unless they rid themselves of that sort of approach.

Labor is particularly concerned about the problem of overpayments in the area of fam-
ily benefits. The government now has a zero tolerance policy to income estimation in this area. People are required to estimate their incomes for the year ahead, and there is no margin of error for underestimating. Any underestimation results in a debt to the Commonwealth. As we all know, people’s incomes can be quite unpredictable these days, and Labor is concerned that the problem of family payments resulting in debts will only get worse. Recently, the government has extended its estimation system to the new child-care benefit. In addressing the family assistance legislation, I warned that the government could well be creating a situation where still more families will run into debt because of underestimation of their income for the following year. But the government has insisted on going down this path. I think this is an area which will require continuing scrutiny—particularly in July next year when families may well find themselves having debts raised against them.

There are beneficial changes in terms of the social security agreement with the United Kingdom. We support the measures in the bill which allow UK residents who emigrated to Australia before the termination of the agreement to continue to have access to the age pension.

The bill also make some changes to the youth allowance assets test. Currently, the test allows applicants to disregard 50 per cent of the value of the family’s business and farm assets, provided that the farm or other business is the family’s principal activity or occupation. Schedule 3 of this bill would increase the proportion from 50 per cent to 75 per cent. The government’s position on this issue is a little tortured and curious. Labor recently supported an Australian Democrats’ amendment to the Youth Allowance Consolidation Bill to hold the government to its 1996 election commitment to allow for 75 per cent of the value of a person’s interest in farm assets to be disregarded under the youth allowance family assets test. The government did not support the amendment as proposed, which was designed to make it honour its own election platform. During debate on the Youth Allowance Consolidation Bill, the government estimated annual costs of a 75 per cent disregard for farm assets alone to be $23.67 million. At the time they argued that was an excessive cost. Senator Newman argued against the 75 per cent disregard for farmers, because she claimed:

It would allow families with net assets of up to approximately $1.7 million to access income support.

No matter that this was an election promise the government had failed to honour in four years, there was no consideration that many farmers with assets were doing it tough.

However, with the introduction of this bill, the government has decided to revisit its decision to extend the 75 per cent disregard to farm assets, but has sought to bring families and businesses under the umbrella at substantial extra cost to the budget. In fact, the government’s decision to extend the disregard to non-farm assets will cost the bottom line an additional $40.5 million over four years, and it will deliver benefits to business families that are not available to non-business families living in poorer circumstances. In briefings of the opposition, the government has claimed it is not possible to distinguish between farm and non-farm assets. This seems a bit curious to us, given the fact that another piece of legislation currently before the parliament from the very same portfolio is able to do this without any difficulty. We believe the government should honour its promise to farm families that are struggling, but we are not going to accept the extension of the disregard to help business families with significant assets to access youth allowance when families in materially poorer circumstances are denied, particularly in the absence of any evidence to support the need. We will therefore move an amendment which seeks to preserve the new 75 per cent disregard for farm families, while also ensuring the disregard for business families remains at the already established rate of 50 per cent.

As I say, it is largely a technical bill introducing beneficial measures with which the opposition agrees. I will not go on at length
about some of those other measures. The bill has been on the books for a while now, implementing those 2000 budget measures. But, as I say, I do draw the attention of the Senate to the Labor amendment to restrict the increase in the disregard merely to those operating farms, not more generally to businesses. But I will speak to that in the committee stage.

Senator BARTLETT (Queensland) (3.48 p.m.)—I rise to speak, on behalf of the Australian Democrats, on the Family and Community Services (2000 Budget and Related Measures) Bill 2000 in the Family and Community Services portfolio. As Senator Chris Evans has said, it is predominantly a technical bill with predominantly positive measures which the Democrats support. It is appropriate to briefly outline those various elements in the bill. Firstly, I turn to the amendment in relation to Abstudy payments not being considered as income. Historically, partners of Abstudy recipients who receive or who have applied for an income tested social security payment may have a reduced entitlement. This bill removes this anomaly to ensure equality of treatment between Abstudy recipients and other social security income support recipients. Prior to 1 January this year, dependent spouse allowance was still available to partners of Abstudy recipients, despite having been phased out altogether for other social security income support payments. Since January, partners of Abstudy recipients have claimed and qualified for an income tested social security payment may have a reduced entitlement. This bill removes this anomaly to ensure equality of treatment between Abstudy recipients and other social security income support recipients. Prior to 1 January this year, dependent spouse allowance was still available to partners of Abstudy recipients, despite having been phased out altogether for other social security income support payments. Since January, partners of Abstudy recipients have claimed and qualified for an income tested social security payment may have a reduced entitlement. This bill removes this anomaly to ensure equality of treatment between Abstudy recipients and other social security income support recipients. 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Prior to 1 January this year, dependent spouse allowance was still available to partners of Abstudy recipients, despite having been phased out altogether for other social security income support payments. Since January, partners of Abstudy recipients have claimed and qualified for payments in their own right, and this bill legislates for this regulation. It is worth noting that the bill contains a savings provision for those who currently receive a pension and Abstudy—also known as a grandfathering clause. It is worth noting that—in part because it is something the Democrats support but also because I recall an earlier debate in this chamber on another measure where the government quite strongly resisted Democrat attempts to grandfather or have a savings provision for people affected by another change. In that case, some 3,000 or 4,000 indigenous women were going to be affected. Huge numbers of arguments were put forward by the government at the time about how terrible the savings provisions were and how they were bad policy, a bad idea, et cetera. Thankfully, the government finally accepted the views of the Democrats, and of the Senate more widely, and allowed that savings provision to be put in place. Maybe this is a sign that indeed the government overall have accepted the wisdom and soundness of the arguments that I put forward at the time and we will not need to revisit such debates in the future. Certainly I welcome the savings provision that is contained on this occasion.

There is another element that relates to in-home child care. It provides for the extension of the existing child-care benefit to in-home child care at a rate equal to the corresponding kinds of family day care which provide parents with more child-care choices by allowing the child to go to a home rather than requiring that child care only be provided at a centre or a school. It provides in-home care for those families whose work patterns involve non-standard hours or whose children are sick and cannot be taken to a regular centre. I understand it is getting up to about 8,000 places over four years.

There are provisions in the bill which amend the data matching provisions, extending the time limit for the recovery of data from the existing two financial years to four financial years. These measures tend to get waved through this place without much comment. Certainly the Democrats, like all here, support measures to prevent deliberate abuse of the system. As I have said in this place many times before, I think the extent of abuse and fraud, which is sometimes generated by the way the government presents figures, is grossly over exaggerated, to the point of misrepresentation. The Democrats believe that more needs to be done to ensure accurate representation of the real nature of overpayments, most of which relate to inadvertent error and the enormous complexity of the Social Security Act. Nonetheless, inasmuch as data matching captures people who are deliberately hiding income and other activities, it is beneficial. But I think it is ap-
propriate, as Centrelink gathers more and more information on individuals through datamatching processes, that we acknowledge the real dangers to privacy through such measures and be absolutely vigilant in ensuring that privacy of individuals is protected and inappropriate use of data does not occur.

There is also the introduction of a saving provision allowing former UK residents who became Australian residents before 1 March this year to continue to get early access to pensions and benefits under the now terminated social security agreement between Australia and the UK. This agreement, which was originally signed 10 years ago, contained special arrangements for portability, qualifying residents across a range of benefits. Unfortunately the UK, unlike Australia, refused to index social security payments to their overseas recipients, despite numerous approaches by the Australian government to do so. As a consequence, Australia was effectively subsidising the UK pension system to the tune of about $100 million per year. This was patently unfair, and the government—I think quite rightly—was eventually forced to terminate the agreement. Nonetheless, we again have a saving provision—another one which the Democrats support—for those residents who are already here so that they can access the beneficial aspects of the agreement as if it had not been terminated.

Finally, I go to the issue of youth allowance, which Senator Evans also mentioned. The bill before us amends the act to increase the existing 50 per cent exclusion of certain business assets to 75 per cent from the youth allowance assets test for young persons who are not independent. Businesses include those enterprises which involve primary production and the provision of professional services. The measure is aimed at targeting rural families whose young people, because of the asset value of the real property, have been denied youth allowance. It is worth noting that this provision for the extension of the assets test to 75 per cent for farming families was the result of a Democrat amendment moved in this place, as Senator Evans acknowledged, and it was an outcome that took a number of years. I guess it shows the benefit of persistence. If it sometimes seems irritating to the government and to others when we repeat amendments time after time and they keep getting knocked down, this is perhaps an example of why we do that. Eventually, sometimes, people agree. But in continuing to re-emphasise the rightness of the case in terms of the beneficial aspects of that amendment, as well as the fact that it was a coalition promise from 1996, eventually those arguments got through. There must have been something about the persuasive arguments that Senator Stott Despoja put forward at that particular time that led to an agreement in that case which we were not able to get on previous occasions. I will have to revisit the debate to see what the magical secret touch was. It certainly was a welcome development, and the Democrats welcome the government finally bringing that on board.

In relation to the specific issue addressed by the ALP amendment, I would signal that the Democrats, as always, have an open mind and have not reached a firm position on that issue. I would probably signal to the government and advisers present that we would appreciate some good arguments from both sides. Senator Evans has already started off with some good arguments there, and we will listen to him further in the committee stage. The Democrats will be seeking a clear indication from the government about this particular measure before we decide our position on this specific amendment. We will listen to the arguments on the floor of the chamber and make a considered decision at that time. Having said that, I think I will wait for the committee stage before I make further comments. I indicate again that the Democrats support the thrust of this bill and are willing to facilitate its passage.

Senator DENMAN (Tasmania) (3.56 p.m.)—I too rise to speak to the Family and Community Services (2000 Budget and Related Measures) Bill 2000. This bill will help those children whose parents own farms and businesses who may be asset rich but cash poor. But what of the children of the battlers
whom the Howard government is purported to represent? If my memory serves me correctly, when Malcolm Fraser was in office he set out to catch so-called welfare cheats. I think he found the same level of fraud detection as the Howard government—about one per cent of those audited were found guilty of fraud. I may be wrong about the exact level that the Liberal government found, but it was an extremely low percentage. I do not know if Mr Fraser hired detectives to spy on families or to harangue some public state departments for failing to breach enough people for non-compliance on their activity forms, or if that honour should be reserved for the Howard government. I must say, given the level of corporate fraud and the conduct of some CEOs, I find rather perplexing the concentration on those who often, through no fault of their own, have to rely on government for the bare essentials of life.

My colleague the member for Lilley, Mr Swan, highlighted a comment from Petro Georgiou, a Liberal backbencher, that more people won first and second division prizes in Tattslotto in Australia than were convicted of welfare fraud. Anyone who has been buying Tattslotto for a period of time knows that statement means not many at all. Even if we were to include the 114,523 of those who had payment reductions or cancellations—about 10 per cent of the 1.1 million reviews undertaken—we would find that most of them were due to inaccurate income calculations or Centrelink errors rather than a deliberate act of fraud on the part of the recipient. If we had full employment there may be some justification for the concentration on welfare payments, but that is not the case. Many areas in my home state have youth unemployment rates of over 25 per cent and an average unemployment rate of 10 per cent. On the north-west coast of Tasmania, where I live, the youth unemployment rate is just above 25 per cent. The punitive approach to welfare or economic failure payment—for that is where the fault really lies: with the superstructure, not the individual—often punishes people for not filling in their forms properly. That is what a breach of the activity test really means: they did not fill in the form or, in some cases, they did not receive the form at all due to a mix-up with a change of address. What happens when people living below the poverty line have their payments reduced or ceased? They have one of two options: go to a charity or commit crime to provide adequate food and shelter for themselves or their families. It is a bit like history repeating itself, when some of our forebears were sent out here as convicts for doing just that.

I wish to give an account of two cases given to me by a Christian based agency in Tasmania. In case No. 1, a young man had his benefits suspended for eight weeks. He approached a pastoral care housing service after three weeks of no income. He was facing eviction because he could not pay rent. He was breached because he was deemed to have misrepresented his earnings. Agency workers could not assist him. The normal strategies of negotiating payment plans for him could not be used because he had no income at all. Our systems do not work for clients living in absolute poverty. This is a new phenomenon in our country. He was referred on for emergency relief. In Tasmania this is almost wholly distributed in the form of food parcels. In case No. 2, a Newstart allowance recipient was deemed to have misreported earnings and was breached 18 per cent for 26 weeks. He appealed this decision but, before the appeal had been heard, his file was reviewed and he was deemed to not have reported a week’s earnings two years previously. A second breach of 24 per cent for 26 weeks was imposed. He was evicted from his house because of the inability to pay rent and was referred to this particular pastoral care agency for emergency assistance.

This is the human face of the ‘get tough’ strategy. But why not get tough on the banks? They are charging pensioners just to withdraw their own money. People on welfare have no choice: their payments have to go into the bank via direct credit but then they are charged for withdrawing them. This
particularly affects the elderly who feel vulnerable withdrawing from ATMs, yet if they go into a branch they are charged extra. Surely the banks should provide the security they need to withdraw their money or the government should start sending out cheques again so the recipient of welfare has only one cost per fortnight rather than all the hidden costs meted out by the banks nowadays.

According to TasC OSS, in their ‘Living on the edge’ survey—the results of which were published in the Mercury on 13 October—the first point is that 81 per cent of Tasmanian welfare organisations indicated they were operating at maximum capacity. Secondly, 79 per cent of agencies expected demand for services to increase in the next six months. Thirdly, 62 per cent of agencies reported an increase in the number of people assisted compared with the previous six-month period. Eight per cent of this group experienced a large increase. Fourthly, 25 per cent of agencies expected to make cuts of some description if demand increases, with five per cent of that number anticipating staff cuts. Fifthly, the main reasons for the jump in demand were the increasing referrals from other agencies—62 per cent—and meeting the increasingly complex needs of clients—21 per cent. Sixthly, the most common survival methods were to increase unfunded efforts of staff and volunteers, 23 per cent; create waiting lists, 18 per cent; and use up financial reserves, 15 per cent. As the head of TasC OSS, Ms Lis de Vries, highlighted:

"The biggest problems agencies faced were poverty and homelessness. In many cases the disadvantage was borne from long-term unemployment ...

The Howard government was elected on the promise of making Australians warm and comfortable. CEOs are warm and comfortable, bank managers are warm and comfortable and top private schools are warm and comfortable, but those on the fringes, those on welfare and the battlers are increasingly homeless and hungry. Some of the stories we hear echo another time, the Depression, when unemployment was over 30 per cent and the economy was a complete basket case. Yet we are told time and time again the fundamentals are sound. If that is the case, why is there an increase in homelessness and poverty, particularly child poverty? It is simply not good enough.

The new-found words for beating up the poor are ‘mutual obligation’. This means, in fact, if the economic system the Howard government has helped engineer has no place for you, look after yourself or doff your cap and swallow your pride and beg a charity to help you as it is not the government’s core business anymore; there are too many rich people for them to look after. What of the mutual obligation for bankers as they drive families into ruin, including—according to the weekend press in Tasmania—one of the Liberal Party’s own? Tasmanian papers revealed a former Liberal party candidate, Mark Ashton, has been nearly destroyed by the banks’ greed. The Tasmanian Labor Attorney-General, Dr Peter Patmore, said:

"When profit is what it’s all about, human conduct and ethics come second."

The state opposition spokesman for small business, Liberal Party MP Bob Cheek, said that banks had become the most ‘rapacious organisations in the history of humankind’ and that ‘their greed and hunger knows no bounds’. That is from an article in the Mercury on Sunday 5 November 2000.

There are fine words from both sides of Tasmanian politics, but the silence on the banks’ behaviour by Mr Howard is deafening. Perhaps it is impossible to hear as the Howard government get tough on the most defenceless. The cries of poor children, single mothers and fathers and the elderly, rejected and alone in substandard hostels, are now very loud. Perhaps the Howard government suffer from selective hearing. That would explain why they cannot hear the calls for a more civil and humane society rising from the traumatic and ever increasing cries of those the Howard government have left behind. As my colleague Wayne Swan, the member for Lilley and opposition spokesperson for community affairs, pointed out in his address to the National Council of Single Mothers and their Children at the Flinders
Street Baptist Church in Adelaide last Friday, since the Howard government came into power 100,000 more children are living in poverty. This is not a figure plucked out of thin air; rather, it was a finding in a NATSEM research paper. He goes on to say: ... the study reveals the Coalition has achieved the seemingly impossible—an escalation in child poverty during a period of strong economic growth.

The politics of downward envy used by One Nation and picked up on by the Howard government have cost us not only in terms of economic balance sheets but also in terms of a more divisive society. A recent commission into the causes of violence in America calls it a ‘mean world’ syndrome. It will create a hostile world with rising rates of imprisonment, a less caring and more consumption based society and, in the end, a much more insecure and dangerous society—for the rich as well as the poor. It is simply not our Australian way, and I implore the Howard government to change tack before the cultural values of Australia, of a fair go, are completely subsumed by consumerism and greed. I ask the question: what is it you will leave behind when you go, Mr Howard? Whatever it is, it will not be warm and comfortable for the ever increasing pool of Australians.

Question resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator CHRIS EVANS (Western Australia) (4.08 p.m.)—I move opposition amendment No. 1:

(1) Schedule 3, item 1, page 15 (lines 6 and 7), omit the item, substitute:

1 Section 547D

Omit “547G”, substitute “547GA”.

2 Section 547G

Repeal the section, substitute:

547G How primary production business assets are treated

(1) If (and only if) paragraph 547D(c) applies in working out the value of the assets of a person, assets of a business that comprises the carrying on of primary production are treated in accordance with subsections (2) and (3).

(2) Subject to subsection (3), 75% of the value of a person’s interest in the assets of a business is disregarded if the person, or his or her partner, is wholly or mainly engaged in the business and the business:

(a) is owned by the person; or

(b) is carried on by a partnership of which the person is a member; or

(c) is carried on by a company of which the person is a member; or

(d) is carried on by the trustee of a trust in which the person is a beneficiary.

(3) Subsection (2) does not apply to assets of a business that are of any of the following kinds:

(a) cash on hand, bank deposits, bank bonds, or similar readily realisable assets;

(b) shares in companies, or rights in relation to shares;

(c) rights to deal in real or personal property;

(d) assets leased out by the business, unless leasing is a major activity of the business;

(e) assets used for private or domestic purposes by the owners of the business.

547GA How professional services business assets are treated

(1) If (and only if) paragraph 547D(c) applies in working out the value of the assets of a person, assets of a business that comprises the provision of professional services are treated in accordance with subsections (2) and (3).

(2) Subject to subsection (3), 50% of the value of a person’s interest in the assets of a business is disregarded if the person, or his or her partner, is wholly or mainly engaged in the business and the business:

(a) is owned by the person; or
(b) is carried on by a partnership of which the person is a member; or
(c) is carried on by a company of which the person is a member; or
(d) is carried on by the trustee of a trust in which the person is a beneficiary.

(3) Subsection (2) does not apply to assets of a business that are of any of the following kinds:
(a) cash on hand, bank deposits, bank bonds, or similar readily realisable assets;
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(c) rights to deal in real or personal property;
(d) assets leased out by the business, unless leasing is a major activity of the business;
(e) assets used for private or domestic purposes by the owners of the business.

This is the only amendment before the chamber today. As mentioned in both my speech and Senator Bartlett’s speech in the second reading debate, the Australian Democrats moved an amendment in the Senate during the debate on the Youth Allowance Consolidation Bill 1999 to hold the government to its 1996 election promise to increase the asset disregard for young people from farming families from 50 per cent to 75 per cent. Labor supported that amendment on a couple of grounds. At the time, the government argued the amendment would allow families with significant assets to access youth allowance and it contended that the overall cost was prohibitive. Finally, the government argued that the amendment drafted by the Democrats would not technically achieve its stated aim. When the budget was released in May, one of the new spending measures was to extend the 50 per cent disregard to 75 per cent for farm families, but the measure also proposed an extension of disregard to 75 per cent for business assets. The Democrats decided to allow their original amendment to the Youth Allowance Consolidation Bill 1999 to be defeated but have indicated, as Senator Bartlett said, that they support this bill and this measure in general.

We always made it plain that our support of the Democrat amendment was based on the grounds of holding the government to the promise that it made. The new measure extends a generous increase in the disregard to a group that was never the subject of the coalition promise or of any established need. While many family farm businesses are asset rich but cash poor, I am not sure that the same case can be made out for the majority of businesses. The government’s argument that the change was extended because, administratively, it was not possible to separate asset types does not, in our view, stand up to scrutiny. During discussions on the amendment to the Youth Allowance Consolidation Bill 1999, the government claimed it was not possible to separate farms and businesses. But, during briefings received from departmental officers, it seems that it has been able to do that in relation to the trusts and companies bill and has not repeated the claims. I am not sure of the government’s final position on that. It seems to us it is possible to define farm assets separately from business assets, and we have done so in other legislation.

The government seeks to increase the disregard from 50 per cent to 75 per cent. The Labor amendment seeks to separate the two types of businesses, applies a 75 per cent disregard to the assets of businesses that comprise or carry on primary production and retains a 75 per cent disregard for assets of businesses that comprise the provision of professional services. We think, by this means, we hold the government to its election commitment—which was always the basis of Labor’s position on this issue—but do not extend the provisions of the benefit further. We do not think the case has been made out for the need for it to be extended to the businesses’ area. It is obviously an expensive measure. In these areas, it is always a question of balancing needs. We think there are stronger cases to be made for other groups in receipt of social security measures which would be more deserving. It is always
a balancing act, but there are numerous examples where that would be the case.

The minister herself argued very strenuously last time we debated this bill that such a measure would be overly generous. I suspect her tune will have changed for this occasion. I have a copy of the *Hansard* with me, just in case I need to remind the minister of her arguments on that occasion, and that was when we were just looking to hold the government to its promise in relation to farm assets. Now, the government is taking its measure much further to a group for which it has not established the need or the justification for extending that benefit. If anyone wants a cogent expression of the reasons why we should not do that, I refer them to Senator Newman’s speech on Monday, 3 April, found in the Senate *Hansard*, page 13153.

**Senator BARTLETT (Queensland) (4.13 p.m.)**—As I indicated in my speech in the second reading stage, the Democrats would be interested in hearing in a bit more detail the arguments for and against the proposal. We have heard Senator Evans’s arguments twice. We would appreciate a clarification from the government of the intent of the provision and the operation of it. We would appreciate a clarification of whether it will apply only to business assets involved in primary production or whether it will be broader than that and whether it is a matter of—as is suggested by Senator Evans—a legislative difficulty in splitting this definition, as the ALP is attempting to do, or whether it is a measure based on addressing an identified need. If that is the case, could the minister outline a little bit more of the detail behind the need that has been identified.

**Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (4.14 p.m.)**—I thank senators for their contributions to the debate to date. Firstly, I will respond to Senator Evans. He was talking about the government’s promise about farm assets. I would remind the Senate that we wished to do something in this area previously, when we inherited a substantial black hole from the previous government. But focusing simply on farm assets had a significant downside. It was much better to wait until it was possible to do something more than we could have done earlier in terms of the economy. I want to point out what that significant downside is. As I see it, it could cause very significant problems of divisiveness in small country communities, where each is dependent upon the other for the survival of the community.

I will give you an example. A farmer, for instance, usually buys most of his farm equipment and his supplies from the local machinery person, and the big maintenance is done by the local machinery firms. The fertiliser suppliers are another example. In a small town, they are small businesses. They may be an arm of a larger business that is state wide, but nevertheless there are people running small businesses there, often as a franchise. Each of them is dependent upon the others for their wellbeing. We see this very starkly, come a drought. If a farmer is not doing any good, if he has not got any money to spend, then it is the small businesses in the town nearest to that farm that pay a heavy price as well as the farmer. So their wellbeing is inextricably linked. It would seem to us to be an inequity if the 75 per cent discount on business assets were to be applied solely to primary producers.

The opposition proposal is consistent with their stand on the matter during the debate on the *Youth Allowance Consolidation Bill 1999*, but I think it is a backward step from what the government are proposing, which would benefit young people from all business families. If we restricted the 75 per cent discount on business assets solely to primary producers, it would still cost around $26 million each full year. That means that the Labor amendment would mean a saving of only around $10 million over the current budget proposal, not $40.5 million as suggested by Senator Evans. That figure is over five years. It is not comparing apples with apples; it is very clearly a case of comparing apples and oranges. It would be approxi-
mately $159 million if it were all businesses, approximately $118 million for farmers only and $40.95 million in extra costs for all businesses over the five-year period. It is pretty equitable to treat them all the same.

As well as causing divisiveness in small communities, the opposition amendment would disadvantage an estimated 3,000 young people and their families, many of whom would be from rural and regional communities. The current proposal has been well received by the National Farmers Federation and other rural groups, and I think any move to restrict its scope from that already announced is likely to attract strong criticism from the community.

There is also a drafting weakness in the amendment. That is because it is based on one rule for a business that comprises the carrying on of primary production and another rule for a business that comprises the provision of professional services. Those two types of business do not necessarily cover all businesses. A business that clearly does not engage in primary production may not necessarily comprise the provision of professional services. The two terms, as used in section 547G of the act, are not an exhaustive list of business types. In that case, the business would not benefit from an assets exemption at all, whether 75 per cent or 50 per cent, and I cannot imagine that the opposition were intending that. I believe that, for social cohesion and fairness, there are very strong reasons the opposition amendment should not receive support from the Senate. I cannot believe that they would want to do something that was so inequitable to at least 3,000 young people, many of whom would be coming from regional and rural communities, or so unfair to kids—depending upon which kind of business their parents were actually running.

Senator BARTLETT (Queensland) (4.20 p.m.)—I thank the minister for that explanation. I think the issue of differentiating between primary production and other business assets is a problematic one. It is problematic to allow 75 per cent on one and only 50 per cent on the other. Many rural properties legitimately engage in both primary production and professional services using the same assets. Senator Newman has outlined some of the connection between farmers and those they do business with, mainly in rural communities but obviously not solely in rural communities. There are still a few farmers near or in the middle of capital cities.

The Democrats have campaigned on the extension of the 75 per cent exclusion from the assets test for farming families for many years. We are pleased that the government is taking up that measure. The extension here, as has been indicated, will mean greater access to the Youth Allowance for a significant number of young people. The Democrats have expressed many times the need for stronger and better assistance for young people, particularly those seeking higher education or other forms of training. Obviously, there are extra difficulties for those young people if they are in areas outside or away from capital cities. There may be an argument, as Senator Evans suggests, that this is not the most perfectly targeted mechanism for utilising taxpayer funds through the income support system, but one can go only so far in finetuning targeting. One also needs to look at the broad principles. The broad principle of providing that extra assistance through the Youth Allowance to young people, particularly those who have the extra disadvantage of being outside capital cities, is one that needs to be recognised.

The government’s measure in that regard is welcome. We welcome the government’s recognition of the comments of the Democrats and others—including the National Farmers Federation and the Isolated Childrens Parents Association—by introducing measures such as this to provide some extra assistance. In that context, we will stick with the government’s original proposal—despite the well-argued position put forward by Senator Evans—and not support the amendment.

Senator CHRIS EVANS (Western Australia) (4.23 p.m.)—I will not delay the committee much longer. I simply draw attention to my concern that Senator Newman is al-
ways sympathetic towards families whom she described in the last debate as possibly having assets of up to approximately $1.7 million and their right to access Youth Allowance income support. To me, it highlights the differing treatment of those to whom Senator Denman and others referred who are breached and who receive no money for eight or 10 weeks. They do not seem to get any sympathy from this government or this minister, who have much more confronting issues in mind. That is my concern and that of Labor, regarding this measure and extending it to business assets.

I accept that there are some technical issues about how to do it, but there is no will to fix that problem. There is simply a will to extend assets to a group that is perhaps quite sensitive electorally for the government. We should compare that approach with the treatment of those who rely on income support to eke out a very poor existence or who must rely, as we learned recently, on charities because they are unable to get this government to view their cases more sympathetically or to avoid being breached on quite minor technical grounds. It brings home to me the stark contrast in the way that we are treating different groups in the community. I understand the arguments and the history of this issue. Labor cannot support the extension to view their cases more sympathetically or to avoid being breached on quite minor technical grounds. It brings home to me the stark contrast in the way that we are treating different groups in the community. I understand the arguments and the history of this issue. Labor cannot support the extension to view their cases more sympathetically or to avoid being breached on quite minor technical grounds.

Amendment not agreed to.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by Senator Newman) read a third time.

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2000

Second Reading

Debate resumed from 17 August, on motion by Senator Ellison.

That this bill be now read a second time.

Senator CARR (Victoria) (4.25 p.m.)—I move:

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

(a) notes that:

(i) the broadest possible access to quality training opportunities is a vital part of Australia becoming a Knowledge Nation;

(ii) demand for vocational education and training is likely to increase by at least 2.8% a year over the next four years; and

(b) condemns the Government for:

(i) failing to provide any funding to support this growth;

(ii) failing to negotiate a fair and reasonable new ANTA Agreement with the States and Territories; and

(iii) pursuing policies which damage the quality of training and put at risk the nation’s skills base”.

Australians have a right to expect high-quality services from their governments. They have a right to expect that vocational education undertaken anywhere in the country will result in qualifications that are recognised throughout the country. They have a right to expect that the quality of vocational education is of a uniformly high standard and that the regulations governing the provision of that education are nationally consistent. Neither workers nor employers should be disadvantaged by regional inconsistencies affecting the standards and the provision of vocational programs.

Unfortunately, these rights and expectations are not being met at present. There have been countless examples of rorts in the VET system, of unethical behaviour by registered training organisations and of appalling administrative practices with regard to audits. There have been numerous examples of slipshod attitudes by regulatory authorities. It is disappointing that some within the government and ANTA have sought to defend these practices with arguments that have included the need for flexibility, ‘teething problems’ that they say are inherent in the
new reforms, and suggestions that in a free market environment people have the right to choose.

The legal definition of ‘fraud’ employed in this context is so vague that it has become possible to argue that, since fraud cannot be demonstrated, the criticisms must be overstated. In fact, the VET system has become so flexible that it is almost impossible for even the most unscrupulous providers to be found to have defrauded the Commonwealth. The administrative arrangements are so loose that, in spite of the rhetoric, very few providers have been deregistered. This is despite the widespread acknowledgment by state authorities that such inappropriate and unethical behaviour should never have occurred.

In the past, most complaints have arisen from workers who have been mistreated while undertaking so-called traineeships. Their opportunities to voice complaints are always set against the prospect of losing their employment. Therefore, most complaints are received only after the trainees have lost their jobs or the training has concluded. All too often trainees receive training and qualifications that are less than they had hoped for or expected, and thus their opportunities are narrower than they had been led to believe. It is interesting to note the increasing number of complaints coming from ethical employers—specifically, those who are committed to the long-term future of their industries. They resent the unfair competition presented by those who are using vocational education subsidies to provide little more than cheap labour. They are concerned at the long-term prospect of skills shortages and the problems of poorly qualified workers who are not properly trained to meet the demands of quality production across the whole industry.

One state government report documented that one in five trainees who allegedly received their full training on the job received no training at all. Many employers are also annoyed that the failure rate for New Apprenticeships in some areas has risen to well over 50 per cent and that, according to one detailed study by the Queensland government, up to 60 per cent of trainees were not completing training. Despite the optimistic public relations from ANTA, DETYA and the minister’s office, despite the expenditure of millions of dollars on slick television advertising and other marketing strategies, and despite the expenditure of $354 million per annum on employer subsidies, we now see the government in crisis management due to the disastrous decline in quality and confidence.

The Commonwealth government’s response has been to accept second best—to urge the states to accept yet another agreement, while there is no funding for growth, and to enter into new protocols and new committees, in the hope that the hard decisions on quality assurance can be avoided. The truth is now emerging that the complaints made by Labor have had a very sound basis indeed. This government has finally realised that it has no means of disciplining recalcitrant and poor quality training providers, yet it does nothing to address the fundamental problem.

In an age of increasing global integration there is a legitimate demand, from both business and workers, that qualifications be nationally applicable. If there is also an expectation that workers will be more flexible and more mobile, then it must be accompanied by an obligation to ensure that vocational qualifications are appropriate and recognised across state boundaries. Quality assurance is the critical component of a genuine national vocational education system. Australia’s system has undergone significant reform in recent years. The Commonwealth government and the states have entered into a series of agreements to underpin a national policy framework. The core principles of the Australian training framework is that all states and territories mutually recognise each other’s decisions on the registration of training organisations.

Recently the government received legal advice from the legal firm Minter Ellison that demonstrates what has long been suspected: that the legal foundations for the Australian vocational education system are
seriously flawed. This advice was confirmed in a separate report in September. So one was first received in May, and one was received in September. Neither report has yet been made public. The legal advice was sought as a result of a legal challenge by a registered training organisation that faced deregistration because of its interstate operations. The advice demonstrates that the contractual arrangements for interstate registration or deregistration have no legal basis. This has profound significance for Australia’s 4,000 registered training organisations.

For three years Labor has been drawing public attention to the inconsistencies in the provision of vocational education, with specific examples of deteriorating quality to prove the point. States, such as Queensland under Minister Braddy, have long warned of the deteriorating national response to quality control. The response from DETYA, Minister Kemp and ANTA has until recently been dismissive. Now there is a panic response, with calls by Dr Kemp for urgent action on national consistency. Calls for action now sound hollow, coming as they do from the same authorities that for years have been in a state of denial. It is the failure of the Commonwealth to take action on quality assurance and its insistence on marketing that now demand an explanation. It is the Commonwealth that drives the vocational education system, with financial incentives and the control of the purse strings. It is up to the Commonwealth to face up to its responsibilities.

Evidence presented to the Senate committee of inquiry into vocational education has demonstrated that neither employers nor unions perceive that the Australian vocational education system is producing consistently high-quality outcomes. Widespread concerns have been voiced about the registration of training organisations, the delivery of training and its assessment and the ongoing monitoring of registered training organisations. The Minter Ellison advice confirmed what witnesses to the Senate inquiry have reported: that qualifications earned in one state are not necessarily accepted in another state. For example, a hairdresser who qualified in Melbourne is not necessarily recognised as a qualified hairdresser in Sydney.

Drawing upon the evidence presented at the Senate committee, the ANTA Chief Executive Officers’ Committee has recently stated in a report to MINCO that the current legislative framework provides no assurance that qualifications will be recognised by all registered training organisations. The report states:

There is a lack of confidence in the monitoring of registered training organisations and in auditing decisions. The criteria and subsequent outcomes of the monitoring and auditing processes have varied between states and territories as the majority operate under administrative arrangements rather than legislative requirements. As a result there is a perception that the efficacy and rigour of the auditing and monitoring process to which registered training organisations are subject varies between jurisdictions. This perception undermines confidence in the outcome of the auditing and monitoring processes. Nevertheless, the Australian Recognition Framework has determined that an organisation registered in one state should automatically be able to claim registration in another. Minter Ellison has highlighted that the inconsistencies in the application of registration requirements have led to circumstances where the training organisations have shopped around for, and become registered in jurisdictions with, the least demanding requirements and standards. In this way, the so-called national standard for registration—the current administrative arrangements—has become, by default, the least rigorous standard being applied in Australia. A similar situation exists on the question of deregistration.

States and territories are the prime monitors and auditors for the registration of training organisations operating within their jurisdiction. The statutory basis for the exercise of such powers, however, differs from state to state. There are now enormous inconsistencies in the monitoring and the audit arrangements between the states and territories. Inconsistencies exist across all dimensions of audit and, as Minister Ellison has
identified, of planning the conduct and reporting of audit results. Differences also exist in the rigour, the approach and the scope of monitoring and the audit of each of the stages. It is little wonder that there is a growing lack of confidence amongst employers and training organisations that operate in different states and territories, under different conditions.

There are currently broad systems operating in regard to registration, and I can identify at least four. In the Northern Territory there is automatic recognition of the decisions of another state, but this does not flow to formal registration in the Northern Territory. Queensland automatically registers training organisations registered in other states; nonetheless, there is a requirement technically for another registration to be listed in that state. In Victoria, New South Wales, Western Australia and South Australia, re-register organisations are required to replicate the original registration process but without the need for independent assessment for suitability. In the Australian Capital Territory and Tasmania, organisations must both re-register and subject themselves to independent assessment and compliance with the state statutory criteria. Similar inconsistencies arise with the registration of training packages and the recognition of qualifications. Training agreements are also treated differently in various states and territories. However, the most serious problem still centres on the question of deregistration and the applications of sanctions to organisations engaged in unethical or inappropriate behaviour. Serious questions therefore arise about the government’s recent attempts to address these problems by a series of so-called ‘risk management protocols’.

Managers of the VET system now acknowledge that a great deal more work is immediately needed to comprehensively strengthen the existing national standards, particularly in regard to auditing and monitoring; RTO delivery and assessment, especially in circumstances where conflicts of interest arise; certification of competencies; the competence of registered training organisations, particularly for assessment purposes; and the need to ensure that adequate resources are available for the provision of quality training. All of this will no doubt be on the agenda for next month’s ministerial council meeting, where all the stakeholders will undoubtedly be told once again that they are to commit themselves to new arrangements to deal with the habits that have developed in recent years. Yet, as with so many of the agreements entered into in the past, many employers and unions will remain sceptical about the prospects of seeing any real change. Such change is unlikely to result as long as each state and territory must meet these challenges on its own and invariably strikes out in its own direction in response to what it perceives to be its unique circumstances.

A recent study undertaken by Global Learning Services entitled ‘Review of the state and territory legislation for new apprenticeships’ has demonstrated that, despite agreements reached at Minco—some of which are now three years old—very little has been done to implement them legislatively. It may well be that piecemeal legislation at the state and territory level will never be an adequate way to respond to the new technological developments, such as online delivery and virtual providers. Certainly, the current administrative arrangements are clearly inadequate to meet the demands that participants in the VET system have a right to expect—namely, high levels of quality and consistency across the states when it comes to quality assurance.

Frankly, what has occurred is simply that the minister has been told for years that there is a serious problem with quality assurance under this system, but he has chosen to ignore that advice until this legal opinion and two separate reports have come along and showed him just how wrong he has been. His response has been to go into a state of panic and sack committees, re-establish committees and call for urgent action, but fundamentally he has not addressed the central problem—that is, his responsibility as the driver of the system through the Common-
wealth parliament in terms of the incentive payments that are made and the marketing strategies that are developed. It is no good blaming the states for this; this is a Commonwealth responsibility and he ought to face up to it.

The quantum leaps in technology and in capital and labour mobility have meant that the old administrative arrangements are no longer appropriate. We have to find a genuinely national legislative framework that reflects the realities of a knowledge-based economy in a period of globalisation highlighted by dynamic technologies and an escalating pace of change. Only in this way can quality assurance be guaranteed. Only in this way can the full potential of a fully integrated national vocational education system be realised. Only in this way can the rhetoric of reform be translated into the actual experience of workers, employers and those students seeking to join and contribute to a dynamic Australian economy and society.

This government has an obligation to face up to its responsibilities. It is simply not good enough for it to be the first government since the 1970s to fail to meet its responsibility to make its contribution towards funding growth within this sector. It is little wonder that the quality of the system has deteriorated so much where resources are being squeezed and the states are given the same amount of money to provide for additional places. It is totally inappropriate for this government to try to turn away from its commitments of the past. It is totally inappropriate that this government fails to acknowledge its leadership role in the development of quality vocational education services which all Australians have a right to enjoy. Minister Ellison, I trust that in the committee stage of this bill you will be able to explain to us why the government has failed so completely to provide those additional resources in this bill. I trust that you will be able to explain to us why it has taken advice from Minter Ellison in two separate reports before this government chose to act to try to address the quality assurance agenda which so apparently has affected the confidence of the system to such a widespread level.

Senator LUDWIG (Queensland) (4.44 p.m.)—I rise to speak on the Vocational Education and Training Funding Amendment Bill 2000. It is a short bill but it has far-reaching consequences. Its shortness underlines its lack of completeness. This bill does two things: it provides supplementary funding for vocational education and training, which it provides through the Australian National Training Authority, ANTA, for distribution to the states and territories in the year 2000 in line with real price movements; it also appropriates funds for vocational education and training for the year 2001. For the sake of completeness, it is worth going to some of the background.

The Commonwealth provides grants to the states and territories for the provision of support for vocational education and training, primarily in the technical and further education system. Funding decisions are made consistent with the national strategic plan for vocational education and training, VET, based on agreed national objectives and priorities. The Commonwealth tips in, as a consequence, something in the order of about one-third of public expenditure on the vocational education and training system. This bill, as a consequence, contains two figures: firstly, it increases the amount payable for 2000 from $918.352 million to $931.415 million; and, secondly, provides a base funding appropriation of $931.415 million for the year 2001. That is partly the heart of Labor’s argument: the funding is only for one year. In other words, the funding is not like that for higher education, which is a three-year cycle or a triennium; it is for one year only.

The importance of the vocational education and training system has grown. It has grown from, as many people of my age and older would recall, an apprenticeship-based system—a system where you would go to TAFE as an alternative to university or further training. You would leave school at grade 10 and go on to vocational education and training and experience that through an
apprenticeship—a seven-week block release or one-day a week if you were a hairdresser, or so on. TAFE has changed greatly since those days. TAFE is now far more sophisticated, far wider and far more strategic in its outlook. It provides enormous resources for not only training in those traditional fields of apprentices but also management courses and the gamut of technical and further education qualifications, so much so that it is also being inculcated into the educational system of state schools and the like. In an article in the Australian on Monday, 29 May 2000 headed ‘A hire calling’, the by-line states:

Vocational subjects are proving a smart choice for students.

The beginning of that article on Monday, 29 May 2000, which underscores the position I am putting, states:

While vocational education was once seen as the poor cousin of traditional academic studies, the overwhelming success of those programs and their smooth integration into high schools around the country has revitalised the old tech-school image.

It is no longer a case of the vocational education system being preserved for apprenticeships or the like; it is far wider. As the article underscores, it provides one spin-off—and it is anecdotal to this point. There seems to be support that the upswing in vocational education—the idea of being able to translate from school to vocational education and training and then on to higher studies—retains people in the schooling system and ensures that the knowledge nation, which Labor stands for, is also tied to lifelong learning. The vocational system provides a key—a bridge, if you will—but also an end in itself. It has a multiple function. The matter was also raised by Mr Lee, the member for Dobell, in the House of Representatives on 14 August 2000. Amongst other things, he stated in his second reading amendments:

(a) the broadest possible access to quality training opportunities is a vital part of Australia becoming a Knowledge Nation;

He also significantly stated:

(2) condemns the Government for:

(a) failing to provide any funding to support this growth;

The second reading amendments that were moved in the House of Representatives have also been reflected in part in the Senate, and they go to ‘failing to provide any funding to support this growth’. That is the crux of the matter. You have failed abysmally to support the growth of the vocational education and training system. You have failed to negotiate a fair and reasonable new ANTA agreement with the states and territories, and you have failed to pursue policies which do not damage the quality of training and put at risk the nation’s skills base.

If you look at this government’s budget for 1997-98, you will see that the Commonwealth reduced annual funding to the states and territories and appropriated, under the Vocational Education and Training Funding Act 1990, to provide ‘an incentive to the states to achieve efficiency gains in the vocational education and training operations’. This reduction continued from 1 January 1998 to this year. The catchcry that has been bandied about by this government is ‘growth through efficiencies’ and has meant that this bill provides only a $13 million increase in funds. This only represents the impact of the movement of the consumer price index, the CPI. But the vocational education system is not stagnant or growing at the same rate as the CPI. It seems that the vocational education and training system will grow by something in the order of 16 per cent over the next five years and perhaps even more.

It is clear from the foregoing that it is time for this government to reconsider the direction it is taking. A recent Senate Employment, Workplace Relations and Small Business and Education Legislation Committee, in the Labor minority report, has highlighted some of these problems. Firstly, there has been a funding shortfall for vocational education and training. Secondly, the system should be funded on a three-year cycle, and the minority report states that it ignores the need to fund growth in the vocational education and training system. Curiously this growth that it ignores on the funding side is
not ignored when it comes to encouraging growth of the system. This government's policy seems to be predicated on the view that future growth can be funded through efficiencies. However, this seems to have a problem. It underscores what can happen. It can quickly spiral into a cost cutting exercise only. There must be an end to this unfair funding regime. This government has a clear responsibility to accept its share of the duty of funding growth in the national vocational education and training system. The system is not for show.

The important issue is that, if Australia is to become and then remain a highly skilled nation and if this nation is continue to grow and prosper, then moneys will need to be found to meet the extent of vocational education and training. The vocational education system has increased participation—and it is something which it can be congratulated for—by something in the order of 29.4 per cent since 1995. This growth is unlikely to drop off or flatten out over the next few years. This growth is being underpinned by a greater concentration on structured entry level training in areas where previously there was none. I alluded to that earlier in my speech—the growth of the vocational education and training system into all areas. It is filling the needs of students and of adults who wish to participate in lifelong learning, short courses, broader courses, and courses in marketing, managing and training and in all sorts of areas. There are many awards now which make provision for structured training. They recognise vocational education courses; provisions in awards now recognise the need for training and education. There has been a significant change in both the culture and the view of both employers and employees about the importance that education, especially vocational education and training, plays. In Queensland unions and employers have recognised this need. Employees want skills, accreditation and recognition for skills and certification to demonstrate that they both have those skills and have completed courses.

In addition, there is a growing recognition amongst people that there is a need for both training and recognition of training. The various state bodies have also emphasised the need for vocational education and training. ANTA itself has a marketing strategy to increase the profile of vocational education and training and likewise has been promoting New Apprenticeships, so you would expect that such emphasis would attract growth funding. Instead, the states have had to face this growth by finding efficiencies. The states have been assiduous in endeavouring to reduce these costs. The danger is that efficiency drives can often lead to a cost cutting exercise and this in turn can often lead to a reduction in the quality of training. Also the availability of VET institutions to use innovation and flexible training approaches where they may cost more is sometimes the first to go under these sorts of drives. It is worth looking at issues like quality and equity to make sure that, if there are going to be efficiency drives, the first thing to go out is not the more difficult, more expensive and more troubled courses because you then reduce the width and expanse of the vocational education and training system. The report draws attention to the fact that submissions made out of that drive to lower costs have impacted adversely on quality. ANTA itself in the report commented:

All States and Territories consider that if growth in new apprenticeships were to continue at current rates, current funding arrangements would be unsustainable and they would expect to have difficulties resourcing future demand for new apprenticeships. It seems that on the one hand the Commonwealth government has promoted apprenticeships and traineeships, which is a good thing and marketing has been successful but on the other hand they have not made provision for it.

The writing is clearly on the wall. Clause 1.51 puts the message loud and clear. The message from the states is that efficiency policies that have been pursued at the expense of quality are no longer going to be tolerated. This bill is here before us to deal with appropriation for next year, and there is a better approach, as I commended earlier to
this parliament. The Labor minority report highlighted the need for the vocational education and training funding budget to be on a rolling triennium in a way similar to higher education funding. This would, amongst other benefits, allow state and Commonwealth negotiators to be sufficiently distanced from the deadlines and from the pressures of a 12-month negotiating cycle to be able to provide enough time, trouble and experience to bring together a meaningful strategic approach to the funding issues and also to put the outcomes in a more positive frame. The present method provides no scope for meaningful negotiations.

There is absolutely no security for planning purposes. It is also worth noting that the committee forewarned of some of these difficulties when it examined the Vocational Education and Training Funding Amendment Bill 1997 when the growth through efficiency policy was put into effect by ANTA agreement. Labor senators drew attention to the policy and expressed concern that there was no real knowledge of what was a likely or a desirable rate of growth in the vocational education and training system and similarly there was no knowledge about the ability of the states to find efficiencies.

What would this system look like? A submission by the Australian Education Union to the Senate Employment, Workplace Relations, Small Business and Education References Committee in December 1999 on the inquiry into the quality of vocational education and training summarised some of these very important ideals which characterised world’s best practice for a vocational education and training system. They include that the funding of the vocational education and training system should reflect the recognition that TAFE is a vital public asset, that all Australians should have an equal right to access and participate in high quality technical and further education irrespective of their location, capacity to pay or other factors, that quality and effectiveness should be the key principles, and that they must be underpinned by future development of vocational education and training.

About 1.5 million people have gone through vocational education and training in Australia. They deserve a system that is of high quality and capable of meeting not only their present needs but also their changing needs into the future. Vocational education is not an adjunct to work or a place to go for apprentices or trainees; it is part of a broader strategy. It is about developing a knowledge nation. It fits in with school based education, higher education and also research and development. There is a continuum that this government must recognise exists—and vocational education and training fits into that continuum—if it is to consider lifelong learning, if it is to consider a higher skills base, if it is to consider a more profitable work force.

Vocational education does play a key role developing a commitment to lifelong learning, as I have said. This is not a slogan. If Australia is to be successful in the new economy and if it is to maintain traditional industries, government must invest sensibly in a strategy that is more than 12 months out. No-one doubts that investing in education and training will lead to positive rewards. It is the key driver to reduce unemployment. It underpins economic growth, and it has the capacity to help address social inequality. There is a rising concern amongst many workers that precarious employment is becoming the norm. A proper vocational education system is an empowering tool that will assist.

The government does not seem to want to do anything about it. To my mind the clearest way of decreasing the number of unemployed is through skilled education, knowledge and experience to maintain people in the work force. The skills, knowledge and experience also need to be moulded by industries so that employees have the capacity to change with those industries over time. Vocational education plays a significant role in this. But what does this bill do to help with that? A quietness pervaded when I asked that question. This bill does nothing to address the skills problems that this nation is experiencing now. The ACTU contributed to
the debate in a positive way by addressing their concerns about the vocational education system to the Senate committee inquiry. That organisation recognises the important role that vocational education and training plays.

The state of Queensland, which I represent, has not been sitting on its hands either. A recent TAFE review task force echoed the goals that should be looked at. It stated, firstly, that governments have both social and economic reasons and responsibilities to fund the vocational education and training system—to build a skills base for enterprises to draw on and to give individuals the opportunity to develop their own skills to pursue career and life goals. The government has a preoccupation with delivering quick schemes to make workers ready for the market with limited skills. There is a culture of blame: if it does not work they will try another quick fix scheme. This idea will fail.

Chris Robinson, the managing director of the National Centre for Vocational Education Research, argues that there needs to be a proper balance between generic skills needed for the workforce to adjust rapidly to new requirements and even more emphasis on the continual acquisition of new specific skills in the industry context which will meet the focus of the vocational education and training products in the 21st century. This Liberal government is doing very little about this. Queensland is also to be congratulated for taking the initiative in this area. The draft strategy document Skilling Queensland sets out a vision for Queensland to address vocational education in a meaningful and responsible way.

Debate interrupted.

FIRST SPEECH

The PRESIDENT—Before I call Senator Buckland, I remind honourable senators that this is his first speech. I therefore ask that the usual courtesies be extended to him.

Senator BUCKLAND (South Australia) (5.04 p.m.)—I thank the Senate for the opportunity to make this, my first speech. I imagine I am no different from others who have preceded me in that I come here with a desire to serve the people of my state, South Australia. I trust my contribution during my time here will be as valuable as those contributions made by my predecessor, John Quirke. I place on the record my best wishes to John Quirke for his recovery and take the opportunity also to pass on the best wishes of the many from this place who have inquired regarding his health.

I take the responsibilities of this office very seriously and will diligently do all those things necessary to properly represent the state I come from in all matters before the Senate. While it is true for me to say that I am honoured to have been entrusted with this responsibility by the Australian Labor Party, it is a special honour for me because, for the first time since Geoff McLaren retired in 1983, the Labor Party in South Australia has a senator living in a non-metropolitan area. This is a clear indication of the importance the Labor Party places on the country people of my state.

I am appreciative of the support given to me by my former employer, the Australian Workers Union—a union I am particularly proud of—and particularly appreciative of the support of my successor, Mrs Tracey Dicken, and national officers Terry Muscat and Graham Roberts, along with Don Farrell of the SDA and Mark Butler of the LHMWU. I should put on the record also my thanks to my staff, Maryanne, Tom and Litsa, whom I was fortunate enough to inherit from my predecessor, John Quirke.

I could not let this occasion go by without mentioning my mentor, John Watson, a man who has dedicated his entire life to the care and welfare of others and has never sought recognition for the compassion he has shown or for the good he has done. The John Watson that I refer to has never sat in this chamber. Try as I might, I am not so bold as to believe I could ever equal the achievements of my mentor, John Watson.

But, of course, it is my wife, Angelika, and sons, Josef and John, to whom I owe the greatest thanks for the support and encouragement they have given me, over many years, to pursue those things that are impor-
tant to me and for which I have a passion. I thank them for their continued support in the role I now have and in my work with the union movement, which has never been a five-day, nine to five job—not unlike the job that those in this chamber would be familiar with: long hours, family disruption and constantly changing plans. I thank them for their support over the many years I have spent as a member of the Spencer Institute of TAFE Council, a learning institute comprising 17 campuses and 22 learning centres, covering 85 per cent of the landmass of South Australia and named national training provider of the year in 1999—much due, I hope, to my contribution. I thank them for their support during the time I spent as a member of the board of the Upper Spencer Gulf Common Purpose Group—a group comprising the councils and development boards of Port Augusta, Port Pirie and Whyalla and strenuously working to bring industry and jobs to an important region of South Australia seemingly forgotten by governments in recent years—and the many other community and industry groups I have been involved with.

I think the single thing that has prepared me best for this role that I now have as a senator for South Australia has been the work I have been doing for the last 15 years as a union official—a union official always living and working in a regional centre. This work has given me a comprehensive understanding of what is important to those who are not resident in a well-serviced capital city. This is an important role when it is understood that the South Australian government operates in the belief that South Australia is a city-state and that everything stops at the outer fringes of the suburbs. This is particularly the case in respect of issues such as health care, education, aged care, the decline in job opportunities as a result of industry downsizing and closure and, of course, the inability of industry to invest and expand because of the difficulties experienced in accessing markets through the isolation and remoteness of their locations.

The Alice Springs to Darwin rail line lends a perfect opportunity to expose the skills of regional South Australian workers and business to the rest of the nation and, indeed, to the rest of the world. I can only hope that the project succeeds and regional industry is sufficiently supported by the federal government in its endeavours to win contracts and contribute to this long-awaited rail link.

The many years leading up to my joining the Senate may seem, to some, somewhat unspectacular. That is a judgment others will have to make. But in my view I have probably been blessed with the ideal, if not perfect, preparation for this job and the challenges it will present. In 1970, I started working at the BHP Whyalla steelworks as a shift worker on the blast furnace, a job I stayed in and enjoyed for 15 years before becoming a full-time union official. It was there, after living the early years of my life in Sydney, that I first observed and began to understand the disadvantages associated with living outside a well-serviced capital city. So, after 30 years of working for workers and their families, working with industry in its many guises and working in partnership with community and industry leaders to find the best outcomes for workers, their industries and their communities, I feel reasonably confident that I can contribute to the business and processes of this Senate.

It is the work that I have been doing for all of that time that I want to continue doing, or at least continue contributing to and be involved in whilst I remain in this place. It includes things like improving access for all young people to universities and vocational institutions, despite their social, economic or racial circumstances; further extending those vocational education facilities to displaced workers and mature and aged members of the community so that they can train and retrain in preparation for continuing their contribution to our society; and improving funding to research and development programs so industry is properly resourced to develop new processes, expand their product range and value add to what they already do.
I would like to see more human services in cities and regions where significant industry restructuring or closure is taking place. Having lived in a city where it has been occurring since the early 1980s, I have not only lived with but for all of that time worked with workers and their families who have struggled with the loss of their jobs, breakdown of family relationships and the destructiveness of their young people leaving the family home to search for better opportunities in far-off places.

At the same time as this has been happening, there has been a dramatic reduction in the mental health services and other human services available—and this is in Whyalla, the second largest city in South Australia. We cannot lay all of the blame on the state government; it is a shared responsibility, and the federal government has to play its part in reversing the difficulties of this nature being endured by all country people. There may be other things that are of importance to me, things that I believe are of importance to the whole community, and I hope to contribute to those debates as they arise from time to time in this place.

I simply close by saying that, while I am a particularly proud Australian and I like to think I am inclusive in all that I do, I do not believe I will ever be a part of a truly inclusive country until the Prime Minister of Australia has the courage to say sorry for the pain, the indignity and the torment we have imposed upon the traditional owners of this land since white settlement began in 1788. Madam President, I thank you and I thank the Senate.

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2000
Second Reading

Debate resumed.

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (5.15 p.m.)—I rise to speak on the Vocational Education and Training Funding Amendment Bill 2000. Before I begin my remarks, as a fellow Australian and on behalf of the Australian Democrats I want to commend Senator Buckland on his contribution in his first speech. I acknowledge how apt it is that he has given the speech that he has given in the context of this debate, particularly given his work and experiences at Spencer TAFE in the vocational education and training arena. I wish him well in this place.

I commence my remarks this afternoon by noting the disingenuous claim that has been made by the government that this bill actually maintains funding for the VET sector. The level at which it is maintained is the ‘post-growth through efficiencies’ cuts level, which has left the VET sector with woefully inadequate funding to serve the needs of the Australian community and industry. Again, I indulge myself by reflecting on the comments made by Senator Buckland in his first speech. He talked about the need for training to be resourced, and also said that that education and training should be accessible to all. I doubt that it is accessible when there are such inadequate levels of funding. It is the view of the Australian Democrats that the current government’s regime of growth through efficiencies has delivered the opposite when it comes to serving the needs of Australians. The VET sector is now being asked to do more with less, leading to a contraction in services it can offer and inefficiencies in delivery of training and vocational education. Of particular concern to my party is the effect this contraction, and the introduction of barriers to VET such as fees and charges, has had on young Australians. Young people today are more exposed than ever before to job insecurity, casual and part-time work and low wage levels than are older workers. They spend more time in education and training than any previous generation, they enter a labour market of declining entry level opportunities and they face a lifetime of job change and reskilling. The capacity of young Australians to take advantage of the flexibility these changes in Australian labour markets may offer is largely dependent on their access to quality education and training. McClelland and
MacDonald have identified up to 350,000 young Australian adults as being at risk of continuing labour market disadvantage as a consequence of their non-participation in education, training, work or full-time work. That McClelland-MacDonald study, ‘Young adults and labour market disadvantage’, is from the Dusseldorp Skills Forum. It is entitled: Australia’s young adults: the deepening divide, and was made available in April 1999. Institutional training, such as that provided by TAFE, is still a key means by which young people may enhance their labour market competitiveness. Workplace training may also be a valuable source of VET. However, the retention of junior rates of pay without accompanying training provisions in many awards has meant many young people are trading off wage levels for little return. The Democrats believe the three constraints on young people’s access to VET must be addressed: firstly, inadequate resourcing of the VET sector to meet demand; secondly, barriers to participation in the form of fees and charges; and, thirdly, poor quality and inappropriateness of training.

Australia has relatively low expenditure on education and training compared with other OECD members, particularly European countries, which tend to have higher levels of public expenditure. Modelling conducted by Gerald Burke of the Monash University ACER Centre for the Economics of Education and Training has shown that an increase in the proportion of 20- to 24-year-olds in education or training from 61 per cent to 70 per cent would involve additional public expenditure of approximately $1 billion. This figure does not include additional income support costs from the transfer of young people from Newstart to the youth allowance. It is the view of the Australian Democrats that increasing access to VET is crucial in assisting young people when managing the transition from education to work. While the costs of increasing access for young people to VET may be high, the alternative is continuing high costs of providing income support to young people who are unable to manage that transition in an increasingly competitive labour market. The Democrats also believe that the imposition of fees and charges on the provision of training has compromised equity of access to training, particularly for many of those who are most in need. We are concerned by anecdotal evidence from employment service providers in Job Network that these fees and charges have greatly compromised their capacity to facilitate the participation of Intensive Assistance Job Search candidates in VET.

The Democrats have long opposed the imposition of fees and charges for the provision of education and training generally. We believe very strongly in a publicly funded, accessible education and training system at every level. As the experience of Intensive Assistance clearly demonstrates, the costs associated with providing accessible education and training to those needing to improve their employment prospects are far less than the costs of providing long-term income support. Where barriers to accessing TAFE training exist, many young people, and others of course, are forced to seek alternatives or face continuing disadvantage in the labour market. However, the training opportunities for those most in need of training and upskilling—long-term unemployed people—are particularly scant. The federal government, as we all know, continues to redirect funding away from the targeted assistance and training provided through Intensive Assistance to schemes such as Work for the Dole. Although never intended to be a labour market program or a training program, Work for the Dole received almost $360 million funding in the 2000-01 federal budget. At most, this scheme provides limited work experience to participants. But also Work for the Dole does not provide the structured and accredited training offered by other VET providers.

The Democrats view the high level of funding of Work for the Dole as an unacceptable diversion of much needed resources away from appropriate training, such as that provided by the VET sector, and funding for schemes like Work for the Dole should be immediately reviewed in this context. Quality workplace training is also becoming in-
creasingly difficult to access. Aside from criticisms levelled at current apprenticeship and traineeship arrangements, young people are especially disadvantaged by the retention of junior rates of pay in federal awards. This has actually undermined efforts to increase sustainable employment opportunities for young people, precluding more effective policies and programs from being implemented. Moreover, they have substantially increased the hardship many people face in their transition from school to work by reducing access to appropriate training and livable incomes. I am sure Senator Carr, who is shaking his head over in the corner, agrees with me. The causes of youth unemployment are varied and complex—I think most people in the chamber would acknowledge that—and there is little reliable evidence available to suggest that junior rates of pay address these. Based on available research into the causes of youth unemployment, the Democrats believe that an approach that emphasises education and training rather than wage discounting would be more successful in delivering permanent, full-time work opportunities to young people.

Much of the blame for the failure to expand wage based contractual training arrangements in Australia lies with inadequate wage structures. Current junior rate arrangements do not contain structured training or skill development components. There is certainly no provision in the Workplace Relations Act 1996 for training to be incorporated into junior rate arrangements in future awards. As you know, the Australian Democrats unsuccessfully sought to have such provisions inserted into the act. These amendments would have given the AIRC the power to insert training and skill development arrangements into awards, with or without accompanying junior rates of pay. The federal government has achieved its budgetary surplus on the basis of deep cuts to social and education expenditure. This short-term strategy is already beginning to have negative effects—we have only to look at the perception of Australia by other countries around the world, whether it is in relation to education spending or investment or research and development. We can even see the impact on our exchange rates if we are looking for realistic, tangible or obvious demonstrations of what impact this is having in the short term. If this regime is allowed to continue, not only will the damage already caused not be repaired but the sector will face no prospect of being able to meet the growing demand for skill development in the Australian community in the future. The goal of a flexible, skilled work force serving value added industry is unlikely to be realised unless Australia’s VET funding is increased to provide the skills development and training such visions require.

To that end I would like to foreshadow the second reading amendment that has been distributed and is standing in my name:

That the Senate:
(1) Notes that:
(a) if Australia is to develop and maintain the new skills to become competitive in the emerging global knowledge economy, it must have a well-resourced education, training and research base;
(b) the growth through efficiencies policy implemented by the Federal Government has reduced the capacity of the vocational education and training system to meet Australia’s current and future training needs; and
(2) Calls on the Government to increase funding to the vocational education and training system to redress the deficiencies it has allowed to develop.

I would add that there are a number of key issues contained in the second reading amendment circulated by Senator Carr on behalf of the opposition with which the Democrats agree. Obviously we have a bit of concern about the inclusion of Labor Party policy in the form of the knowledge nation rhetoric. But whose rhetoric do you want to choose? Is it knowledge nation or, for the government, can-do country, or the previous government’s clever country? Regardless of the rhetoric, people are trying to encapsulate the importance of innovation, human capital and investment in education, research and development. All of these things we acknowledge are fundamentally important if we are going to be a prosperous economy providing sustainable jobs not only for young people but for all people. In order to do that, as contained in my remarks today and in the speech on the second reading circulated in my name, we must have not simply an adequately resourced sector but a well resourced sector. Certainly the growth through efficiencies policy is something with which the Democrats have long had concerns, as do many other people in this place.

Senator COONEY (Victoria) (5.28 p.m.)—The Vocational Education and Training Funding Amendment Bill 2000 is a simple bill. It increases the amount of money set aside for the year 2000 and makes a provision that for the year 2001 an identical amount will be provided. It is what lies behind the bill that is interesting. What is behind the bill is indicated by the second reading speech, by a second reading amendment put forward by Senator Carr and by a second reading amendment foreshadowed by Senator Stott Despoja. We have heard her speak on that now. The need for education and for skilling in vocational areas is not denied. The excellent first speech from Senator Buckland illustrated this. I thought it was a quite outstanding first speech. It was very apt, given the context of the present debate, that he should talk about the need for skills and what his impression was of how things were in South Australia. It is not only his impression, of course, but also his knowledge of how things were there.

That there is a need for more money and more efforts in this area is not denied. Indeed, in the minister’s second reading speech it is conceded that higher standards are needed and greater choice is needed. As I read from the second paragraph of that speech, it becomes clear that that is the position. It says:

The Commonwealth funding provided to the states and territories through ANTA—that is, through the Australian National Training Authority agreement—will continue to provide increased training opportunities. At the same time, it will enable the Commonwealth to continue to work with the states, territories and industry to enhance national consistency—obviously, from the second reading speech, that needs to be enhanced—promote higher standards—they need to be promoted, according to this second reading speech—and encourage greater choice—that needs to be done, as is indicated in the second reading speech—and flexibility in vocational education training.

While I am on the second reading speech, it says towards the end of the speech:

Overall, this year’s budget provides a total of $1.7 billion for vocational education and training.

This includes $2 billion over four years to support the popular new apprenticeships system which is currently providing training for more than a quarter of a million Australians.
If I could say this without sounding ungracious: it is not popular new apprenticeship systems that we need but effective new apprenticeship systems that are needed, that enable people to carry out their work well, having done an apprenticeship.

There is a general agreement throughout the community that there is a need to train people better, as the second reading speech says, and that is done at all levels of the community. I mention the union movement in this regard, and there are two people that I want to give special mention to. One is Rick Whitworth, who does great work through the Electrical Trade Union in Melbourne in running a college that the ETU has in that city; and the other is Barry Hughes from the CFMEU, who runs another college that gives training down there in the same city.

This bill raises these issues. Mr Acting Deputy President Bartlett, if you have listened to the debate so far, it raises issues that need to be resolved. It is clear that there is dissatisfaction with the way things are presently operating—and that comes out in the amendments that are suggested, but also in the second reading speech itself, which quite clearly says, as I have already indicated, that there is a need to raise the issues. There is always a problem when you have a disturbance, as it were, between the states and territories and the Commonwealth. It appears from this bill that those concerns have not yet been resolved. That is a tragedy when we need a situation where training is the best it can be and as effective as possible. It appears that the agreement that is needed in this area has not yet been reached. That is not only a great pity but an outrage.

The second reading speech says that this bill will:

... increase the amount previously appropriated for 2000 by $13.063 million in line with normal price adjustments, giving effect to the government’s commitment to maintain funding in real terms for the three-year duration of the Australian National Training Authority agreement 1998-2000.

As a result, there has been an increase, and the second reading speech goes on to say that the same level of funding for 2001 will be made available. It is the next paragraph that is the worrying one:

This reflects the Commonwealth’s proposal to the states and territories to maintain funding in real terms for a further three years, subject to finalising a satisfactory amended ANTA agreement.

It would have been hoped that that sort of agreement had been reached already, because you cannot run training or education on the basis of an ad hoc approach to the situation. That is what comes out of the material that I have read on this matter. An agreement has not been reached, and there are problems between the states and territories and the Commonwealth. The amount of funding that people perceive as being needed is not yet available and so we have a scheme where training is going to be disadvantaged, because people do not know where they are going.

The best way to have good training is to have good people doing the training, and for that you have to have adequate wages and adequate buildings—these are the sorts of things that everybody knows about, and yet there is doubt about all these matters. I get a lot of this material from Senator Carr, who has done a great deal of work in this area. I know he has expressed to me his concern that this area, vital for the proper running of Australia and the economy and also for the social good in Australia, is all left in doubt. He has pursued this theme for some years now, and I hope that it bears fruit.

Education is vital to the economy. Everybody agrees with that. An efficient economy, an economy run according to market forces and an economy that has competition as its basis are the three great arms of a market force system where capital reigns. If we are going to run that sort of system, we need training for people who can be efficient, who can compete and who can operate within market forces. But it is also a matter of the social issues. People who are well trained, people who can go out and get a job and people who can use their skills in the community are people who are likely to be able
to raise families—and we want everybody to raise their families so that they feel happy and content about that—who can feel satisfied in the work they do and who can contribute to society and feel that they are contributing to society fully. That is what is needed.

It seems to me to be quite tragic that, given the need for training and given the part it plays in both the economic and social life of Australia, more is not done. Senator Carr’s second reading amendment wants to add that the Senate notes:

(ii) demand for vocational education and training is likely to increase by at least 2.8% a year over the next four years ...

And that has not been accommodated—in any event, until now. The second reading amendment goes on to propose that the Senate:

(b) condemns the Government for:

(i) failing to provide any funding to support this growth—

and that is something that we have to be most concerned about—

(ii) failing to negotiate a fair and reasonable new ANTA Agreement with the States and Territories; and

(iii) pursuing policies which damage the quality of training and put at risk the nation’s skills base”.

A lot of legislation comes through this chamber and we make speeches about it, but this sort of legislation must be amongst the most important that comes through the Senate, for the reasons I mentioned before. The government ought to explain that this bill will do the sorts of things that Senator Carr requires that it does. I add that the second reading amendment proposed by Senator Stott Despoja says much the same sort of thing, though in different words. It proposes that the Senate ‘calls on the government to increase funding to the vocational education and training system to redress the deficiencies it has allowed to develop’.

We are always calling for more funds for all sorts of things, but the interesting thing about this area is that everybody agrees that, for our society to function well and for the community to be a good community, we need the funding. There does not seem to be any quarrel about that. So, if the government did put in a sufficient amount of money, there would be nobody condemning it, because the Democrats and the Labor Party require that to be done. It would be putting in money to make this the sort of place that we want it to be and to make Australia competitive amongst nations—and, given the falling dollar, that is not necessarily the situation now.

One of the problems with the approach we take in this country—and that this government takes—is that we do not pay enough to the people who are the teachers, who are the instructors and who train others in the areas in which they need to be trained. If you look at the sort of money that is paid to trainers, whether they are university lecturers or people in colleges giving vocational training, it is inadequate. But, in any event, this is an opportunity to raise the issues that I have raised. I have no doubt that the government will also go into the areas—they should be gone into—to put in a spirited defence of what this bill does or attempts to do. But that debate ought to take place. It is essential that the debate takes place, but it would appear that, at the end of the day, the contribution the government makes is insufficient.

If you read through the second reading speech, it tends to agree with the position taken up by Senator Carr and Senator Stott Despoja. The third last paragraph, for example, states:

This momentum will be maintained with funding to allow emerging issues, such as potential skills shortages, to be addressed and will support innovative approaches to the recruitment of new apprentices in new and challenging markets.

Together with the government’s reforms to vocational training, this funding will provide a sound basis to meet the training challenges that the economy and community will face in the years to come.
So it is conceding that there is a demand in this area. It talks about ‘potential skills shortages’—that sounds ominous. It talks about the needs of business. We should be told what those are, in which areas the needs of business lie and what plans are made to provide the necessary skills to take up the jobs that are needed to satisfy what business requires. This very slender bill—it is a money bill, so it has to be slender—is short in its terms, but the matters that it raises are mighty matters and it would be good to see them dealt with at this time in a response to the matters that have so far been raised.

Debate interrupted.

DISTINGUISHED VISITORS

The ACTING DEPUTY PRESIDENT (Senator Bartlett)—Order! I draw the attention of honourable senators to the presence in the public gallery of the former distinguished senator for South Australia Don Jessop. We take pleasure in welcoming you back to the Senate.

Honourable senators—Hear, hear!

VOCATIONAL EDUCATION AND TRAINING FUNDING AMENDMENT BILL 2000

Second Reading

Debate resumed.

Senator GEORGE CAMPBELL (New South Wales) (5.45 p.m.)—While the Vocational Education and Training Funding Amendment Bill 2000 aims to increase funding for vocational education and training to meet CPI increases, that is insignificant compared with the pressures on the VET system and taking account of its future needs. The VET system should be at the centre of Australia’s innovation and knowledge economy. Investing in skills and training gives us the ability to compete in the global economy. If Australia wants to be a skilled nation, it has to increase expenditure on vocational education and training. A significant funding increase to the VET system would be a key way of fostering the formation of a knowledge-innovation economy, which is the highroad to better economic development.

This government has clearly ignored the importance of developing our knowledge and skills base. The projected funding increase for 2000 of $13.063 million is concerned only with addressing price adjustments. In real terms, this freezes Commonwealth general funding support at the 1998 level for the fourth year in a row. But, in this day and age, the last thing we should be doing is running down our skills base by freezing funding. Don’t forget also that this government has already sliced an estimated $240 million off VET funding since coming to office in 1996. Moreover, it has cut the former Labor government’s commitment to provide $70 million per annum for the growth of the VET system. When you consider that there is now increasing demand for vocational education and training, the system, combined with this funding freeze, is at breaking strain. In 1999, 1.8 million people participated in the VET system—a 7.3 per cent increase since 1998 and an increase of 29.4 per cent since 1995. Capped funding and the increased demand for vocational and education training leave the system cash strapped, with the quality of service falling as the system stretches itself to meet demand. All in all, there is not much in this bill for the VET system. In fact, it shows a continual failure by this government to recognise the importance of skills and training to Australia’s future social and economic prosperity.

There is a close link between investment in education and training and research and development and the capacity for firms, individuals and the economy as a whole to adapt to take advantage of growth opportunities. The VET system should be a central component of this strategy. It is a key training system for our manufacturing and services sectors, which are essential drivers of the economy. Yet the funding freeze in the VET system undermines our ability to adequately grow the manufacturing and services sectors as part of a growth strategy in the global economy. It is indicative of this government’s failure to adequately fund invest-
ment in education and training and, for that matter, research and development.

Some figures highlight this government’s poor investment in knowledge and training. Our investment in knowledge is, on all counts, below the OECD average. Public expenditure on education is 4.3 per cent compared with the OECD average of 4.6 per cent. Our research and development spending is half that of the OECD average, while software expenditure is 6.7 per cent compared with the OECD average of 7.9 per cent. The effective funding freeze in this VET bill, together with our wider underinvestment in education and research, is significant. Simply put, this underinvestment in knowledge based activities is fundamentally linked to a decline in manufacturing as well as a constraint on other sectors such as IT, communications and key service industries. Australia’s underinvestment in core assets of the knowledge economy has widened to around one to two per cent of GDP—well in excess of $7 billion. If left to grow, this knowledge deficit will widen to around $135 billion in terms of education and innovation spending.

All of this undermines our ability to compete, and the results of this are now starting to show up in our trade performance. There is now a widening intellectual trade imbalance. For example, IT&T is the fastest growing area of world trade, yet Australia imports IT&T products and services at twice the rate of exports. An efficient, well-funded VET system is an essential part of solving this imbalance. Australia’s trade deficit on IT&T has increased by $3 billion under the coalition, from $6.7 billion to $9 billion in 1998-99. The deficit on IT&T is predicted to triple to $28.7 billion by 2010-11. By undermining the VET system’s funding, this government is undermining our ability to compete, grow and adjust. This is not a satisfactory situation.

The government claim to support vocational education and training. They say that it is a good thing for employment and the economy more generally, which is true, and no-one would disagree with that. Listening to Minister Kemp, you would really think that the coalition believed in the virtues of vocational education and training. The following is a quote from a speech Minister Kemp made in July this year to the ANTA conference in Melbourne:

The Commonwealth government is committed to developing a social coalition in Australia based on strong partnerships between individuals, families, business, government and the community and welfare organisations ... And education and training is at the heart of that social coalition.

Education and training is the foundation for a prosperous, democratic society. It is more than the acquisition of knowledge. Education helps develop analytical and problem solving skills. It develops an inquiring mind and promotes innovation.

They are fine words indeed, but they do not have a scrap of serious commitment to the VET system in them. If there were, Minister Kemp would be drastically increasing the funding and extending the agreement from one year to three years. When we consider the funding freeze the VET sector has been placed under since the government came to power, we begin to realise that the VET system is just not being given its due respect. They support VET and they support training and apprenticeships, but they will not fund them. The other false claim the government make in relation to the VET bill is that it improves the quality of the VET system. They claim this by arguing that their so-called growth through efficiencies measure is improving the standard of courses and training. But in reality, with an increased demand for courses and a funding freeze, the quality of VET courses is only going to decline further.

I will expand briefly on the problems with the so-called growth through efficiencies funding arrangement. The growth through efficiencies funding model is a cynical attempt by the coalition to shirk its funding responsibilities and shift them to the state governments. Rather than make up its share of the funding, the government demanded that the states accommodate the growing numbers of VET students through efficiency
gains. While some efficiencies may have been achieved, the Senate Employment, Workplace Relations, Small Business and Education References Committee inquiry into vocational education and training found that funding cuts had reduced the quality of training, particularly as efficiency gains quickly reached their limit with little slack to make up the funding shortfall.

In reality, most of the efficiencies have been gained at the expense of service quality, especially in the TAFE system. Most state governments—both Labor and coalition—testified that their VET systems have been cut to the bone. The Victorian government's submission states:

In the last few years Victoria has been able to achieve some significant growth in apprenticeships and traineeships, but it has been at the expense of some of these [quality] issues ... we cannot have quality and growth in a national system without additional resources. From our point of view we have no interest in nationally consistent mediocrity.

Even ANTA, who generally support their minister to the hilt, have been forced to admit:

... if growth in new apprenticeships were to continue at the current rates, current funding arrangements would be unsustainable and they would expect to have difficulties restoring future demand for new apprenticeships.

Not only have this government frozen funding, they have also aggravated the situation by turning around and aggressively promoting apprenticeships and traineeships. Under the funding arrangement, the state governments are forced to divert further funds to pay for New Apprenticeships or trainee courses. So long as the states continue to treat a new entrant as an entitlement, the Commonwealth promoted growth of New Apprenticeships calls on their VET budget outside their control. This means that state governments are forced by the federal minister’s deviousness to divert resources from the public TAFE system.

Another key facet of achieving a higher national skills and knowledge base is that everyone has access to education and training. A nation is only as rich as its knowledge base. The vocational education and training system is providing training to a significant number of people from disadvantaged groups and backgrounds who need equal access to well-funded education. A Sydney Morning Herald article of 15 August 2000 highlighted the fact that a disproportionate number of students from disadvantaged areas were taking up VET, particularly in secondary schools. The survey conducted by the Australian Council of Education Research found that the take-up rate is higher among students who live in country areas. The federal government cannot ignore these trends towards VET as a means of accessing further education and training to boost employment and hence alleviate disadvantage. Therefore, a funding arrangement that does not recognise growth in numbers of recipients or the loss of revenue associated with subsidising services is unacceptable and will lead only to a diminution of standards.

A report by the House of Representatives Standing Committee on Employment, Education and Training entitled Today's training, Tomorrow's Skills, which was released in July 1998, recommended at point 6.2:

... the Commonwealth should provide additional funds on a dollar for dollar basis to State/Territory Governments through the Australian National Training Authority, to assist TAFE institutes enrolling a disproportionately large number of disadvantaged students.

In its reply, the government stated that it did not support the recommendation. This report looked more specifically at TAFE as a VET service provider, and it highlights again the need for an adequate funding structure that is commensurate with growth and demand for services rather than price movements. The coalition is not interested in measuring the success of the system on the basis of criteria such as the number of people from disadvantaged groups that it educates. It is interested only in reducing unit costs; it could not care whom these funding cuts affect. The New South Wales government’s submission to the Senate VET inquiry states:
The key indicator of success under the (Commonwealth Government’s) policy is the reduction in unit costs. Other measures, such as quality, ease and cost of access, participation by disadvantaged groups are not considered relevant.

The coalition cares only about penny pinching, and this undermines an important equity role performed by the VET system.

In conclusion, I recommend to the Senate Labor’s amendment that seeks to support the increased growth of the VET system and point to the damage done by this government and its minister to the vocational education and training system. We should be pursuing policies that help us to become a highly skilled nation, and increased expenditure on the VET system is an essential part of that approach. Such an approach should include: increased investment by firms and by government in education, vocational training and, equally important, in research and development; progressively increased investment in education and training qualifications, particularly in computer literacy, until we are comparable with leading economies; and giving existing and new workers the opportunity to acquire new skills—particularly computer skills—and qualifications in the new economy.

That is the cornerstone of providing the building blocks for this country to participate effectively in the global economy as a diversified economy with a base in manufacturing and services and in other areas of growth throughout the world. We talk about the importance of being able to participate in the global economy, but we will not be able to achieve that aim unless we invest in building, developing and delivering core skills to the people in our community who want them and grant them free and easy access to those opportunities.

Senator ELLISON (Western Australia—Special Minister of State) (5.59 p.m.)—The Vocational Education and Training Funding Amendment Bill 2000 is essential for vocational education and training in this country. A lot has been said by other senators about growth through efficiencies, and there is a good story to tell there. Originally a figure of some 70,000 places was looked at. However, state and territory ministers have estimated that, by the end of this year, an additional 234,000 training places will be provided nationally over the planned 1997 level. So the agreement that the Commonwealth entered into with the states and territories in relation to growth through efficiencies has really brought about some very good results, and I would remind senators of the criticism that was levelled at that time and the prophets of doom and gloom there were in relation to that. What we see now is a record number of people in training—an outstanding achievement—in relation to that.

But the government is the first to say that there is still much to be done. This funding signals a further round of funding for vocational education and training in this country. Later on this month there will be the training ministers’ meeting and, hopefully, this matter will be progressed further there. The bill will increase the amount previously appropriated for 2000 under the Vocational Education and Training Funding Act 1992 by just over $13 million. That will increase the total to just over $931 million. This supplementation is in line with normal price adjustments and gives effect to the government’s commitment to maintain funding in real terms for the three-year duration of the Australian National Training Authority agreement for the period 1998-2000. This is also consistent with the government’s proposal to the states and territories to maintain funding in real terms under the proposed ANTA agreement for the period 2001-03. As I have said, this agreement still has to be finalised, and ministers will be meeting on 17 November this year.

Instead of nitpicking and being prophets of doom and gloom, I think other senators could well look at the achievements that have been made across the board in relation to vocational education and training in this country. It is not just one-sided. It is not just up to the government; it is up to industry and individuals, including young people, wanting to partake in training all to do their bit. When you look at the fact that employers have ex-
pressed their satisfaction with the way the sector is performing, you can see that side of it is going well. In 1999 a survey by the National Centre for Vocational Education Research found that 82 per cent of employers of VET graduates responded that they were ‘satisfied’ or ‘very satisfied’ with the VET system. This is very good news indeed, because we do need the cooperation of employers in relation to this. I think this also augurs well for those people, especially those young people—70 per cent of school leavers—who do not go on to university and who want to take up training of some sort.

I will deal now with the second reading amendments, and I turn first to the one from Senator Carr. Really, on what we have heard before from the opposition, his was quite churlish in its condemnation of what the government has been doing. It is a shame that the opposition cannot acknowledge the achievements in relation to training that have been made in this country. With respect to the amendment of the Democrats, I think the call for additional funding in relation to vocational education and training in order to ‘address deficiencies that have been allowed to develop’ is an unfair statement, due to the achievements I have mentioned. I would once again ask the Democrats to look at the achievements that have been made in quite a short time in relation to training. The fact that we have a record number of people in training speaks for itself. The government will be opposing both those amendments moved during the second reading debate. I commend this bill to the Senate.

Amendment agreed to.

Amendment (by Senator Stott Despoja) agreed to:

At the end of the motion, add:

"but the Senate:

(a) notes:
(i) if Australia is to develop and maintain the new skills to become competitive in the emerging global knowledge economy, it must have a well-resourced education, training and research base; and
(ii) the growth through efficiencies policy implemented by the Federal Government has reduced the capacity of vocational education and training system to meet Australia’s current and future training needs; and
(b) Calls on the Government to increase funding to the vocational education and training system to redress the deficiencies it has allowed to develop”.

Original question, as amended, resolved in the affirmative.

Bill read a second time.

In Committee

The bill.

Senator CARR (Victoria) (6.06 p.m.)—I want to ask the minister where we are at, particularly in regard to negotiations on the new ANTA agreement. The underlying proposition of this bill is that there is one-year funding because there has been a failure by this government to reach agreement with the states in regard to forward funding. This is essentially because all states and territories—I say that again: all states and territories—in this Commonwealth are now saying that the orange can be squeezed no further.

I would note that the minister in his second reading speech made it clear that continued guaranteed funding over the next three years at the level provided for in the bill is contingent upon the finalisation of the new ANTA agreement. Is that the case, Minister? Have I understood that correctly? Also, I note that the bill only provides funding for this particular year. I would ask the minister: is it the case that TAFE colleges and institutions are, in fact, in an unenviable position in regard to the uncertainty and the means that they have in terms of planning for the future under these arrangements? Can I ask, Minister: is it the case that funding beyond 2001 will depend, according to Dr Kemp, on reaching what he calls ‘satisfactory’ agreement with the states? Minister, what is the definition of ‘satisfactory’ in this context?

I put these questions because I think this issue is crucial to the lives of 1.8 million Australians. They have a right to expect a direct answer from this government on this
matter. Australians, as I said in my contribution to the second reading debate, have a right to expect top quality services, but they clearly are not getting them at the moment. Australians are concerned about the increasing propensity for skills shortages to emerge under the present regime administered by this government. I think they have a right to be concerned about the consequences for these skills shortages in terms of national prosperity and the effect on our balance of trade and our position within the international economy.

The current agreement was forged as a result of negotiation between the Commonwealth and the states in 1997. Essentially, it is set against the backdrop that, in the past, real growth funding was provided. In fact, isn’t it the case, Minister, that real growth funding has been provided by every government since the 1970s and that this is the first government since the 1970s not to do so? My recollection is that continuous real growth funding averaged 3.4 per cent from 1994 to 1997 and that the provision for growth grew by about five per cent during that period. The current agreement expires in a matter of weeks. I think we have a right under these circumstances to appreciate exactly what policy direction the government would like to take the vocational education system in. The minister has tried in the past to impose five-year agreements. He has suggested periods of five years for funding starvations in the past; he quite euphemistically called this a growth through efficiency policy. What has become apparent to me in this context is that there has been substantial growth and expansion but there has been no additional moneys put in to fund this growth.

I am interested to know, Minister, in this context what growth predictions the department is presenting to the states. The ANTA CEO papers, 2.8 per cent is presented. Do you maintain that that is the current position in terms of the ANTA CEO working group? The other ANTA CEOs suggested the figure was closer to 5.7 per cent. They have also estimated that it can be calculated on the basis that a $27 million resource requirement is needed for each one per cent growth. If that is the case, Minister, is the 2.8 per cent figure still relevant? Is that the figure the department is still claiming? Is it the case that under those circumstances the figure of $27 million for each one per cent is equally applicable in terms of resource demands for the extra growth? Minister, as you can see, I have a series of questions in this regard. I am interested to know if you could assist us with answers to some of those questions.

Senator ELLISON (Western Australia—Special Minister of State) (6.11 p.m.)—Senator Carr, as usual, has posed a number of questions wrapped up in one, and I will take each in turn. The agreement is yet to be concluded and, as I mentioned, the ANTA ministerial council will be dealing with it on 17 November. The minister made his original proposal, I understand, to the state and territory ministers in May this year and he has subsequently written to ministers suggesting that a preamble be added to the agreement to reflect the main elements of a paper on objectives for vocational education and training that had been prepared by some of the states. He has also proposed some flexibility in the allocation between recurrent and infrastructure funding in association with a new accountability framework for the ANTA infrastructure program that the ministerial council will consider in November. So at this stage to talk about the agreement being concluded or otherwise is perhaps a bit premature, but that is the background to that.

Senator Carr mentioned the definition of ‘satisfactory’. The minister has put forward a proposal, and that is it. It is whether or not the states accept that. The question is quite clear, if you like. As for future growth figures, the figure of 2.8 per cent, which I notice Senator Carr relies on in his second reading amendment, has no status. In fact I think, Senator Carr, that was mentioned to you at the estimates committee hearing in May this year. The figures of possible future growth which have been quoted by opposition senators appear to be drawn from a draft report that has no status. A final report is yet
to be considered by the ANTA ministerial council, and again this will be dealt with on 17 November, as I understand it.

The other aspect Senator Carr touched on was growth funding. The current ANTA agreement was agreed to in early 1998, I think, and in the 20 years or so prior to that agreement, Commonwealth funding had been quite uneven. It is the government’s view that you could not say that there had been consistently funding for growth over the previous 20 years; in fact there had been instances where funding had declined. So I think it is misleading to say that, in the 20-odd years prior to the current agreement, there had been funding for growth. The Commonwealth would deny that and say that that was not the case at all. I think that covers the points that Senator Carr raised.

Senator CARR (Victoria) (6.14 p.m.)—Thank you, Minister. If I can understand the thrust of your answers, essentially you are saying that an agreement will be an agreement if there is an agreement and that the definition of ‘satisfactory’ is whatever Dr Kemp decides is satisfactory, which I am sure will give great comfort to the entire industry. However, the question of the status of the CEO’s report on growth is one that does interest me. Are you now saying that the 2.8 per cent figure used in the draft program—which everyone else in the country, except DETYA, is saying is final—is no longer final with DETYA? Is DETYA retracting the 2.8 per cent growth projection from its chapter of the report?

Senator ELLISON (Western Australia—Special Minister of State) (6.15 p.m.)—There is no retraction whatsoever because this figure had never been a DETYA projection. It was not a figure adopted by the Department of Education, Training and Youth Affairs, and this had been clearly indicated previously at estimates hearings in May.

Senator CARR (Victoria) (6.15 p.m.)—Minister, what is the department’s estimate of growth?

Senator ELLISON (Western Australia—Special Minister of State) (6.15 p.m.)—Looking back at the estimates hearing of 31 May this year, I think it caps off the situation neatly. Senator Carr is saying that this report is final and everybody accepts it as such. In a question to Ms Scollay, who heads up ANTA, he asked:

... the 2.8 per cent claim the Commonwealth officers have presented to this committee as the growth rate or the 5.8 per cent claim that the ANTA CEOs presented. Is that the case?

Ms Scollay replied:

Let us be really clear: it is not yet a document that is representative of the ANTA CEOs. It is a working group and I have not yet got responses from all the ANTA CEOs. One of the ANTA CEOs is the Commonwealth.

Mr Grant from DETYA went on to say:

Just to be clear also, the Commonwealth has not signed up to any particular figure.

Mr Manns then added:

But it does not, as you purport that it does, give a projection, an estimate or a figure that the Commonwealth has in any sense settled on. What our input to the process did was to model a couple of possible scenarios as an indicative working through of our methodology to show what the end product would be if you made certain assumptions.

There is no final figure that the department has in relation to that growth.

Senator CARR (Victoria) (6.17 p.m.)—Minister, are you saying that the MINCO meeting, which is in 11 days time, will not have before it a figure indicating the department’s predictions on growth?

Senator ELLISON (Western Australia—Special Minister of State) (6.17 p.m.)—As I understand it, a range of scenarios will be put to the ministerial council, which is not unoward, and it is up to the ministerial council as to what it does once those scenarios are presented.

Senator CARR (Victoria) (6.17 p.m.)—Can I ask the minister a supplementary question?

The TEMPORARY CHAIRMAN (Senator Murphy)—Order! It would be useful for Hansard if we wait for one person
to finish an answer before we ask another question.

Senator CARR—I am interested in the dialogue. Minister, could I have an indication of the department’s range of predictions? What is the bottom figure and what is the top figure?

Senator ELLISON (Western Australia—Special Minister of State) (6.17 p.m.)—As of today, I understand the final paper had not been received and we can take that on notice. I think in fairness, Senator Carr, it is the case that in the lead-up to these ministerial councils the department prepares papers. As I understand it, as of today, the paper for this meeting has not been finalised.

Senator CARR (Victoria) (6.18 p.m.)—Minister, I appreciate the point you make. Obviously I understand that from time to time departmental officials do not have all the information with them that they require. Mr Manns is a particularly knowledgeable public servant in this area. I find it absolutely incredible that 11 days prior to the ministerial council the Commonwealth does not have its position sorted out. Frankly, that is difficult for me to accept, Minister. If I were to take you at your word, Minister, and accept the offer that you make to put this question on notice—I put questions on notice on the last bill we dealt with in regard to the funding arrangements for universities and I still have not had answers—when would I get an answer to such a question?

Senator ELLISON (Western Australia—Special Minister of State) (6.19 p.m.)—It will depend on when the report is finalised.

Senator CARR—We have estimates coming soon, Minister.

Senator ELLISON—I am only too well aware of that. This is just a mere bagatelle compared to what estimates will be, no doubt. But in all fairness, Senator Carr, you know the process very well and that in the lead-up to ministerial councils papers are prepared. Just because a paper has not been finalised 11 days out from a ministerial council is not cause for the gnashing of teeth and wailing and wearing sackcloth and ashes. Things are finalised in the run-up to any ministerial council and sometimes at the very last minute. There is nothing untoward in this at all. I will take your question on notice. If there are any other questions on notice that are outstanding, you are always free to approach my office in relation to them.

Senator CARR (Victoria) (6.20 p.m.)—I take the opportunity to do that now and ask: where are the answers to those questions that I asked in relation to the Noel Butlin Archives, which is an issue that I am sure we will hear a great deal more about? Minister, I am concerned to ensure that we do have this information about the growth projections. I think it is critical for any proper assessment of where the system is going. The impact we have seen in regard to the quality of the program is another matter that is of great concern to me. I will be very concerned to pursue the implications of that matter at estimates, especially in view of the Minter Ellison advice, which has, in my judgment, confirmed what I have been saying now for some time about the deterioration. But you indicated to us that there had been some success. I draw to your attention not only the submissions to the Senate inquiry, which are numerous, but also the reports from Schofield. In her report on Victoria, she said:

There are too many instances where, in an effort to cut corners for financial reasons, the quality of training received by apprentices and trainees has been compromised.

She went on to say that, in almost 50 per cent of cases, apprentices and trainees were not sufficiently challenged by their training, that 20 per cent of trainees did not believe they were learning new skills and that this was leading to views that the apprenticeship and traineeship system is ‘dumbing down’ the workforce. And so the report went on to talk about the numbers of audits in Victoria. A similar situation in Queensland was reflected, a situation that is probably as dangerous a set of circumstances as we have seen anywhere in the country. What are the causes of poor quality? She said that one in five people undertaking training entirely on the job were not receiving any training, yet
this parliament was allocating money to those employers to undertake training.

Schofield said that the causes of this poor quality are transitional problems and had not been well managed. She said that the policy objectives had become blurred, the needs of learners had been neglected, the quality assurance assistance systems were inadequate, the role and responsibilities were poorly defined in regard to industry employers, RTOs and so on, the user choice purchasing model was flawed, the financial incentives had distorted behaviour, and there were departmental administrative systems which were dysfunctional in Queensland itself. So it goes on. It appears to me that, in terms of the growing levels of skill shortage, there are deep problems with this system that are not being adequately addressed.

Finally, Minister, given that time is short and we would like to conclude the bill by the tea-break tonight, I ask: is it possible for you at this point to comment on the report of Dr Larry Smith? He said that many graduate trainees, particularly those who have done training fully on the job, do not hold competencies in which they have been credited, that is, the assessment is either being poorly conducted or certain providers are deliberately misreporting training knowledge and skills to ensure a competent result. Minister, if that is the case, if the level of rorting and fraud within the system is such that this government is not able to actually deal with this question, then debate about the issue of national consistency boils down to this proposition—namely, the legislative framework in this country for assuring quality is so grossly inadequate that it is not possible to guarantee with any confidence that the system has a sound legislative basis. Can you comment on that, Minister?

Senator ELLISON (Western Australia—Special Minister of State) (6.24 p.m.)—The government is aware of the report mentioned by Senator Carr and other reports which no doubt Senator Carr is being mindful of when he is making his remarks. None of them indicate a systemic failure of quality in relation to the system of training in this country. In fact, the government has in the Australian Recognition Framework achieved an initiative whereby the first attempt to set out comprehensive standards for training providers has been made. It was of course developed by ANTA with the states, territories and industry under this government. Implementation of that is a state and territory responsibility. Senator Carr is always having something to say about implementation with respect to the Commonwealth, but of course implementation rests with the states and territories.

This government has provided $2 million to the states and territories to assist with that implementation. Furthermore, another $8 million has been provided to assist the states and territories to implement the new industry training packages which are a key part of improving the quality in relation to training. What we have done there is to give industry the opportunity to have an input in relation to training and to ask industry, “What is it that you want and need in the marketplace for your particular industry in relation to training and the skills that can advance Australia in that regard?”

A further $13½ million dollars has also been provided to ANTA to develop learning materials and as support for the implementation of training packages. All of this funding is additional to the funding provided under the Vocational Education and Training Funding Act, so we have gone above and beyond what we are talking about in this bill here to look at how that implementation can be effective and take place. The Commonwealth has led the initiative to establish the National Training Quality Council, and this too has been agreed to by state and territory ministers; and I understand that took place in June this year.

The Commonwealth has initiated work on nationally consistent legislation to regulate vocational education and training in this country. Dr Kemp, the Minister for Education, Training and Youth Affairs, deserves credit in this regard for being the prime mover in this area. All states and territories have participated in this work and a report
will be considered by the ministerial council when it meets on 17 November this year. For Senator Carr to say that this government is not committed to quality is really a furphy and something which is knocked on the head when you look at the details that I have just put before the Senate. The reports that Senator Carr has mentioned are reports which we are aware of and we do not agree that they show systemic failure in quality.

Senator CARR (Victoria) (6.27 p.m.)—Time is very short. The thrust of what you are saying is that there is a series of agreements. Can you name one that has been fully implemented, and have you at any point been able to deny the central thrust of what I am saying: that the legislative framework underpinning the New Apprenticeships system is fundamentally flawed?

Senator ELLISON (Western Australia—Special Minister of State) (6.28 p.m.)—The Australian Recognition Framework—and we are working with the states in relation to their legislation for that to be achieved—is an agreement which, we would say, has been implemented.

Bill agreed to.

Bill reported without amendment; report adopted.

Third Reading

Bill (on motion by Senator Ellison) read a third time.

Sitting suspended from 6.29 p.m. to 7.30 p.m.

CHILD SUPPORT LEGISLATION AMENDMENT BILL (No. 2) 2000

Second Reading

Debate resumed from 2 November, on motion by Senator Ian Campbell:

That this bill be now read a second time.

Senator CHRIS EVANS (Western Australia) (7.30 p.m.)—I rise to speak on the Child Support Legislation Amendment Bill (No. 2) 2000, which gives effect to four measures relating to child support announced as part of the government’s 2000-01 budget. It also gives effect to six non-budget measures.

The Labor Party is pleased to offer their support for the majority of the provisions contained in the bill. Our reference point in debating the merits of the proposed legislation was whether each measure was in the best interests of children. This is our guiding principle and the principle that underpins both family law and the Child Support Scheme. We are not convinced that all of the government’s proposed measures pass this test.

Labor will be opposing measures to lower the cap on income subject to child support assessment and to restrict access to supporting documents. We have reservations about linking child support and contact but will consider lower child support percentages for contact between 10 and 30 per cent if the government can assure us that resident parents and children are compensated. The measure as it stands creates losers, and we do not want this.

My colleague the member for Lilley has proposed two means by which compensation may be delivered. The Minister for Community Services has demonstrated a commendable bipartisan spirit in promising to consider these proposals, and we await his response. I understand there have been some discussions on these issues this afternoon. Labor’s preferred option is a means tested contact pay-ment. If the government rejects this, then we will move an amendment to ease the taper rate on the maintenance income test from 50 to 30 cents in the dollar. This is a second-best measure to deliver compensation to resident parents. However, it is clearly better than leaving a significant number of low income families out of pocket.

There are a number of issues that need to be addressed in the area of child support. These include non-payment of child support liabilities, barriers to access and the often vexed relationship between the family law and child support systems. Labor believes a more thorough review of the operation of the scheme and other policies affecting separated families is needed in order to improve the system. Such a process must be guided by rigorous research and broad consultation.
with interested parties. Many of the weaknesses in this bill before us can be traced to a lack of research and the absence—or limited nature—of the consultation process.

The Minister for Community Services has argued that the purpose of the bill is to alleviate pressure on nonresident parents, particularly those who are supporting second families. While Labor are sympathetic to this objective, we are concerned that the package provides only limited benefits to those most in need, and that resident parents, rather than the government, are picking up the tab. We know that sole parents are overrepresented among the poor. Thus, to support nonresident parents on low incomes by taking money from sole parents is a very strange notion of redistribution. More important, it is opposed to the best interests of children.

Before I turn to discussion of the particulars of the bill, I want to make some comments about the Child Support Scheme and the way in which child support policy has evolved under the coalition government. The Child Support Scheme was established in 1998 to ensure that children of separated families received financial support from their parents. The scheme has been singularly successful both in promoting this responsibility and in protecting children against poverty.

NATSEM tells us that the poverty risk faced by children living in families where their parent was separated or divorced halved between 1982 and 1997-98 and the proportion of children benefiting from child support payments increased from 12 to 31 per cent over this period. The researchers pose an important question: if the scheme had not existed, how many more children would have lived in poverty in 1997-98? The answer was a staggering 58,000 children.

While the Child Support Scheme clearly has much to recommend it, it is not a perfect creature. Any member of parliament with an electorate office will know that. The challenge confronting policy makers is to distinguish valid criticisms from the spurious and to balance interests in a way that is fair to both parties and, as I keep stressing, in the best interests of children.

That this challenge is as important as it is complex and emotional was evident from the tone and substance of the House second reading debate. The Hansard details our experiences as elected representatives of dealing with child support issues. Members on both sides recounted difficult cases and grave injustices. But what are we to make of all of these anecdotes? Anecdotes obviously have an important place in debate. Many of us take up individual cases, and when we find the same issue has been raised time and time again we should look at the broader case for reform.

However, our enthusiasm to change the system should be tempered by our exposure to just one side of every story. For this reason it is critical that child support policy is informed by research, evaluation and consultation. In developing the current package the government has failed to do any of those things adequately. The Minister for Community Services said in his second reading speech:

In putting this package together ... we considered recent Australian research into the cost of children and contact behaviour of non-resident parents.

As someone who has pursued this issue about the nature of this research in Senate estimates, in the briefing with the department and at the Senate Community Affairs Legislation Committee hearing on this bill, I contend this would not have taken a very long time. It is of concern to Labor that the proposal to reduce formula percentages for contact between 10 and 30 per cent has not been based on any research on how costs vary in proportion to contact at levels below 30 per cent. I hope that the minister will refrain from citing the Woods and Associates study. I am now very familiar with this reference, which simply establishes that there are costs associated with contact. The authors acknowledge that the research is exploratory and cannot be taken as representative, yet the government seems to claim it underpins a specific policy proposal. It clearly does not.

We are similarly concerned that the government has not evaluated the impact of the
1998 changes to the child support formula and the recent application of shared care provisions to the family tax benefit before further changes are considered. The 1998 measures included a 10 per cent increase in exempt income for payers, a reduction in the amount of payee’s income that is disregarded, the introduction of a minimum child support liability of $260 per annum and the inclusion of exempt foreign income and rental property losses in the calculation of income. These changes were not trifling. For example, the 10 per cent increase in exempt income for payers has meant that 335,000 payees and 536,000 children are now receiving less child support. The Bills Digest states that changes under the coalition since 1996 have seen a shift in the balance between the needs of payees and payers. It says:

Measures which assist second families of payers, and formula adjustments, which favour payers, appear repeatedly.

Perhaps the minister could explain why the government has not assessed the effect of these changes on resident parents, nonresident parents and children before it builds on them. On what basis are we to judge whether the balance has shifted far enough?

I wish to raise a final point of concern about process. In evidence to the Senate Community Affairs Legislation Committee hearing, the Law Council of Australia raised concerns about the capacity of the Family Court system to cope with the higher levels of disputation that it says will flow from these measures. These concerns were echoed in written submissions from a range of legal services that deal with child support matters day to day. It is of concern to Labor that the government did not consult with the lawyers in developing these measures, and that it has not provided additional resources to the Family Court to cope with the consequences of the changes proposed. Instead, the government’s 2001 budget cut appropriations to the Family Court by $15.5 million over four years. This will result in the loss of 80 jobs and a further reduction in the court’s counselling and dispute resolution services. This is to say nothing of the government’s savage cuts to legal aid, which have already totalled over $200 million in real terms with further cuts to come.

I move now from the general to the specific. As I said at the outset, there are positives in this bill. The increase in the family tax benefit and child-care benefit income test deductions for child support payers is to be applauded. It will mean that payers with a second family will have their FTB and CCB assessed on the actual income available to their new family. Labor will also support a new ground for departure from the child support formula. Under this measure, income earned from a second job or overtime for the benefit of a second family will be quarantined from assessment, up to a maximum of 30 per cent of the parent’s total income. The Lone Fathers Association provided evidence to the hearing of the Senate Community Affairs Legislation Committee of the efforts made by some nonresident parents to support their second family without diminishing the resources provided to their other children. I have had constituents make the same case to me. While Labor are supportive of policy directions which will recognise and reward such efforts, we have to be convinced that patterns of work and earnings could not be manipulated with the objective of reducing child support liability. The department has provided quite detailed information about processes surrounding changes of assessment, which leads us to feel confident that the measure will not be abused. The additional income must have been obtained by the applicant to benefit the children in their current family and must not be earned as part of an established earning pattern.

As part of the decision making process, the senior case officer will be able to examine taxation returns for details of past earning patterns, contact current or former employers for employment history, contact industry organisations for details of employment patterns and check CSA records for child support being paid. In addition, the senior case officer will compare the financial situation of the children for whom the applicant is paying
child support with the position of children in the applicant's current family. The resources available to each will be examined, particularly any other sources of income that could adequately provide for the applicant's new children.

I turn now to the minimum rate of child support. Labor will be supporting the establishment of a regulation making power to allow certain amounts to be excluded from income so that the current $260 minimum liability will not apply. I think I expressed some reservations about this measure when it was first introduced. There are a number of circumstances in which the imposition of the minimum liability is clearly inappropriate. For example, disability support pensioners who are long-term nursing home residents already have 85 per cent of their pension automatically deducted for costs associated with care, so it is not reasonable to expect that they can devote $5 per week to child support from what little income remains. This measure would allow pension deductions for residential care to be excluded from the definition of income. Also, the member for Capricornia has brought to my attention another case that I hope may be addressed by this provision. A woman in Rockhampton was left with profound intellectual and physical disabilities as a result of complications during childbirth. Her partner left Rockhampton with the child, and she has been asked to make the minimum child support payment of $5 per week. It is doubtful whether she understands she has a child. The woman is not in an institution but is being cared for around the clock by her parents and other family members. Clearly this is the sort of case that ought to be excluded, and I hope that regulations can be drafted in such a way as to make sure that occurs.

While the bill contains many measures of merit, we cannot offer universal support. Labor will be opposing the measure to lower the cap on income subject to child support formula assessment from $102,000 to $78,000. If the government is genuinely interested in assisting child support payers on low to middle incomes, this measure can kindly be described as poorly targeted. It will mean substantial benefits for nonresident parents with the greatest capacity to meet their child support liabilities and equally large losses to resident parents. The department tells us that 4,000 payers will have their child support liabilities reduced by $12.4 million or an average of $60 per week per payer. In one scenario provided by the CSA, a nonresident parent with an assessable income of $105,000 per annum gains $85 per week, while the resident parent with zero private income loses exactly the same amount. It is not possible to mount a case for change on equity grounds. Labor believes that lowering the cap will deny children in separated families many of the opportunities that would have been available to them had the family stayed together.

Labor will also be opposing the measure to restrict access to supporting documents. In our view, denying parties access to information which may be considered by the CSA in the course of making an assessment determination is a denial of natural justice. Client and community support for the Child Support Scheme depends on transparency and openness in the determination process. Both would be diminished by this measure, and therefore we will not support it.

I have saved the most contentious measure until last. The proposal to lower child support percentages for children with whom the nonresident parent has contact between 10 and 30 per cent of the time represents an extension of the shared care arrangements which have applied to the family tax benefit since 1 July. When we began thinking about the merits or otherwise of this measure, the alarm bell began to ring on a number of fronts. Firstly, we had to consider the implications of creating a nexus between contact and payments; secondly, the proposals before us had no foundation in rigorous research on costs of contact; and, finally and most importantly, the measure served to increase funds available to nonresident parents at the expense of resident parents. So there was much to think about.
The undesirability of linking child support payments to contact and the likelihood of increased disputation was raised in oral and written submissions to the community affairs hearing. Even where groups, such as the Partners of Paying Parents, supported the outcome of this measure—that is, a reduction in the child support liability of payers—they did not support the linking of money and contact. The suggestion that a reduced child support burden would motivate greater contact was offensive to nonresident parents, whose desire for contact was based on the love of a parent for their child. The Law Council of Australia argued that, in direct conflict with the Family Law Act, parents will be encouraged to focus on the financial consequences of the sharing of the care of children rather than upon what is in the best interests of the child. Labor was also concerned by the council’s view that a by-product of this change would be increased contact disputation based on financial considerations rather than on the needs of the children. This would place an additional burden on an already strained Family Court system.

We have spent a great deal of time trying to understand the thinking behind this measure. The department argued that the measure: ... will improve the ability of non-resident parents to maintain contact with their children resulting in better outcomes for children and increased payment of child support.

The corollary of this argument is that resident parents will have an incentive to restrict access to preserve their child support payment. The department could not cite research establishing a positive causal relationship between contact and the payment of child support, and the CSA argued that the measure acknowledged contact rather than provided an incentive per se. As I mentioned earlier, we have also been concerned by the absence of research to establish both the relative costs faced by resident and nonresident parents and the nature of the relationship between costs and the level of contact. When I asked the department what evidence it had to support how costs vary with contact, the answer given was, ‘The truth is, very little.’ The government has placed the parliament in a position where we are expected to make responsible and informed judgments in the absence of rigorous analysis. My Labor colleagues share my discomfort at this state of affairs.

Modelling provided by the department suggests that the measure is poorly targeted and will provide little relief to nonresident parents in greatest need. The child support payments of a payer earning $25,000 per annum will fall by $5 a week while a payer earning $75,000 will see their weekly liability fall by five times that amount—$24.82. Nonresident parents paying the minimum level of child support will not receive any additional assistance, while the disposable income of 205,000 resident parents will fall as a result of this measure. The impact of this change that is of greatest concern to Labor is the effect on the poverty of sole parent families. For all levels of payer income above $15,000, resident parents and their children will have a lower disposable income as a result of this measure. They will carry the cost of this measure. While we recognise the need to provide additional support to nonresident parents on low incomes, we believe it is completely inappropriate to achieve this by taking income away from another group in need. We cannot support the robbing of Petra to pay Paul when research on relative poverty shows that Petra is more likely to experience socioeconomic disadvantage.

The Australian Institute of Family Studies Divorce Transitions Project showed that there were continuing disparities in post-divorce household incomes. The project found that the combination of being female, older and a sole parent provided the greatest likelihood of economic disadvantage. With these concerns in mind, Labor has asked the government to consider a means tested contact payment as a way to alleviate financial pressure on nonresident parents. While we do not have the resources that are available to the government to model the proposal, it would seem that a flat rate payment could address many of the shortcomings inherent
in the government’s approach to recognising shared care. It would enable targeted relief to those on low incomes without imposing an additional burden on resident parents. I am keen to hear the government’s response to that suggestion.

In closing, I would stress that Labor’s willingness to propose constructive alternatives reflects our commitment to the principles that underpin the Child Support Scheme and our desire to take some pressure off those nonresident parents who are struggling to meet their commitments. We believe that the role of supporting a group in genuine need is properly that of the government. It is certainly not the role of resident parents and children who are, on the balance of probabilities, more likely to be poor. We have offered the government a number of alternatives. We recognise that each involves a greater commitment of resources than the government had planned for, but the choices are now before them. Labor are asking a price but we believe it is an eminently fair price for protecting what should be at the heart of all our interests—the best interests of children.

Senator WOODLEY (Queensland)  (7.49 p.m.)—I wish to speak tonight in the debate on the Child Support Legislation Amendment Bill (No. 2) 2000. I wish to indicate at the very beginning that there are many measures in this legislation which the Democrats will support, but there are also a number of measures which we cannot support. I find it interesting that there are some very good policy reasons for a number of measures that the government is introducing tonight in this legislation but, like my colleague Senator Evans, I do find it hard to actually work out some of the policy background to three of the measures which are in the bill. The Democrats will not support those measures. I do want to thank the minister for access to her staff. It was very helpful to have, early in the piece, a comprehensive briefing on this legislation, but I regret to say that in a number of cases we were not convinced by that very professional briefing which we received.

I am going to speak now to each of the measures which are proposed and indicate which ones the Democrats will support and those which we believe cannot be supported for very good policy reasons. The extent to which poverty has a female face has changed significantly in the last 20 years. In 1982 children living in families headed by a female were three times as likely to be in poverty as children living in families headed by a male. In the 1980s the poor economic circumstances of sole parent families headed by women drew increasing government and public attention to absent parents who failed to meet their financial responsibility towards their children.

The Child Support Scheme was introduced in 1988 to help alleviate the high level of poverty among sole parent families. If the Child Support Scheme had not existed, child poverty would be significantly higher. In this bill the government is proposing to reduce the amount of child support paid by payers between 10 per cent and 30 per cent of the year. The Australian Democrats view this proposal with alarm. It is biased against carer parents and their children. It will increase child poverty. We think it is a backward step; it will undo much of the good work done since the late 1980s.

The costs of raising children alone do not reduce when the child spends time with the contact parent. Resident parents are required to continue to meet accommodation, clothing, education, health, child-care and recreation costs for children even when they are on a contact visit with their nonresident parent. Let me give an example. When a child participates in weekend sport, the resident parent has paid enrolment fees, registration fees, uniform costs, training fees and equipment costs. The contact parent may take the child to their sport once a month, having only to pay for transport and perhaps provide a drink or some such thing. This example illustrates how 10 per cent of time does not equate with 10 per cent of costs.

The Democrats are concerned that this proposed amendment will provide the most
financial benefit to the highest earners, and
contact parents without wage income—that
is, those paying minimum child support—
will see no benefit. This element will result
in reduced income support for sole parents.
The department submits that sole parents can
afford to lose this from tax gains effective
from 1 July 2000, but we deliberately
boosted tax and family gains during the GST
negotiations. The Democrats will not accept
now that sole parents—92 per cent of whom
are women—should be required to sacrifice
these for the benefit of the nonresident payer.

Of significant concern is that the measure
will create a link between contact and child
support. The original child support report
strongly advocated against this to prevent the
linking of money and care, which results in
poor and unsustainable motivation for con-
tact with one’s children. For this reason we
will not support the ALP amendment, be-
cause the policy is still bad. I accept what
Senator Chris Evans has said—that he is
trying to improve a measure which the gov-
ernment has put in the legislation—but I do
not believe it can be improved. I believe the
policy problem remains. To link the amount
of money which is paid by the nonresident
parent with the amount of contact time will
itself create further disputation and greater
problems on both sides of the equation.

Also we believe this measure is in direct
conflict with the Family Law Act 1975. Par-
ents will be encouraged to focus on the fi-
nancial consequences of sharing the care of
the children rather than on what is in the best
interests of the child. Surely that is detri-
mental in anyone’s language. For those policy
reasons, we cannot support either the
original measure proposed by the govern-
ment or the amendment, although we admit
that it does to a certain extent improve what
the government has put forward.

Providing financial incentives for contact
parents to see their children is likely to in-
crease disputes between parents after separa-
tion. Increased disputes between parents are
costly in terms of family stress and the de-
mand for legal services. Reduced access to
legal aid will disadvantage women who ex-
perience violence and will also result in ad-
ditional burdens being placed on the already
strained family court system. I think Senator
Chris Evans very eloquently illustrated what
the impact on the Family Court system
would be.

A further measure in the proposed child
support amendments is to change the for-
mula of the payer cap which will effectively
reduce the cap from its present level of
$101,000 to $78,000. We categorically op-
pose this measure as it only serves to further
disadvantage sole parents and their children.
The 1988 report Child support formula for
Australia included as its fundamental precept
that all children of a parent should share
equally in that parent’s income and that dur-
ing the children’s financial dependency they
would share in parents’ financial circum-
stances just as they would if they were
growing up with both parents. Changing the
formula to include part-time wages, as the
government wants to do, would artificially
reduce the baseline.

The Australian Democrats do not believe
that there is substantive qualitative research
or evidence that child support in excess of
the capped income is spent on the other par-
ent. We know that these moneys are ex-
pended on education, music, sport, school
fees, recreation and health—usually major
dental expenses—of the children. Modelling
shows that resident parents may lose up to
$90 per week for one child and the effect is
most likely to be on the child’s wellbeing.
The reduction in the cap will result in a re-
duction in child support for children, a
growth in poverty in resident parent house-
holds and a consequential increase in claims
for spousal maintenance. The measure is
poorly targeted: it provides advantage to
payers—92 per cent of whom are men who
dominate the higher income bracket—it dis-
advantages sole parents, and children of
higher earning payers should not be pre-
vented from sharing in the income of their
parents.

I want to move to a number of the other
measures in this bill, some of which we do
support. The third measure is to disregard
income earned for the benefit of resident children. We will support this, although we have one amendment to it, which tightens the definition. This amendment supports the principle that 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. The measure is of merit, provided that room for manipulation is minimised. However, the bill is flawed in that it includes stepchildren in the same category as natural or adopted children of the new family. The payer, at law, has no legal duty to support stepchildren; however, this legislation elevates stepchildren to the level of natural children of the second family. The obligation of a parent to support their own children must take priority over the support of children of other people, notwithstanding that such stepchildren and one of their parents may live with the child support payer. This marginalises children of the first marriage. A solution here would be to amend the legislation to define resident children as natural or adopted children of the payer. I have circulated an amendment which will do that.

The next measure is the income deduction for the family tax benefit income test for payers from the present 50 per cent to 100 per cent. The Democrats will support this measure. It is soundly based on the principle that nonresident parent households do not benefit financially from money paid in child support. It has no impact on payees. FACS estimate that 10,000 child support payers will benefit by an average of $8 per week in the family tax benefit and/or the child-care benefit. The fifth measure is the relocation of the Child Support Agency from the Australian Taxation Office to the Department of Family and Community Services. We will support that measure because, generally, it is supported in the community and there is nothing to suggest that there would be a loss of professionalism or skills in its transfer from one department to another.

The Democrats support the departure prohibition orders measure. It will prevent persistently defaulting payers from leaving the country and will operate similarly to the measure existing under the Taxation Administration Act 1953. The power will rest in a senior delegate only and only after four specified conditions are satisfied: (a) the person has child support arrears, (b) the person has not made satisfactory arrangements to discharge the liability, (c) the person has persistently and without reasonable grounds failed to pay child support debts, and (d) it is desirable to make an order to ensure that the person does not leave Australia without discharging the liability or making satisfactory arrangements. The amendment will not restrict those payers whose employment requires them to travel overseas, as liability for those payers will likely have been picked up by wage or tax refund garnishee. The seventh measure is the exemption from the minimum $260 per annum child support liability. The Democrats support this measure. It allows for persons who have no earnings for special reasons—for example, those who are imprisoned—and it does not impact on unemployed payers in receipt of income support, who remain liable for the $260 per annum.

The eighth measure is nondisclosure of supporting documents. The Democrats, along with the Labor Party, do oppose this measure. We cannot understand the rationale behind it. At present, when a person makes application for a departure from the child support assessment provisions of the act—that is, seeks a review—a copy of the application and any accompanying documentation is provided to the other party of the proceedings. The proposed amendments repeal the requirement to provide accompanying documents. The measure is a denial of natural justice and contravenes basic legal principles of access and full and open disclosure.

The measure seeks to mask the transparency and accountability of the departure process. It is unacceptable to create a situation whereby a party is required to challenge or argue a case when they are not given access to the documentation on which the other party is relying. A payee cannot respond to
an application which cannot be proven on the basis of that application. The current requirement of disclosure means that payees can obtain advice prior to a review hearing based on documents provided. The amendment will impact adversely on a payee’s ability to obtain informed advice and will further disadvantage a payee’s ability to ensure that the payer has made accurate representations as to their financial position. For these reasons, the Democrats will oppose this measure. Once again, I say to the minister that we did appreciate the briefing from her staff. But we were not convinced that this is a good policy outcome.

The ninth measure addresses the definition of ‘eligible carer’. The Democrats will support this measure. A person who is not a runaway child’s parent or legal guardian will not be regarded as an eligible carer unless the child’s parent or legal guardian has consented, subject to two exceptions: extreme family breakdown or serious risk to the child’s wellbeing as a result of violence or sexual abuse in the home of the parent or legal guardian. The test of extreme family breakdown or serious risk is one presently conducted by Centrelink social workers to determine eligibility for Youth Allowance at the independent unable to live at home rate, and the amendment aligns those provisions. While not specified in the legislation, the test of the exceptions should only be conducted by trained social workers.

The 10th measure is the technical amendments, which the Democrats support. They will remove a reference to the Family Court Act 1975 of Western Australia and replace it with the Family Court Act 1997 of Western Australia. Additionally, this measure amends the act to cease child support for children older than 18 on the last day they attend secondary school. It presently ceases on the last day of the secondary school year. That gives an outline of the measures which the Democrats will support and those which we will oppose.

Senator BARTLETT (Queensland) (8.07 p.m.)—I rise to speak briefly to add to the comments of my colleague Senator Woodley in relation to this important issue, the Child Support Legislation Amendment Bill (No. 2) 2000. All senators in this place would agree that child support issues are very important and are issues that people feel very strongly about. I think all of us here are trying to look through some of the emotion that goes with the issue to the impact in reality of what will happen with any proposed changes. The concerns that Senator Woodley outlined came through long and loud in the Senate committee inquiry process. I think it is a good indication of why that process is important—to give people in the community, particularly those who are likely to be affected, the opportunity to be aware of the measure, to examine it and to provide feedback to us as legislators.

As has already been mentioned in this debate, it is worth remembering that we are already in the middle of what I would call quite a significant experiment in terms of the allocation of government payments for parents who are separated and sharing the care of a child or more than one child and in terms of the changed arrangements for the new family tax payments. It was debated at some length in this chamber back in May or June this year, but the change had in effect already been made the year before without senators on this side of the chamber realising it, which may be a failing on our part. There is certainly not much awareness of it amongst the general community. That change is already under way. Payments through the family tax system will now be able to be split if care of between 10 and 30 per cent is shared between two parents.

As the minister himself indicated at the time in the chamber, there had been no modelling done, despite all the modelling of what seemed to be every possible or imaginable family grouping, social grouping and household grouping. As part of the new tax package costings, there had been no modelling of this measure and what it would mean in terms of the impact particularly on the primary carer and their losing some percentage of their payment to the other partner, the secondary carer. That is something that the
minister has agreed to gather information on and provide a detailed report to this chamber about. Once it has been in operation for 12 months or so, we will have an idea of how it operates. But we still do not know how that is going to pan out. Certainly some in the community who work in this area have grave fears about how it will turn out. I hope they are wrong, but we already have that in place.

To make another change like this one—in relation to shared care arrangements and child support payments being directly reduced as a consequence of the level of care provided by the secondary carer—on top of the existing one when we still do not know at the moment how that is working and what impact it has had is a dangerous path to go down. It may well be that 12 months down the track we will see that it has all panned out fine and we can get more indications about other aspects of what the government has proposed and about some of the impacts of other changes in this bill and possibly re-examine the issue. But, certainly from my point of view and the point of view of many of the people who presented evidence to the Senate inquiry, we would have a great deal of trouble seeing how it could ever be beneficial for the child support payments to primary carers to be reduced simply on the basis of the level of care.

I think it introduces a very dangerous new dynamic into what is sometimes already a very volatile situation. We already have that dynamic potentially operating now and, as I say, we need to see how that will work before we proceed further down this track. I think it is worth re-emphasising for the record the strong community concern in relation to primary carers. It has been stated before that sole parents are those most likely to be living in poverty in the community. That is not to say that secondary carers or non-custodial parents—whatever terminology you want to use—are all doing fine. Clearly, a lot of them are facing great stresses as well. But I do not think switching from one stress to another really solves the problem. We need to look at other mechanisms for addressing some of the genuine concerns that people have, whatever situation they are in.

Senator CROSSIN (Northern Territory) (8.12 p.m.)—In considering the Child Support Legislation Amendment Bill (No. 2) 2000 this evening, I think it is worth pausing to reflect on the background of the original legislation and the reason the government of the day saw fit to establish the Child Support Agency. As we know, the Child Support Scheme was established in 1998 in recognition of the unacceptable level of child poverty in Australia. In the early 1980s, prior to the establishment of the Child Support Scheme, only a very small minority of children living in sole parent families were receiving any level of child support payment from nonresidential parents.

The setting up of the Child Support Scheme established unambiguously that the responsibility for children rests with both parents of the children and that this responsibility is not lessened at all when the relationship ends or the financial situation of either parent changes. It is fair to say that the Child Support Scheme has been successful in promoting and upholding the principle that children are the ongoing responsibility of both parents and in protecting Australian children from severe poverty. Recent research by NATSEM has found that, without the scheme, an additional 58,000 children would have been living in poverty in 1997-98, and there is evidence to suggest that similar numbers of children have been spared such a fate in the years since then. So, although the scheme has had its detractors, it is clear that it has been very successful in achieving its core aim of alleviating child poverty.

In my electorate, we hear a range of complaints about the Child Support Scheme. I would have to say that the number of people who come into the office and want to discuss the Child Support Scheme, make a comment about it or complain about it far outweighs the number of other queries we have in relation to other matters. We hear instances, for example, of both payers and payees concealing their income. In such cases, one cannot help but sympathise with people about
the frustration felt where the other party is not contributing according to their capacity to the support of the children.

We also hear complaints from those unwilling to accept that, when a relationship ends, responsibilities for the children of that relationship are not diminished. There is also a belief among some child support payers that, when a residential parent establishes a new relationship, this diminishes in some way the responsibility of the nonresidential parent to continue to support his or her children. I think we all acknowledge that there are undoubtedly legitimate complaints about the limitations of the child support system. We have heard many complaints about the way in which it is administered. However, we must also recognise that some of those who are angry and dissatisfied with the system are perhaps motivated by self-interest rather than by the interests of their children.

When considering the changes proposed in this bill, we need to keep firmly in our minds the fact that this legislation exists—and was established in the beginning with the Child Support Agency—to protect children from poverty by ensuring that both parents make a commitment to support their children financially according to their means.

So for each of the measures in the bill that we are considering tonight we must ask only one question: is this measure in the interests of the child? If we ask this question in relation to two of the measures in the bill, the answer is not an unambiguous yes. For this reason the Australian Labor Party will not, and cannot, support those measures in their current form. Fundamentally, these measures undermine the principle of putting the needs of children at the centre of the issue. They are also poorly targeted, lack research to back them and are likely to lead to further disputation between resident and nonresident parents.

The measure of greatest concern to me is in schedule 1 of the bill and provides for non-custodial parents to be subject to lower child support percentages of their income for children with whom they have between 10 per cent and 30 per cent contact. For about 205,000 sole parent families, this measure effectively robs one to pay another. It is the government’s response to complaints from payers that they are suffering financial hardship related to their child support responsibilities. However, the government’s own modelling suggests that the change will provide little to those nonresidential parents most in need. For example, the child support payments of a payer earning $25,000 will fall by $5 a week while a payer earning $75,000 will pay $24.82 less. Meanwhile this measure will not provide any assistance to nonresident parents who pay the minimum level of child support.

Labor are not opposed to providing additional support to nonresident parents. However, we cannot support any move to address this issue that takes income away from a group that we already know suffers economic disadvantage. Labor are extremely concerned about the impact of this measure on sole parent families, and that concern is well founded. For example, we know from the Australian Institute of Family Studies divorce transitions project that there are great differences in income status post divorce and that older female sole parents are most likely to be financially disadvantaged following divorce, regardless of where one sets the disadvantage threshold. This financial disadvantage is shared by their children.

This is an appropriate time to raise an issue in respect of the Northern Territory, particularly Darwin, that is somewhat related to this bill. For couples going through divorce proceedings and undertaking negotiations about their settlement, custody of children, contact time and maintenance payments, the Family Court registrar is now based in Townsville. There is no ready access to such a person in the Northern Territory and we have contact with the Family Court only on a six-week to two-monthly basis. That does not make the situation any easier for those people, particularly in the Darwin region, who are trying to sort out these problems and come to terms with their new situation with respect to their relationship and the support status of their children.
Another major concern with this measure is the principle of creating a strong link between child support payments and contact. The government has argued that parents need to be encouraged to have contact with their children. It has used this rationale to justify this measure, arguing that the net gain in income from having more contact with children will provide an incentive for parents to exercise more care. The problem with this approach was put succinctly in the submission of the Law Council of Australia regarding this bill. The Law Council’s submission makes it clear that this measure effectively creates a strong link between child support payments and contact, and this link is not in the best interests of the children. In its submission, the Law Council states:

In direct conflict with the Family Law Act, parents will be encouraged to focus on the financial consequences of the sharing of the children rather than upon what is in the best interests of the child. The Law Council is not alone in the view that linking child support payments and contact is not in the best interests of the child. The Senate Community Affairs Legislation Committee also heard from the Partners of Paying Parents that this measure is likely to increase disputation between residential and nonresidential parents.

Another problem with this bill is that it has not been supported by research that quantifies the cost of care borne by nonresident parents exercising 10 per cent to 30 per cent contact. This research is needed to substantiate the assumption inherent in this measure that the cost of contact is proportional to the time spent in the nonresident parent’s care. We also need research that establishes that resident parents’ costs are reduced when nonresident parents exercise this level of contact. Without the government’s producing these figures, we cannot justify reducing the income of resident parent families. To support such a change we need to know more about the relative costs faced by resident and nonresident parents in caring for their children and we need to establish the relationship of these costs to the amount of time spent in care.

The changes to the child support formula for 10 to 30 per cent care suggests that these costs are proportional to the amount of time spent in care. But the government has not produced evidence to support this change. As my colleague Senator Evans has previously said in this chamber tonight, when he asked the Department of Family and Community Services what evidence there is that costs of care are related to the level of contact, the departmental representation responded, ‘The truth is, very little.’

This is not the first time the opposition has asked for this research. For example, during the debate on the new tax package, the opposition asked the government to provide research supporting the change to allow the family tax benefit to be shared between custodial and non-custodial parents where the non-custodial parent exercises a minimum of 10 per cent care. The data provided by the government to date, while demonstrating that nonresident parents bear costs, has failed to quantify these costs.

But we are not only concerned about the financial disadvantage this measure is likely to impact on sole parent families; we are also very worried about the increased level of disputation that this measure is likely to bring about. The government has argued that this measure has been included to address the cost of care that parents bear when exercising between 10 and 30 per cent care for their children. I have already addressed the lack of hard evidence showing that, where parents exercise care for less than one day per week, this results in either a significant cost to the nonresident parent or a reduction in the cost of care to the resident parent. Perhaps by way of example, we could have a look at this in a real life translation.

Let us have a look at a situation where we have a father who is currently assessed on a child support income amount of $25,000 in respect of two children who might be aged six and nine and who are living with their mother. Also, let us say that the father picks the children up from school every second Friday and drops them back to the mother late Sunday afternoon. The children, for ex-
ample, might also spend half of every school holiday period in the father’s care, which is not an unusual custom and practice. That makes a total of 92 nights a year, or 25 per cent. That would show, according to this bill, that the father will have his child support assessment reduced by $418, or $8 per week, while the mother will receive $209 a year less to support the children, or $4 a week. So effectively, prior to this bill coming in, the father would have a total income of around $19,071. After this bill has been enacted, that income will rise to $19,489. On the other hand, the mother would have an income of around, say, $20,845, and that will be reduced to $20,636 if the measures of this bill are applied.

I am also concerned about the measure in this bill that lowers the cap on income subject to the child support formula from $101,153 to $78,378. This will affect a very small percentage of non-custodial parents. Of the 18,000 or so payers in this category, less than 25 per cent arrange their payments using the Child Support Agency. So this measure will benefit a very small percentage of high income earners, but it will substantially reduce the income of the partners of some of this group. Take the example of the partner of a payer with an assessable income of $105,000. For such a person with one child who is not in the work force, this measure will reduce the child support paid by $87 per week.

In conclusion, I want to return to the question I asked originally of why we have a child support scheme. While we need to balance the needs and interests of both parties when family breakdown does occur, with the child support legislation we are primarily concerned with serving the best interests of the child. With these measures, we are likely to see a greater level of disputation between payers and payees—and, without research to back changes which take money from one party and gives it to another, clearly the interests of the child are being overlooked by this government.

Senator HARRIS (Queensland) (8.27 p.m.)—I rise to speak on the Child Support Legislation Amendment Bill 2000. It is a well-known fact that Pauline Hanson’s One Nation has great concerns about the injustices perpetrated by the child support system upon those unfortunate enough to become tangled up with it. The escalating tragedy of broken homes that is now becoming so prevalent in our society is of great concern to this country, both morally and socially. Personally, I feel that the whole child support payment structure that is instituted presently needs to be ditched and that a much more equitable and less contentious means of supporting our children needs to be found. The anger and frustration in the pleas for help that I am hearing—as, no doubt, are being heard by many others in this chamber—distress me. It takes two people to produce a child, and I feel that the basis of responsibility for these children should be vested in the principle of shared parenting—and not, as presently based, on the present resident and nonresident parental principles.

Schedule 1 of the bill introduces the notion of a reduction in child support payments on the basis of moderate and intermediate contact. Simplistically, this appears to be quite equitable. However, I feel that this has to be taken much further and the principle based on a pro rata base of child-care participation and responsibilities. I would recommend a floor rate commencing at 10 per cent involvement, thus recognising the involvement of the other parent and not just portraying this level of commitment as a token effort. I propose that this pro rata assessment of child-care payment be instituted up to a level of 30 per cent.

The proposed amendments totally fail to acknowledge any second and subsequent children in the calculation. While I am aware that the argument exists that this is taken into consideration under the child support formula, I feel that this method of calculation of child support payment is too convoluted and intentionally confusing to anyone outside the CSA. The child support formula also fails miserably in equitably acknowledging any children from the second family and calculates those children from the first marriage as
having a far greater dollar value than those of the second family. Thus, the wives and children of the second family subsequently lead difficult and sometimes impossible lives—and this has been seen in the rise of suicide statistics and tragedy resulting from this injustice.

Schedule 3 introduces the concept of additional income earned and appears on the surface to be quite reasonable. However, on closer inspection, again the inequities fail to disappear. I propose that the basis of child support be a figure of a normal 38-hour working week and exclude any additional earnings from both overtime and second jobs. This additional income should not be included in the child support calculations; thus, it would remove any disincentives for those willing to work the additional hours to obtain further benefits to their incomes and improve their circumstances. If the payer chooses to expend his additional income on child support, it is to be entirely optional and any access to this income by the Child Support Registrar should be eliminated. Nor do I support the right of the registrar to perpetrate the deeming provision that exists presently in the act. I feel that this needs to be seriously considered in the very near future, thus removing another opportunity for the registrar to intrude so unjustly into people’s lives. Overtime and income from second jobs—in particular, those undertaken for the benefit of second families—need to be respected and encouraged, while at the same time respecting the initial family unit and its financial right to assistance.

Schedule 5 relates to the continuing intrusion of the registrar to basically demand the tax office to disclose information. The existing highly compromising provisions of the act enable the registrar at the moment to wear two hats, but I see no reason why this should be permitted to continue and I feel that a more just and ethical solution needs to be found. I contend that the present powers of the Child Support Registrar are grossly excessive, unjust and despotic, and any moves generated to bring these powers under control are highly desirable.

If anything demonstrates the despotic behaviour of the CSA, it would have to be the introduction in schedule 6 of the departure provision orders, DPOs. If this does not raise the ire of the rational thinking Australian citizen, then it should. This provision raises the question of the denial of natural justice provisions inherent in our democratic country, at the same time as denying payers an immediate right of appeal and access to challenge the orders. The possibility exists that a payer who is quite justifiably challenging the CSA on an outstanding payment issued could be either denied departure from this country totally or delayed literally up to the last minute of departure upon the whim of the CSA. In America the child support industry has degenerated to the level of literally computer tracking, with ankle bands and surveillance 24 hours a day for noncompliance. God help this country if we ever contemplate this level of surveillance in this country. This legislation does not at any stage classify what level of noncompliance would have to take place in order to have the DPO initiated upon the payer.

Schedule 8 would permit the introduction of opportunities to secretly shelve any evidence that may or should be required to be available to all parties involved. Evidence relevant to support any claims needs to be available to all parties concerned and cannot in any way be subdued. There are sections of the bill that we will support in the committee stage. There are also areas where we have extreme concerns, and I will raise those in the committee stage of the bill.

Senator GIBBS (Queensland) (8.36 p.m.)—I only want to speak briefly on the Child Support Legislation Amendment Bill (No. 2) 2000 in front of us tonight. We are supporting much of this bill, and Senator Evans has addressed our major areas of concern so I will try to keep my comments fairly short. I want to speak briefly on a few issues because of the importance child support plays in Australia. Few issues we deal with in my office cause people who raise them more stress, grief and genuine anger than child support. I doubt if the situation is dif-
different in the offices of other members and senators. Only immigration and welfare issues come close to creating the same amount of angst from constituents. It is quite understandable why this happens, because a lot of the family breakdowns, separations or divorces that involve children—even if they do not involve children—are not amicable so they can cause an awful lot of stress.

Child support issues are all the more important because the welfare of children in families where parents have split up is extremely important. There is almost certainly tension between the separated couple. Quite often it is vitriolic, and we all know how distressing it can be. It is not only distressing for parents but also extremely distressing for children when their parents break up. There is a demonstrated need for this issue to be dealt with in a bipartisan manner. There is little doubt that the Child Support Scheme needs to be constantly reviewed. It needs to be constantly looked at by both parties. The Minister for Community Services has called for a bipartisan approach to the proposals we are debating, and she is quite right. I support a bipartisan approach, as I am sure every other senator in this place does, as does the Labor Party. That is one of the reasons we on this side of the chamber are somewhat disappointed that the government chose not to consult with us before these measures were announced in the budget. If the government had found the time to consult with us earlier in the process, we may have managed to avoid some of the issues that we are raising this evening.

There is no doubt that the role the Child Support Agency has played since its establishment in 1988 has been an important one. But it is not a job without its difficulties. Indeed, those difficulties have been acknowledged with a number of changes to the agency since its inception. There is always room for improvement in the administration of such a scheme. As I mentioned before, the opposition is supporting most of the measures put forward in this bill. The measures go at least part of the way to addressing some of the existing problems with the scheme. Most of the measures aim to alleviate the pressures on non-custodial parents, particularly those who have repartnered and have second families. There is no doubt that many of the measures are logical, and we particularly welcome the changes that aim to assist second families. In particular, the full 100 per cent discount of child support for family tax benefit is very welcome.

There are several measures, however, where we think the government have got it wrong, though we will give them credit for at least trying. The first issue is in relation to the share care adjustments to the child support formula. While it is proper that we try to provide some relief to parents who have access to their children below the 30 per cent threshold, we are not convinced that the government’s proposal is one that will work very well. Unfortunately, it does not help those who are most in need. While it gives to one parent, it will almost certainly take from the other. This will, without a doubt, lead to more disputes between parents over the shared care of a child or children. The chosen mechanism will disadvantage the resident parent. With children predominantly in the care of the custodial parent, the deterioration of that parent’s income should be approached very warily. While welcoming the desire to reduce the financial burden on non-custodial parents according to their need, this should not be at the expense of the custodial parent. We are looking to negotiate in good faith with the government on this issue to find a meaningful compromise.

The other major area that the opposition has concerns about relates to the income cap. The Labor Party is very disappointed that the government wants to make these changes that will benefit only one per cent of Child Support Agency payers. It is a measure that helps only the very wealthy. It will be of absolutely no benefit to 99 per cent of child support payers. The government should be trying harder to target measures toward low and middle income earners. Schedule 2 lowers the cap on incomes subject to the child support formula assessment from $101,153 to $78,378. This measure assists nonresident
parents on very high incomes. There are not very many high income earning nonresident parents and many of them have private agreements with the resident parent, which reflects a greater ability and willingness to pay a set rate of child support rather than a lower amount. The measure would therefore only lower the amount paid by 4,000 non-resident parents who earn between $78,378 and $101,153. Unfortunately, the measure does not take into account the relative poverty of the custodial parent and their children. As a worst case scenario, these changes could mean a loss in child support of up to $90 per week for one child. This measure is of benefit only to a small minority of non-custodial parents.

Schedule 3 of the bill proposes new measures that depart from the normal CSA formula. This schedule proposes that income earned from a second job or regular overtime benefit a child or children in the current family, as opposed to those that are being paid child support. The amount of income excluded will be limited to a maximum of 30 per cent of the parent’s total income. The benefits of this measure are obvious. There are many struggling parents with second families. Many of them have called for greater fairness in the way the Child Support Scheme applies to them. They say, and with some accuracy, that there is little incentive to work harder and help provide for their new family, and many have sunk under the financial and emotional pressure that such situations bring. While there is some concern that this measure may provide avenues for some people to avoid their full and proper responsibilities, we are now convinced that the administrative procedures are satisfactory.

In the changing world of employment it could be difficult to discern what constitutes a deviation from an established or normal pattern of work. But after discussions with the Child Support Agency and the government, we are confident that the safeguards are sufficient.

In conclusion, I would like to express my support for the government at least looking at these changes. These are important issues that need to be addressed. They are issues that give rise to a tremendous amount of the emotion. With that comes a raft of other issues—financial and legal—and a minefield of potential disasters that can impede a child’s emotional and financial development and sometimes physical wellbeing. They are issues that cannot be put to the side; they are too important for that.

I think with this whole bill we need to look at the fact that, when this happens to a family, it is never the child’s or the children’s fault. Whether the children are of the former marriage or of the second marriage, it is never their fault, so we must always look at what benefits the child. We must never lose sight of the guiding light behind this legislation: we must always do what is best for the child. We must keep in mind and ensure that any changes we make live up to that goal.

Senator LUDWIG (Queensland) (8.47 p.m.)—I rise this evening to speak on the Child Support Legislation Amendment Bill (No. 2) 2000. I recently opened an office in Beenleigh in the other suburbs of Brisbane—it is part of the upper Gold Coast region. It is an area where there is a high incidence of low income single parents and high unemployment. It is an area where I chose to open an office to provide assistance of the type that the child support legislation generally provides. Having read the Senate Community Affairs Legislation Committee’s report on the legislation which was referred to it, and taking a little time to go to the particular provisions, I draw the attention of the Senate this evening to its conclusion. It boldly states at recommendation 4.1:

The Committee reports to the Senate that it has considered the Child Support Legislation Amendment Bill (No. 2) 2000 and recommends that the bill proceed.

Going through the substantive report, you find comments that reflect, in part, the second reading speech which dealt with the bill when it was introduced. It states:

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.
That is a worthwhile aim that I would applaud. The report uses similar phraseology when it talks about the bill improving the Child Support Scheme. It says:

... ‘in a balanced way, resulting in a fairer 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’.

It proposes in relation to this bill a number of amendments which go to that aim. It also comments at 3.1:

In evidence to the Committee, the Department of Family and Community Services noted that the package of measures put forward ‘seeks to provide a fairer basis for determining assistance to children of second families’...

I will not continue with that quote, but you can gain the general drift of the direction in which it is going. We have heard the word ‘fairer’ put more times than I would wish to count this evening in a very short space of time in at least two documents. Also, detail within the report comes up with statements from the Sole Parents Union, at paragraph 3.3:

It is argued by some witnesses, such as the Sole Parents Union and the National Council of Single Mothers and their Children that there was no data to support the change in the cap.

The cap is a part of the measures introduced in the bill to lower the cap on income subject to child support formula assessment. It then goes on to say:

The Department did however detail extensive research that has been undertaken over a length of time.

So we have a bold recommendation to pass and proceed with the bill. But when you read the Senate inquiry report, you find that a number of organisations on both sides of the fence, so to speak, seem to be very cautious about these proposed amendments and how they perceive their effect upon both themselves and the other people involved. You have ostensibly two people involved in this scenario: you have both the payers and the payees; you have the resident, who looks after the children, and the nonresident, who might have the children for any amount of time.

The object of the bill is to encourage the use of the nonresident to help with the child, to look after the child, to bear the responsibility that they should bear. But do we find that reflected in the report? My view is that we do not. The substantive report does not reflect that. The substantive report in fact reflects many reservations that are not embodied in the recommendation to pass the legislation. When you then go to the minority report you will see that by and large it encapsulates some of the important issues that have been left out of the debate. We have talked about fairness but what of child poverty? What about the research published by the NATSEM that found that in the absence of the CSS an additional 58,000 children would have been in poverty in 1997-98?

I am seeking to raise that there is a problem out there. There is a problem with child poverty. There is a problem with break-ups, with family breakdown, with there no longer being a proper and appropriate support mechanism for parents, for a whole range of things which maintain family ties. This legislation in part lacks the scrutiny, the research and the analysis that should be done to ensure that there are appropriate measures put in place.

I turn now to what in broad terms the bill does. If you go to the submission of the Law Society of New South Wales’s Family Law Committee to the inquiry into the Child Support Legislation Amendment Bill (No. 2) 2000 by the Senate Community Affairs Legislation Committee you will find that it said in its overview that the legislation’s purpose was basically fourfold:

i. Lower child support for children with whom liable parent has 10% to 30% contact.

ii. Lower cap on income subject to child support formula assessment.

iii. Exclude income earned for the benefit of resident children, including step-children.

iv. Increase in deductible child maintenance expenditure for family tax benefit and child care.
There we have the basic propositions which are contained within the bill itself. I turn to the specific measures. While the Law Society of New South Wales would not be a disinterested party, it certainly would not be a party that would fall on either side of the fence. The Law Society of New South Wales, in my humble view, would be confronted with many of the problems experienced at this end in a legal sense and sometimes in a personal sense. Interestingly, in paragraph 4.1 of its submission, in relation to the lower child support percentages for children with whom the liable parent has 10 to 30 per cent contact, it says:

This proposal rightly recognises that there is a cost in maintaining contact with a child/children.

It also says:

The proposed measure changes the formula without the benefit of any proper research as to the need for and to the impact of such a change.

If I am wrong about that, then I guess the Law Society of New South Wales is also wrong about that. If the minister is saying there is a significant body of research that details all of the matters, then hopefully it will be brought to the Senate’s attention, academically scrutinised and peer reviewed—and will support the view that is being promoted by the Child Support Legislation Amendment Bill (No. 2) 2000.

As I was reminded once by Senator Newman, it might be worth her while to listen to this, rather than to talk to other people.

Senator Newman—Sorry, Senator. I am trying to get a brief.

Senator LUDWIG—Not that it troubles me, Senator Newman. But it was a matter that I was criticised by you about, as I recall.

Senator Newman—I am trying to get information for you.

Senator LUDWIG—It is water off a duck’s back, nevertheless. I shall continue to ignore it, and I am sure Senator Newman will allow me the courtesy at some future time to do the same. I turn to the important matter that is before us. The submission of the Law Society of New South Wales goes on to say:

From the explanatory memorandum this change will cause relatively little cost to the Government. That is in part the matter that I wanted to raise. There is going to be little cost to the government. What we are on about is a transfer payment between the payee and the payer, which is quite unusual when you actually think about the aim of government legislation to be interventionist to try to assist with reducing poverty, to try to assist families—families in need or families in crisis, as the case may be. The government is saying, ‘We won’t trouble ourselves or our budget; we’l simply rearrange the figures.’ I do not think this is very helpful, and I suggest the Law Society of New South Wales is making that point. If I am wrong about that, then I do apologise to the Law Society. The Law Society of New South Wales then go on to say, and this is part of the argument that I am presenting at the moment:

There is no empirical research to support this major change and the solution to the problem seems to adopt the “one size fits all” approach by Government in respect of child support.

If that is right, then that is a very disappointing position to be in—where the government has taken the view that one size fits all, where a rearrangement of the actual percentages is all there is, and where there is no empirical research to guarantee that the proposed measures will have some beneficial effect.

That is not the only part of the submission which tends to claim that there is a lack of empirical research on the outcome: 4.2 of the submission also talks about the lower cap on income subject to child support formula assessment. Without going into it in very fine detail, it is about reducing the cap—from 1 January 2000, as I understand it—to a sum of about $78,000, calculated at 2.5 per cent of the average weekly earnings of full-time employees. This will reduce the cap by about $22,000, as I understand it. The reduction of the cap will have some effect on high income earners. But how it will affect them, what their reactions will be and whether or not it will affect them negatively enough to do something about their positions are matters
on which I await the minister’s comments. I hope it will have a positive effect. My concern is that it is not clear whether it will be a positive or a negative effect. Encouraged in the view that I have come to about the child support legislation, I turn also to the submission by the family law section of the Law Council of Australia. They go through three points in their opening letter, and I think they summarise the debate thus far. They say the proposed changes to the child support formula will disadvantage children and payees. They also say:

The proposed changes to administrative review of assessments amount to a fundamental breach of natural justice. The proposed power to make a departure prohibition order breaches natural justice and may be made in totally inappropriate circumstances.

I will come back to those points shortly. Tonight I wish to draw to the attention of the Senate the fact that, on the one hand, a Senate committee has recommended—the Senate committee says, by and large, without putting words in their mouths—that there is a positive benefit from the Child Support Legislation Amendment Bill (No. 2) 2000 or, more precisely, in their words and in the words of the minister in the second reading speech, that it will promote a fairer scheme. But the New South Wales Law Society in a substantive submission and the family law section of the Law Council of Australia put a number of propositions forward which do not support the view. I could understand that view if it were put by one of the participants; in other words, one of the people on either side of the fence—the payees, the payers or even perhaps the department—but two different legal societies have put a proposal that they do see some difficulty with the bill. That is a matter on which I await the minister’s view, particularly those issues that were raised in relation to schedule 1 and schedule 2.

In addition there is the income earned for the benefit of resident children; in other words, the administrative assessment that can be gained where additional income is necessary to support the new family. It is designed, as I understand it, to facilitate but encourage the manipulation of the income arrangements of payers so the payers can easily reduce income from normal earning patterns and divert their energies to the earning of additional income which would be quarantined. It seems a difficult concept, but it is one that may be able to be dealt with.

The second reading speech deals with the concept in the sense that 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.

I await the minister’s response as to how, administratively, that can be dealt with. I hope that it will be dealt with administratively in a fair and even-handed manner by the department—I am sure the departmental officials are fair and even handed. But what worries me about administrative decisions is that they are subject to review. I am concerned that sometimes those people who can exploit legislation get the benefit of it: people who appeal and who know and push their rights quite legitimately within the framework that is available end up in a better position than those who might be dissuaded from pressing their rights. Sometimes when these schemes are first put in place not enough care and attention is given to some of those factors.

I hope to hear from the minister that that process will be subject to a continual monitoring process, within costs. If the matter has to be audited or checked over time, I sincerely hope it is a matter that is not simply brought in, dealt with and left to the administrative whim of the department to deal with as it wants, because, if the aim is to provide a fairer scheme, one would hope that would continue and that that would be the overarching position. What worries me is that that should not be the overarching position at all; the overarching position should be the best interests of the child. I do not think there is any doubt about that. If the words used in the inquiry, in the second reading speech and by the department are about making it fairer; I hope that they are talking about making it.
fairer for the children who are, by and large, faultless in the whole equation and where the energy and concerns should be directed. Dealing with the concerns that I raised earlier, in summary form what concerns me most about this legislation is what has been stated broadly throughout this discussion: the seeming lack of any major research on these changes to ensure that they appropriately target the places they should target.

Senator Newman (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (9.06 p.m.)—I thank all senators but I particularly want to thank the last two senators, Senators Gibbs and Ludwig, for the thoughtful contributions that they made on the Child Support Legislation Amendment Bill (No. 2) 2000. Senator Gibbs was giving some emphasis to the values of a bipartisan approach to this legislation. I would remind the Senate that the Labor government introduced this legislation back during the Hawke years and the coalition opposition gave support to its passing. But that is not the end of the matter. Mr Roger Price chaired a joint select committee which reported in 1994 on the operations of the Child Support Scheme. It is important to recognise that the 160-odd recommendations that came from Mr Price’s inquiry received bipartisan support. That is because, although both sides of the parliament supported the legislation to introduce the new scheme, before very long it was clear to every member of the federal parliament that it was a good idea that was not yet in its optimal state of administration and that there were difficulties and unfairnesses in the system which needed addressing.

Some of the senators who are in the chamber tonight would not be aware of the fact that the Price committee received the largest number of written submissions that any parliamentary inquiry had received until that date. I doubt if it has been surpassed since 1994 for the number of submissions received. Members of parliament were always saying that it was the top issue in their electorate offices, and I am delighted to find that many of my colleagues are now telling me that the amendments we have made to improve the system since we have been in government, based on the Price committee’s report, have meant that there has been a substantial reduction in the pressure on their electorate offices from work from that one source of federal policy. It is not just a question of workload for parliamentarians or their staff; it is an important measurement of the reduction of pain to individuals—mothers, fathers and children.

It is important to remember those matters because what the government have been doing since we came to power is to try to address the over 160 recommendations the Price committee made to the parliament. Tomorrow I will perhaps have greater detail on this for the information of the Senate, but suffice to say that I believe that something like over 100 of the Price committee’s recommendations have been implemented since we came to government. None were implemented prior to our coming to government in 1996. The report was received by the previous government in 1994. We have implemented more than 100 recommendations. I believe that there are others—and I will quantify that if I can tomorrow—that have been partly implemented. There are yet others that have been implemented with alternative solutions but for similar purposes. So the government have been prepared to grasp the difficult issues that have been raised by this whole subject matter. We have tried very hard to improve the system because we do believe, as Labor and I think all parties assured us tonight, that this is something which we should all support: having a system where both parents take responsibility for their own actions. I well recall the criticism I got as the then Minister for Social Security when I said that even parents who were on income support should make at least some token commitment to their children by way of a $5 contribution. When they were paying something like $7 for a packet of cigarettes, I did not think it was unreasonable for them to demonstrate that they were prepared to make
some small contribution towards the cost of rearing their children.

That was by way of introduction. Senator Ludwig was essentially asking, at the end of his contribution, about evaluation. I do not know that you used that exact word but I took it that you were concerned to know how the changes that are proposed in this amending legislation would be monitored or how the Senate would know how they went. The customary practice in my department, including in the Child Support Agency, is that evaluations of new programs are routinely made within the first 12 to 18 months of a new program. Sometimes you do need a full 12 months before you can start to get a picture of the change, but within 12 to 18 months evaluations are made and any report of that kind then becomes a public document. The Child Support Agency also keeps statistics on the number of applications received, the number of decisions overturned internally and the number of appeals to outside bodies for further examination. It is important to understand that both parties are routinely and always informed of their right to appeal. Where the other parent is involved in a decision, that parent is informed of their right to appeal as well as the parent who has simply got a decision that only involves themselves. It is important that those basics be understood for the committee stage tomorrow.

There are just two or three matters that I want to put on record tonight without going on for any length, because the committee stage will give me an opportunity to cover these issues in more depth tomorrow. There has been some comment tonight about the linkage in terms of contact. The Child Support Scheme already reduces child support if a parent has contact above 30 per cent, so the linkage of contact and money is already there. This is not a new concept that is being introduced into this legislation today; it simply extends the existing provisions to recognise that nonresident parents having contact of less than 30 per cent do have costs. In that context it is quite interesting that the Price committee did not make a recommendation with regard to lower levels of contact, but it did note that it was unclear how the child support formula percentages specifically accounted for the costs of contact of less than 30 per cent of the nights of the year. The committee expressed concern that the existing 30 per cent threshold, which has been there since I think the beginning, may be creating a cliff effect in some cases and that this effect could be ameliorated by progressively increasing the allowance for contact over a range. This is not something which has suddenly sprung out of the collective brains of the government and the department; this is something which was being canvassed by the people who made submissions to the Price committee back in 1994. There has always been a connection in the legislation between contact and payment.

A few people have talked about research on the costs of contact. The research on the costs of contact was not intended to quantify the costs; it was research to find out the types of expenses which parents incurred. They could include, for example, an extra bedroom, equipment or toys at the nonresident parent’s home. Where those costs were incurred, they were quite substantial of course. The average reduction proposed of $5 a week does not meet many costs, but it does recognise that there are some. There is the other point that, just as with an intact family, the amount that is available to spend on the children will vary according to income.

There is also the issue of the reduction in the cap. It is important to put on the record that the Price committee recommended—recommendation 121—that the cap be lowered to twice average weekly earnings. That is exactly what is being done in this legislation. It was a bipartisan recommendation of the Price committee that the cap be lowered to twice average weekly earnings. That was Labor and coalition members of that committee responding to the unprecedented number of submissions to that committee. My recollection is that the committee used just about all of its resources to pay the telephone bill for the free calls that people could make. I think at one stage the parliament switchboard had problems
switchboard had problems because it was inundated with people trying to make oral submissions to, or contact with, the committee.

In a very real sense there has been a great research effort by the Price committee go into these reforms. The Law Society, family court lawyers and all can make submissions, but that committee received—and I was not a member of that committee—the submissions of many hundreds of Australians who had experienced the Child Support Scheme first-hand. An important recommendation of the Price committee was that the cap be lowered to twice average weekly earnings and that is what this legislation is doing. I remind senators that, where the child has special needs, such as higher medical, dental or schooling costs, the cap can be exceeded where it is just and equitable for both parents and for the child.

It was important to get those points on the record to make sure that senators enter the debate at the committee stage with a full understanding of the history. I think it has perhaps been overlooked that we have been working carefully and methodically through those 160-odd recommendations of the Price committee. It was a momentous time when that committee was having hearings and it was a momentous time when the report came down. It had not been dealt with. I am sorry things had not been done before we came to government, but we have tried to do the things that were necessary.

Before I conclude, I refer to Democrat amendment No. 5 to schedule 3, which is the measure relating to overtime and second jobs. I alert the Democrats that the advice I have received today is that their amendment appears to be technically flawed. It removes the coverage of the measure for stepchildren of a liable parent and therefore extra income earned for the benefit of a payer’s stepchild will not lead to a reduction in the child support liability through lowering the payer’s income. It really does seem inconsistent to make the changes the Democrats are proposing in relation to one parent and not the other. The question that the Democrats must sleep on overnight is: are stepchildren of both parents, not just the one that is covered apparently by the amendment, to attract the measure or not? I urge them to sleep on that and see if they can provide me with an answer tomorrow.

Question resolved in the affirmative.

Bill read a second time.

Senator NEWMAN (Tasmania—Minister for Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (9.22 p.m.)—I seek leave to make a short statement so I do not mislead the chamber.

Senator Ludwig—Is it in relation to the child support legislation?

Senator NEWMAN—Yes.

Leave granted.

Senator NEWMAN—I am advised that the former government addressed 53 to 54 recommendations, but all were administrative measures that were in the realm of Child Support Agency processes, procedures, information, staff training, et cetera.

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

GENE TECHNOLOGY BILL 2000
GENE TECHNOLOGY (CONSEQUENTIAL AMENDMENTS) BILL 2000
GENE TECHNOLOGY (LICENCE CHARGES) BILL 2000

Second Reading

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

That these bills be now read a second time.

Senator FORSHAW (New South Wales) (9.22 p.m.)—The Gene Technology Bill 2000, the Gene Technology (Consequential Amendments) Bill 2000 and the Gene Tech-
nology (Licence Charges) Bill 2000 are important, long awaited and, indeed, welcome legislation. In fact, one of the witnesses to the recent Senate inquiry, Professor Adrian Gibbs, a virologist with the CSIRO, suggested that this legislation is some of the most important legislation ever to be introduced into this parliament. I am sure that all ministers would like to make that claim about their legislation, but it is widely recognised across this parliament and throughout the community that these bills, the first of their kind to regulate gene technology, are extremely important. I note, however, that they have been introduced somewhat earlier than we had anticipated in that they were on the program for tomorrow night. They are, nevertheless, not before time. I will come back shortly to some issues of the progress of this legislation through the parliament.

The gene technology revolution brings with it not only responsibilities to protect human health and our unique environment but ethical and legal responsibilities that must both take into account the here and now and look forward to how our society may be affected in the generations to come. The Gene Technology Bill 2000 is the first piece of substantial legislation that has been developed specifically to deal with this new technology. It is for these reasons that we must get this legislation right from the outset, and it is for these reasons that Labor rejects some of the assertions made in the Senate, particularly by Senator Knowles, in the debate on the recent report of the Senate Community Affairs References Committee inquiry into this bill. I want to compliment Senator Crowley, who chaired that committee, and other members of the committee on an excellent report. I had the opportunity to participate in the inquiry and I found it fascinating to hear the evidence from the witnesses to the committee—both those who were strongly in support of gene technology and the claimed benefits in agriculture, health and food technology and those who either were strongly opposed or took a very cautious approach to this new and emerging technology.

During the discussion in the chamber when the report was tabled, Senator Knowles accused the Labor opposition of instigating that inquiry simply to delay the implementation of this legislation. That was certainly not our intention and I do not believe that any concerned member of the Australian public would see it that way. It was also raised that the Labor Party moved to have the legislation go to a references committee rather than a legislation committee. We did that for a number of important reasons. The most important was that, even after the public consultation on the draft bill issued by the government, there were many concerns about the provisions in the draft bill raised both by the community generally and by many of the major stakeholders. We believed that it was important that the community, industry, science organisations and environmental organisations be given an opportunity to speak to the parliamentary committee to air their concerns. So it was not appropriate for this legislation to be dealt with in the normal way in which much legislation is dealt with—before a legislation committee with a short, maybe one-day, hearing.

We believe that, in order for this technology to gain acceptance in Australia, public concern must be taken into account. It must be considered seriously and it must be responded to appropriately. It is also interesting to note that, even following the intensive public consultation undertaken by the Interim Office of the Gene Technology Regulator on this bill, there were still over 130 submissions to the Senate references committee. Having been through all those submissions, I can assure this chamber—as any senator will realise when they read the report or even just the executive summary and the list of recommendations—that there was not that much support for the bill from the community and the witnesses when it was considered by the committee.

Another of Senator Knowles’s criticisms during the debate in the chamber last week was:
Labor members of the committee have fallen into the trap of recommending changes to the legislation that clearly add no value whatsoever. I would not attempt to interpret what may or may not be valuable to Senator Knowles—or, indeed, to the Howard government—but I would like to point out to the chamber some of the main recommendations that we make with respect to how this bill can be improved. We believe they reflect the concerns of the community as well as the interests of major stakeholders, and they are the issues that are of value to the Australian public. The report of the Senate committee on the Gene Technology Bill recommends establishing the Office of the Gene Technology Regulator as a statutory authority of three persons rather than as a statutory office holder of one person. I am pleased to say that the Labor Party will be moving an amendment in a later stage of the consideration of this legislation in order to accomplish this important recommendation.

I have already spoken about the importance of this legislation not only to the current generation of Australians but also to future generations. The serious nature of the decisions that the Office of the Gene Technology Regulator will have to make—decisions that in some cases will have major health, safety and environmental ramifications—places a huge responsibility on this office. We believe it is appropriate, therefore, for the office to be structured in the way that we have proposed—with three persons rather than a single statutory office holder. In coming to any final decisions, the Office of the Gene Technology Regulator will in many cases have to consider conflicting reports and evidence based on scientific conclusions that are changing rapidly. Such decisions must be independent not only from government and political interests but from industry and consumer group pressures. Is the independence of the OGTR of value? We say that it is of extreme and important value. The independence of that office is probably the most important factor in establishing a regulatory system that will inspire confidence amongst the Australian public. Public confidence in the regulation of gene technology is the single most important factor in the acceptance and use of this technology.

According to Senator Knowles, the crucial recommendation which was put forward by the committee and which we support could not be implemented because it will cost, on her calculations, an extra $500,000 per year. I cannot argue with the figure, but I have to challenge the assertion that, for the cost of a mere half a million dollars, such a proposition should be simply ruled out. Is half a million dollars a year too much to pay for independence, confidence and certainty in the gene technology industry? As I said, it is an industry that we all recognise will have a huge impact forever. If the OGTR were given half the amount of money that the government spent on the one-off GST advertising campaign, we could run a three-person board for over 100 years. To us that sounds like extremely good value in terms of public confidence and good public policy.

In addition to the independence of the office, one of the major concerns raised in the inquiry’s public hearings was the need for reassurance that the object of the legislation—namely, the protection of human health and safety and the environment—will be met. We wholeheartedly support the object of the legislation before us, as outlined in the bill. But what Labor and many organisations and members of the Australian public want to see is some key direction given to the regulator about how to apply a precaution when considering licence applications. We believe that such direction can be given to the Office of the Gene Technology Regulator by adding the following words to the regulatory framework in order to achieve the object set out in the act. The words that we propose to add are:

... provide that where there are threats of serious or irreversible harm to human health or environmental damage, a lack of full scientific certainty should not be used as a reason for postponing measures to prevent harm to human health or environmental degradation.

These words are similar to the directions that are already included in the Environment
Protection and Biodiversity Conservation Act 1999, an act recently passed by this parliament and endorsed by the Howard government. I put the question to the government: if these words and these directions are seen to be of value in the Environment Protection and Biodiversity Conservation Act, why are they not also of value in the Gene Technology Bill? As my colleague in the other place Mr Griffin has said, our proposed amendments to this bill are designed to strengthen the powers of the regulator to make it more independent and to add a greater community focus.

I want to quickly turn to and discuss four issues that deal with community focus in particular. Firstly, the bill as it stands allows for applicants only to appeal on merit decisions of the Office of the Gene Technology Regulator to the Administrative Appeals Tribunal. We support the findings of the Senate inquiry, but not allowing third parties the right of appeal to the AAT on merit is both discriminatory and against the principles of natural justice. It is also our position that the right of third parties to appeal to the AAT should not unnecessarily extend the regulation process and should not be used as a means of stalling the approval of GMO dealings by using the right of appeal vexatiously. We will therefore be moving, firstly, an amendment that gives standing to relevant organisations or interest groups which have been operational for two years or more to appeal the OGTR’s decisions to the AAT and, secondly, an amendment that allows the AAT to award costs against such groups or organisations if their appeal is considered to be vexatious.

Labor believe that, at the very least, this amendment will mean that both applicants and the Office of the Gene Technology Regulator will make every effort to ensure that the information provided and the assessment of this information meet standards that are beyond reproach. Secondly, since the establishment of the interim Office of the Gene Technology Regulator, the government has insisted that the processes relating to the regulation of dealings with GMOs must be transparent. This sentiment certainly has our support. It is vital to maintaining community confidence in the regulator and the technology.

It is unfortunate, however, as the Senate inquiry has found, that this sentiment was ignored by the interim office in its handling of two particular incidents involving breaches of the conditions applied to two GMO field trials. The details of those issues are well known to many members of the Senate and are of course covered in the Senate report and were covered in the media. As a result of this, we believe that the requirement for full transparency in relation to field trial locations must be explicitly stated in the bill. Currently, it is up to the regulator to decide whether information that may be considered by applicants to be commercial-in-confidence should be made public. If that information includes field trial locations, we believe it must be made public for very good reasons. We will therefore be moving to amend the legislation to enable the full disclosure of information relating to the location of trials.

We will also call for the introduction of stiff penalties for people who choose to use this information for unlawful purposes—particularly if it involves the intentional damage of field trial sites. We are of the firm view that access to information—a public right in these circumstances—also carries with it a serious responsibility for those persons to use such information lawfully. In order to ensure that the GMO regulation process involves and includes community views and concerns in a practical rather than purely consultative manner, we will also move to amend the bill to allow for greater lay representation on the Gene Technology Technical Advisory Committee and to give the Gene Technology Community Consultative Committee the power to review and comment on individual licence applications. Neither proposal will add any extra time to the process, but both will ensure that, in addition to the Office of the Gene Technology Regulator making decisions based on the technical committee report, it will have to take into consideration
consideration the wider views of the community as reflected by the community consultative committee.

As Senator Crowley pointed out, the Office of the Gene Technology Regulator has a responsibility to ensure that the general public is provided with balanced information upon which to base informed decisions and choices about this technology. Submission after submission to the Senate inquiry complained about the lack of useful and unbiased information being available to the public, and it is this lack of information that at times drives the inaccurate and misinformed views seen in the media and on the Internet. In addition to the major amendments that I have referred to already, Labor will be putting forward a package of amendments that deals with issues such as liability and insurance, minimum standards for policing licensed dealings, how often the Office of the Gene Technology Regulator will be required to report to parliament, and the proposed date for review of the operation of the legislation.

In conclusion, I would like to address two other issues. The first is in relation to states’ rights to accept or reject certain GMO dealings licensed by the Office of the Gene Technology Regulator on a marketing and environmental basis and to set GM-free zones where a zone could be a state. This issue has caused much consternation in Tasmania but I am pleased to see that, following negotiations between that government and the Commonwealth, the situation has been addressed to the satisfaction of both parties. It has always been the view of the ALP that the concerns raised by the Tasmanian government could be resolved by minor amendment to the current legislation. For this reason, federal Labor took an active and ultimately successful role—indeed, we took the initiative—in bringing both parties to the negotiating table. Subject to analysing the detail of the Tasmanian-Commonwealth agreement, we support the principles behind this decision and look forward to supporting the required amendments.

Finally, I will address another of Senator Knowles’ criticisms of the ALP and the Senate inquiry process. The senator stated:… the ALP is fully aware of the brain drain crisis facing this country, and yet blithely recommends changes to this legislation which can only exacerbate the problem.

It may interest Senator Knowles to learn—I am sure that other senators gathered in the chamber know this already—that the biggest barrier that industry, research institutions and scientists see to gene technology’s flourishing in this country is not the amendments that we are proposing but the government’s policy of 100 per cent cost recovery. It has been made clear time and time again that 100 per cent cost recovery will result in the multinationals taking their business elsewhere, particularly in the initial set-up period.

I understand that discussions are continuing between the opposition and the government about our amendments, and we look forward to reaching agreement on those proposals. I seek leave to incorporate the remainder of my speech in Hansard.

Leave granted.

The speech read as follows—

Of even greater concern is the damage this type of ideologically driven cost recovery will have on our scientists, our PhD researchers who work in the discovery research field and whose work provides the basis for many of the major breakthroughs that have put Australia in the forefront of biotechnology.

Labor opposes 100% cost recovery, not only because of the perception that this policy erodes the independence of a regulator but because it puts up a major barrier to Australian innovation.

Labor will move an amendment to defer any cost recovery until such time as the Productivity Commission Report into cost recovery arrangements of Government regulatory, administrative and information agencies makes its findings public in August 2001.

Once that report is available, we will consider its findings carefully and will only support a cost structure that does not put the integrity of the Regulator or Australia’s biotechnology industry at risk.
And, if the Howard Government is serious about Australia’s future as a leader in biotechnology it will support our amendments.

Why? Because they will provide Australians with the confidence in the OGTR that they require to accept and use this technology and they provide the certainty and support that our researchers and multinational investors expect of a country that wants to be a world leader in new technology.

There is no doubt, in addressing comprehensively many of the concerns raised by all stakeholders during the Senate Inquiry and the consultation process preceding this Inquiry, Labor’s amendments to the Gene Technology Bill provide very good value.

I understand that the Government, that is the Minister’s office, is aware of our proposed amendments but we are yet to hear a response. I hope that they will consider them constructively and that we can arrive at an agreed position on improvements to this legislation.

Indeed we look forward to working constructively with all parties in this Senate to amend and then implement this legislation as soon as possible.

**Senator SHERRY (Tasmania) (9.42 p.m.)—** The application of gene technology, whether it be to the animal, human or plant kingdoms—of course they are all related—will have the most profound impact of almost any change or challenge that the human race will face on this planet. The economic and social consequences and the ethical considerations are massive. As politicians and legislators, I believe we will consider major legislative issues relating to genetic technology for a long time to come.

Gene technology issues have such massive implications that I believe it is important to exercise what is known as the ‘precautionary principle’ when considering them. The precautionary principle is of course based on the concept of taking anticipatory action to prevent possible harm in circumstances where there is a level of scientific uncertainty—and that certainly exists in this area.

The object of the Gene Technology Bill 2000 and cognate bills is to protect people’s health and safety and the environment by identifying the risks posed by, or as a result of, gene technology and by managing those risks through regulating certain dealings with genetically modified organisms, which are commonly known as GMOs. We will hear a great deal more about GMOs over the next 10 or 20 years. The Gene Technology Bill has been extensively canvassed by the Senate Community Affairs References Committee inquiry. I urge all senators, and certainly all members of parliament and the public, to read its very comprehensive report—which I think is an example of the Senate committee system operating at its best.

Labor’s objective has been to ensure that the new regulatory regime, as set out in the bill we are considering, gives a prime focus to public health and safety and environmental protection. A key requirement is that new arrangements command public confidence and can be strongly scientifically based. There is a range of emerging applications of genetically modified organisms, and it is important that Australia is actively engaged in both the basic science and the application of the technology. However, around the world there is considerable justified consumer concern about the long-term implications of GMOs, particularly when applied to food products or in situations that could lead to cross-fertilisation, with unforeseen environmental consequences flowing through to animals and, obviously, human beings.

Labor has supported the need to establish an effective regulatory regime as a matter of priority because there has been: firstly, serious concern over the current regulation of GMOs—or lack of regulation in many state jurisdictions—and that has been shown by proven breaches such as the widely reported Mount Gambier incident; and, secondly, broad support for the potential benefits to Australia of gene technology as part of our commitment to a knowledge nation. Labor has been advocating a strengthening of the proposed regulatory framework, which should include: a more independent regulator; a more transparent, open and accountable process for approvals; greater community consultation, education, understanding and involvement; a more rigorous system, ensuring greater health and environmental safeguards; the capacity for increased origi-
nal research in Australia by not setting additional financial barriers; greater certainty for industry; and a more affordable system.

This is not the debate in which to make a considerable contribution in terms of ethical issues relating to GMOs, but I do have to say very strongly that my personal position is that this is an area that I would prefer the world not to go into. However, there are certain realities that we face and certain responsibilities we have to act on.

Labor’s consideration of the issues and public debate and its contribution have been led by our parliamentary secretary, Mr Griffin, in the other place—and I might say that he has made a very effective contribution in the debate to date. He has publicly highlighted problems with the current system and pointed out some of the failures of the government with the Interim Office of the Gene Technology Regulator and of the multinational companies, such as Monsanto and Aventis. Extensive consultation has occurred with major stakeholders including the states, farmers, researchers, industry, environmental and consumer groups, who all had concerns with the draft bill.

It is important to clarify what will not be dealt with under this new regulatory system. Exemptions include dealing with GMOs that are already exempt under the genetic manipulation guidelines for small-scale genetic manipulation work. These include the use of gene technology to create what are known as ‘knockout mice’—mice which have been bred without certain genes to enable them to develop particular genetic diseases. These are used in the research of genetic disease and various systems for introducing genes into various organisms. These exemptions apply to a very limited range of dealings and are based on the experience of assessing applications in Australia over the past 25 years. Mr Acting Deputy President, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Electoral Matters Committee
Membership
Message received from the House of Representatives acquainting the Senate of a change in the membership of the Joint Standing Committee on Electoral Matters.

ADJOURNMENT
The ACTING DEPUTY PRESIDENT (Senator Watson)—Order! It being 9.50 p.m., I propose the question:
That the Senate do now adjourn.

Department of Foreign Affairs and Trade: East Timor Documents
Senator HUTCHINS (New South Wales) (9.50 p.m.)—Over the past two years, the issue of East Timor has dominated the foreign policy considerations of this parliament. Tonight I would like to address one aspect of this exceedingly complex issue, that being the recent release of diplomatic documents by the Department of Foreign Affairs and Trade under the title of ‘Australia and the Incorporation of Portuguese Timor: 1974-1976’. These documents were released several weeks ago and six years ahead of schedule, after the government sought agreement from the major parties for them to be exempted from the 30-year privacy rule.

Whilst the Labor Party agreed to the government’s request in the interest of open and transparent democracy, the motivations of the government have been found to be less than noble. This conclusion can be confidently drawn for several reasons. Firstly, the documents released focus predominantly on the period in which Gough Whitlam was in office. Few documents have been released that relate to the events after 11 November 1975, probably because it was after this date that Malcolm Fraser and his cabinet, including John Howard, assumed responsibility for the government’s management of the issue. Secondly, when the government decided to release these documents, it failed to allow the release of material relating to three meetings that occurred between Mr Whitlam and Indonesian President
Suharto in February 1973, September 1974 and April 1975. Release of these records would have put an absolute end to the speculation as to whether Whitlam advised President Suharto of Australia’s opposition to the annexation of East Timor by the use of military force.

Of course, such disclosure would not conform to the current government’s attempt to lay the blame for the deaths of visiting Australians and residents of East Timor at the feet of the Labor Party, and Gough Whitlam in particular. As a result, we are forced to examine lesser diplomatic documents and the recollections of Australia’s former Ambassador to Jakarta, Richard Woolcott, and others to acquire an accurate understanding of events and representations. Even still, any balanced examination of such evidence only leads to the conclusion that Mr Whitlam and the Australian government acted appropriately and pragmatically on behalf of the Australian public.

The Howard government’s attempt to bask in the glow of East Timor whilst blaming Labor for past atrocities also ignores the political and diplomatic context of the mid-1970s that shaped the approach of the Whitlam government to East Timor and Indonesia. At the time, Australia was just beginning to recover from the physical and psychological scars of its involvement in Vietnam. The nation was still conscious of the moratoriums and the conscription ballots that had polarised the country for the past decade. And for any government to have sabre rattled over committing troops to a communist insurgency in South-East Asia would have threatened not only their own political tenure but also the stability of the nation. Within the Asian region at the time, many nations also considered it inevitable that Indonesia would annex East Timor. They were not alone in arriving at this assumption, with the United States also sharing this view. Australia stood apart, however, on one important front against Indonesia. Of all the South-East Asian countries, it alone warned Indonesia against a forced annexation of East Timor.

This is evidenced in a letter from Mr Woolcott to Mr Whitlam in April 1975 which said: We alone of the countries of South-East Asia had taken a strong position.

It is also now clear that the Indonesians were fully appraised of the government’s opposition to the use of force by Indonesia. In a letter sent from Whitlam to Suharto via Woolcott in February 1975, Mr Whitlam stated:

I am sure you will understand that no Australian government could allow it to be thought, whether beforehand or afterwards, that it supported such action.

Foreign Minister Willsee also was explicit on this matter. In October 1975 he stated:

The government has viewed with concern reports that Indonesia is involved in military intervention of Portuguese Timor.

Were there substance in these reports, the Australian government would be extremely disappointed and we have so informed the Indonesian authorities. The Australian government has urged that Indonesia pursue her interests through diplomatic means. We have told the Indonesians that we remain opposed to the use of armed force.

Not even the United States were prepared to lobby Indonesia against the use of force. When the United States President, Gerald Ford, and Secretary of State, Henry Kissinger, left Jakarta the day before the invasion, they were fully aware of the impending invasion. Unlike Australia, however, they were not prepared to voice any disapproval.

It is within this context that Mr Whitlam, Mr Woolcott and the Labor government should be judged. As such, they should be applauded for showing leadership in the Asian region and advocating a means of resolution that avoided the use of military force. Moreover, they should be applauded for upholding the principles of democracy and declining the invitation from the President of Portugal for Australia to colonise East Timor after the Portuguese left the territory in September 1975. Their actions should also be assessed within the context of the Cold War and the paradigm of foreign policy that emerged during this period and
conditioned international relations across the region. Such recognition gives light to the fact that at no time between the fall of Saigon in April 1975 and the fall of the Soviet Union in 1991 would any government in Indonesia, the United States, the other ASEAN nations or Australia have accepted the seizure of power by a Fretilin led regime. Therefore, it is completely inappropriate for Mr Whitlam and his government to be criticised by the Howard government, particularly when the Liberal Party’s historic record on East Timor is so deplorable. The Liberal’s unfortunate record in East Timor dates back to September 1975, when shadow foreign affairs minister, Andrew Peacock, met with several officials from the Indonesian Department of Foreign Affairs. It was subsequently reported in the *National Times* on 2 May 1979 that Mr Peacock advised them:

His party would not protest against Indonesia if Indonesia was forced to do something about Portuguese Timor, for example to ‘go in’ to restore peace to them.

Even more striking, though, was the revelation made in the *Sydney Morning Herald* on 15 October 1976. When responding to why the Australian government had not recognised Indonesia’s claim over East Timor, a senior government official said it had not been announced because the Liberal Party ‘couldn’t get away with it’.

The release of ‘Australia and the Incorporation of Portuguese Timor: 1974-1976’ has shed further light on one of the most important periods of Australia’s foreign policy history. In doing so, they have further justified the Whitlam government’s approach to East Timor and proved its decisions to be considered and balanced. It is regrettable that, despite the evidence, the government has attempted to use the occasion to damage the legacy of Whitlam and the modern Labor Party. However, in doing so, the government has also done itself a disservice, for it has reminded the Australian public of the fundamental principle that dictates Liberal Party foreign policy: domestic populism.

**Petrol Prices**

**Senator O’BRIEN (Tasmania) (9.58 p.m.)**—It is not often that a politically sensitive issue attracts strong bipartisan support. Positions on such issues usually follow party lines, with members of the government of the day toeing the government line and opposition members and senators on the attack in an attempt to hold the government accountable for its action or inaction on a particular matter. Every now and then, however, an issue comes along that does not fit the mould, and I think petrol prices just fits that description. On one side of the debate are the opposition, state governments, the Queensland National Party, the Speaker of the House of Representatives and a growing number of coalition politicians. Coalition members who have broken ranks include the members for McEwen, Herbert, Riverina, Dunkley, Makin and Hume—all of whom have called for petrol tax relief in their electorates. On the other side of the debate is the Howard ministry. The intensity of the public debate about petrol prices is being driven by two factors: firstly, the failure of the government to honour the unqualified commitment from the Prime Minister and the Treasurer that petrol prices would not increase as a result of the GST; and, secondly, the rapid escalation in fuel prices, in part as a result of world oil prices.

This issue is nearly as intense on talkback radio as the Reith telecard affair was, and that is saying something. Just as the vast majority of callers to talkback radio consider that Mr Reith had done the wrong thing and should pay all the money back, they also consider that the government has played a part in the current excessively high price of petrol. And I think they are right on both of those counts.

Government ministers have toed the government line on fuel prices—I suspect because they have no choice. Members of the frontbench, as I understand it, either stick to the government position or resign. And even though a break in government backbench ranks is not the norm, it is usually limited to a few of the usual suspects like the member
for Kennedy and the member for Page, but not on petrol prices. It is a measure of the political sensitivity of this issue that the coalition backbench, led by the Speaker of the House of Representatives no less, has all but abandoned its frontbench masters.

It is clear that the Prime Minister and the Treasurer have been highly embarrassed by the position taken by the Speaker, the member for Wakefield, Mr Neil Andrew. Mr Andrew did not make what might be called an off-the-cuff comment to the media or even pop out a local media release on the subject. He prepared, had printed and distributed a brochure, and that brochure said, in part:

At current price levels, the reduction in excise has not been enough to offset the effect of the GST.

So the considered view of the Speaker is in sharp contrast to the commitment from the Treasurer prior to the introduction of the new taxation system. Mr Costello told us that the new tax system would not lead to any increase in petrol prices. If the Speaker of the Australian parliament does not believe the Treasurer, then why should anyone else?

The member for McEwen, Mrs Fran Bailey, has been just as forthright. Mrs Bailey said that soaring petrol prices were really hurting people on low fixed incomes in her electorate. They are not the only ones, however; high fuel prices are hurting everyone.

The member for McEwen told the ABC AM radio program on 31 October:

What I think people are looking for is a sign that we as a government understand the plight of the sort of people I represent.

Mrs Bailey also put a spotlight on what everyone, not just the government— or should I say not just the government backbench—is fearing: that the impact on fuel prices of the next increase in fuel excise to apply from 1 February 2001 might be even more devastating. The member for McEwen said in the same interview:

I think there are more and more people beginning to be concerned about what lies ahead in February.

This could be better put by saying that very few people are not concerned about what the next Howard government fuel excise increase will mean to their standard of living.

The political sensitivity of soaring fuel prices was also highlighted last week by an aggressive campaign by a number of state Premiers. They all wanted the issue put on the agenda for last Friday’s meeting of COAG. The campaign was almost matched by the aggressive campaign on the part of the Prime Minister to keep fuel prices off the COAG agenda. The Premiers clearly won the battle to have the issue discussed, but Mr Howard managed somehow to fend them off in the end. I suspect, however, that is a victory that will be short lived.

Perhaps the silliest statement on this issue to date has come from the Leader of the National Party and the Deputy Prime Minister, Mr Anderson. Last Friday, on ABC radio, Mr Anderson launched a full assault on the state Premiers. He said that salinity was the big issue on the COAG agenda, not fuel prices. He said:

It really disgusts me that there has been an opportunistic attempt to hijack an agenda for political purposes when we have something of great substance, important as fuel is, to confront on behalf of this nation now and in the future.

Mr Anderson’s comment embarrassed his ministerial colleagues and, I think, angered the National Party backbench. To say that petrol prices, which are well over $1 a litre— and I know in parts of my electorate of Tasmania diesel exceeds $1.20 a litre—is not an important political, economic and social issue confronting this nation is nothing short of ridiculous. As I said, this point was reluctantly acknowledged by Mr Howard when he caved in to pressure from all the state Premiers to debate the issue. I think almost all of the state Premiers can walk and chew gum at the same time. They are about giving serious consideration to plans to address not only what I fear is the rapidly spreading problem of dryland salinity but also the serious problem of fuel prices, which are out of control and predicted to get worse.
The Deputy Prime Minister then went on ABC radio again this morning to rule out any relief from high fuel prices. He said:

We believe that we do have to keep very tight control on the economic levers at the moment. So the best description of how this issue is being managed by the Howard government is not that they have a tight grip on the levers of the economy but that the economic managers are frozen to the spot. All that is being asked of Mr Howard and Mr Costello is to do one of two things: either honour Mr Howard's promise to drop the excise on fuel by the equivalent amount that the GST forced it up, and that is a promise which I think Mr Costello ought to consider honouring as well in support of Mr Howard; or, alternatively, the government can take the indexation spike out of the February excise adjustment. That is a measure which will at least give some future relief from another increase in petrol prices—an increase which, as I indicated earlier, is greatly feared by Australians.

It might be said that world oil prices are affecting the price of fuel and it might be said that the exchange rate is affecting the price of our fuel. Be that as it may, the fact of the matter is that the impact of fuel prices is being felt in this economy. The Australian government apparently cannot do anything about the dollar status and cannot do anything about world oil prices. What it can do is take the indexation spike out of the fuel price, as predicted will occur next February. But I fear that, as our Prime Minister is far from a man of action, neither I nor the Australian public should hold our breath on that one.

Climate Change

Senator BARTLETT (Queensland) (10.08 p.m.)—As a senator for Queensland and the Australian Democrats' environment spokesperson, I wish to explore with the Senate the grave concerns I hold about the potential impact of climate change on the residents of Queensland and Australia—indeed, the planet as a whole. I have equally grave concerns that the federal government is doing little to seriously address this threat or prevent Australia from going further down the wrong road. We are still seeing little in the way of positive actions to reduce emissions and to encourage renewable energy and even less to discourage the expansion of activities which will increase our emissions. Statements today by the foreign affairs minister, Mr Downer, that job security is more important than simply signing the Kyoto protocol send a clear signal that Australia is not taking this issue seriously, despite the mounting scientific evidence.

It is a fact that energy emissions are responsible for a large proportion of the continuing rise in global emissions and in Australia's emissions since 1990—another example that we are still doing little to discourage the expansion of activities which will increase our emissions. One project which has often been pointed to in the context of greenhouse emissions is the Stuart shale oil project in Gladstone in my home state of Queensland. Whilst I am sure the developers are keen to try to restrict their emissions, the fact remains that it is a significant expansion of a fossil fuel which is a high emitter of greenhouse gases. There are concerns about the project apart from the greenhouse ramifications. This Australian committee of the International Union for the Conservation of Nature—a highly respected environmental organisation—produced a report last year on the Great Barrier Reef world heritage area and its condition and management and threats to the area. The shale oil project is noted in that report as being 'immediately adjacent to an ecologically sensitive area with major mangrove and seagrass communities, most of which is in a state marine park within the Great Barrier Reef world heritage area'. The shale oil deposit extends into the Great Barrier Reef world heritage area. Potential impacts listed by the IUCN report include increased sediment pollution of seagrass due to the land clearing required, disturbance of acid sulphate soils, disturbance of clay material in the marine environment, off-site pollution from the plant site and future potential increases in tanker traffic with
the corresponding increased risk of an accident.

Given the huge community concern that occurred just recently about threats to the barrier reef following a tanker laden with fuel and chemicals running aground on the reef further to the north, it is no surprise that many people in Queensland and in the Australian community are concerned about the Stuart project. The barrier reef is the jewel in the crown of world heritage sites. It is amongst the best, if not the best, and most valuable on the planet, and we must do everything to maximise its protection not just for its environmental values but for the economic underpinning it provides to so much of the Queensland economy and its employment. It should be noted that it is an offence under the Great Barrier Reef Marine Park Act at the moment to operate for the recovery of minerals, including exploration and prospecting, in the marine park other than for approved research relating to the management of the park.

Returning to the greenhouse issue, it links again to the barrier reef, which may show the first sign of major damage as a result of climate change. Coral bleaching is recognised as an ever increasing threat to the vitality and the viability of reefs around the world, including our own barrier reef, and even small increases in temperature are likely to lead to major damage. It may well be that this damage to the reef will be the first concrete sign we have that climate change is starting to act and starting to cause the damage that so many people fear. Australia is already going the wrong way in terms of emissions. What we do now and what we neglect to do will have a huge impact on the world, on the environment and on the economy which the next generation will inherit. In such a climate, we should be doing all we can to hold the line, and we must not let ourselves fall even further behind.

Breast Cancer

Senator LUNDY (Australian Capital Territory) (10.12 p.m.)—October was Breast Cancer Awareness Month. One in 11 Australian women will suffer from breast cancer at some time before the age of 75 years and more than 10,000 new cases are diagnosed every year. The total health system cost for breast cancer was estimated to be $184 million in 1993-94—the latest figure given in Australia's Health 2000. This time last year I spoke here about the need to support breast cancer research and about the importance of the national screening program. I wish that we could announce this year that there has been a major breakthrough in finding the causes of breast cancer or in identifying sure-fire preventative measures or in discovering a cure. But we cannot—yet.

But there has been progress. Mortality rates, according to the latest available data, have shown a small but steady decline since 1993. This decline in mortality is largely due to the early detection of small cancers. Early detection gives the women affected the best chance of a good prognosis and of requiring less extensive surgery. The national breast cancer screening program, initiated by the Labor government in 1990, is largely responsible for the decrease in breast cancer deaths. Participation rates in this program have increased steadily and the program has reached out to rural and isolated areas. The program aims for at least 70 per cent participation in screening for its target group—women aged 50 to 69 years. Although the participation rate for Australia as a whole was only 54.3 per cent in 1997-98, the ACT has a significantly higher participation rate, which reached 69.2 per cent by the end of August this year.

Cancer control is one of our national health priority areas. Breast cancer remains by far the most common type of cancer suffered by Australian women and is the major cause of cancer death of Australian women. Prostate cancer is the most common type of cancer suffered by Australian men. While the incidence and number of deaths from breast cancer and from prostate cancer are generally similar, the ‘potential years of life lost’ figures for breast cancer, given its particular seriousness, are 30,765 potential years of life lost compared with 6,425 for prostate cancer. Internationally, Australia, with the United
States, ranks above average for incidence of breast cancer.

We have at last recognised the magnitude of the problem of breast cancer. Progress this year has included recognition of the psychological and social needs of women with breast cancer and the development of clinical practice guidelines which aim to improve the information, support and counselling to women affected. The ongoing needs of cancer survivors for support and counselling to combat anxiety and depression have only recently been recognised. This was the theme of a Four Comers program early in October. Mutual support and self-help groups such as ‘Bosom Buddies’ and in the ACT ‘Dragons Abreast’ deserve our admiration for their work in raising awareness and promoting the ongoing research that is so essential.

Another development this year has been a national initiative to provide less fragmented health care delivery to women with breast cancer. This will benefit particularly women in isolated areas, but all patients should benefit from the new focus on integrating services. Every cancer patient has different needs. Multidisciplinary care and a coordinated approach should bring real benefits to breast cancer sufferers.

The cause of breast cancer is still unknown. Research into the causes, incidence and treatment of breast cancer remains of vital importance. Increasingly, information technology developments are vital in the coordination and dissemination of research findings worldwide. A 1997 report on breast cancer research in Australia recommended the establishment of a system for providing information about ongoing research and that the information be publicly available. The National Health and Medical Research Council’s National Breast Cancer Centre web site lists no less than 23 research bodies and institutions involved in breast cancer research in Australia.

The National Breast Cancer Foundation—formerly the Kathleen Cunningham Foundation—is a national not-for-profit foundation established to promote and support breast cancer research. To date it has supported 55 research projects across Australia. The foundation’s research grant program is managed by a research advisory committee which includes consumer representation nominated by Breast Cancer Network Australia. The grant selection process is overseen by the Australian Cancer Society. This is important to ensure that projects contribute to and build upon what is already known in Australia and internationally and avoid duplication. Unfortunately, in the current triennium it has been possible to fund only 17 per cent of eligible projects.

Grants for research are also made by the National Health and Medical Research Council, which has federal government funding to maintain and develop clinical research in hospitals and other health care delivery units, including the National Breast Cancer Centre. In addition, the breast cancer institute of Australia supports the national breast cancer clinical trials research programs of the Australian-New Zealand Breast Cancer Trials Group.

The NHMRC funds a program of centres of clinical excellence in hospital-based research. In 1998 the Institute for Magnetic Resonance Research, based at the University of Sydney, was identified as a centre of excellence and received a grant of $600,000 over three years. Dr Carolyn Mountford, head of the department of magnetic resonance at the University of Sydney, spoke of this research to members, senators and staff at a breakfast meeting organised by Senators Ferris and Crowley last Wednesday. The work of the Institute for Magnetic Resonance Research illustrates another problem: how to ensure that research developments can be translated into real programs which will benefit patients.

The institute has developed magnetic resonance techniques to diagnose breast cancer earlier, more accurately and less invasively. Over the past 10 years magnetic resonance imaging, or MRI, has become an important new method for detecting breast cancer and evaluating its extent. MRI can detect cancers unable to be identified by physical examination or mammography. It is also,
according to Dr Mountford, the most effective method for assessing tumour size, and it is therefore useful for monitoring the effect of treatment on the tumour. These techniques are useful also in diagnosing the presence and extent of prostate cancers.

The institute is an example of the benefits of cooperative information technology using multidisciplinary expertise to advance the parameters of knowledge. Its global network includes institutes in Sweden, the USA, and Canada. The Harvard Medical School is extremely interested in the institute’s work and also provides assistance. Clinical trials and screening of high risk patients have been conducted in Germany, the Netherlands, England, Canada and the USA. Magnetic resonance techniques are now used widely in the United States to provide accurate diagnosis and to reduce the need for invasive open biopsies. This year the Institute of Magnetic Resonance Research and the Harvard Medical School jointly commenced education programs in Australia to train medical graduates in the most appropriate applications of MRI technology in health care.

Unfortunately, because magnetic resonance techniques require multidisciplinary expertise, funding in Australia is difficult. The institute does not fit neatly into an available funding category. Neither recurrent funds to operate and staff the whole body MRI scanner nor a health rebate is yet available for patients. It would be a huge loss if, yet again, the technology and techniques developed in Australia had to leave the country in order to advance this program. The assurance of continuing funding for medical and technological research as well as funding to enable the application of successful research are critical to progress in the fight against breast cancer.

O’Neill, Molly, OAM

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.21 p.m.)—I would like to take a few moments of the Senate’s time to remember the life of Margaret O’Neill OAM, known to everyone who knew her as Molly O’Neill, a dedicated conservationist who died on Friday, 27 October in Goulburn. Her funeral was held last Wednesday. Molly was born in England in 1913 and moved permanently to Australia in 1958, although she lived in Australia in the early 1950s for a short time. She was a notable citizen of Goulburn, involved in many activities within the local community.

She trained as a radiographer in the United Kingdom, and this was her profession throughout her working life. However, it is her 50 years of devotion to environmental issues for which she will be most remembered. She was a member of the New South Wales Conservation Foundation, the Colong Foundation, the Total Environment Centre, the National Trust, the South East Conservation Council and the Canberra Environment Centre, to name just some of the conservation organisations in which she was active. Shortly after her arrival in Australia, she became a member of the Illawarra Natural History Society in Wollongong. In 1965 she co-founded the Goulburn Field Naturalist Society, becoming its first secretary. That is a position she held for over 30 years. I think you would have to say that that is a long-term commitment in anyone’s language.

Through her involvement in the society and her interest in Australian flora she brought hundreds of Australians into contact with the bush and native plants, particularly orchids. Throughout her life she photographed, identified and collected plants, including one rare ground orchid on a crown reserve in 1980 which subsequently, through Molly’s efforts, was preserved within the Alison Hone Reserve out on the Crookwell Road, north of Goulburn.

But to give the Senate an idea of Molly O’Neill’s life’s work—the photography and identification of native Australian plants—I will read a brief extract from a letter sent by one of Molly’s good friends, Ursula Stephens, to the Goulburn Post, which was published last Friday:

It is often said—“It’s not what you say or do that people remember, but how you make them feel.” How true this is of Molly O’Neill! She was an
extraordinary person whose approach to life was one of quiet and persistent achievement.

She will never know the profound effect she had on a group of young unemployed teenagers in the early 1990s, working on a training program and cataloguing her extraordinary slide collection. Molly would come every week to speak to these young people. She described the plants, how to differentiate between them, enunciated the botanical names and gave this group a running commentary on how and where they were found, why they were important, endangered or sometimes extinct. The class always ended with Molly having lunch with some of them in the cafe nearby. She told me when she started it was a bit of a nuisance and she didn’t think they would be interested.

By the end of the 16 weeks, she was looking forward to the sessions almost as much as they were. When the training program was over, and the group had mounted an exhibition of Molly’s work—they talked about how much they’d learnt, and how she had helped them understand not just environmental issues, but about life. One young woman told me “Molly is the oldest person I’ve ever known. I hope I can do just a bit of what she’s managed to fit into her life.

I am pleased to say that the Molly O’Neill photographic collection is to be donated to the National Herbarium. I know that Molly’s friends are moving to create a nature reserve in her memory, and I wish them well.

Perkins, Dr Kumantjayi (Charles)

Senator CROSSIN (Northern Territory) (10.26 p.m.)—I rise tonight to pay tribute to a Territorian who recently died. He is known to people around this country as Dr Charlie Perkins. I want to speak about the life of this man, who was born and lived for much of the time in the Northern Territory. Out of respect for the culture of the Arrernte people of Central Australia—Dr Perkins’s people and the homeland from which he came—it is custom and practice when speaking of someone who has died to use the term ‘Kumantjayi’ instead of their first name. I intend to do that during this speech.

In 1945, when Kumantjayi Perkins was nine years old, he said goodbye to his mother in Alice Springs and travelled to Adelaide with an Anglican priest, Father Percy Smith. I doubt that when that happened either Kumantjayi or his mother imagined how much he would pack into his life. During his 64 years he would become one of the first indigenous graduates from an Australian university. He was the first indigenous Australian to head an Australian government department, as Secretary to the Department of Aboriginal Affairs. He was Chairman of the Aboriginal Development Commission and Aboriginal Hostels Ltd. He was an ATSIC commissioner for Sydney and for Alice Springs. He was awarded an Order of Australia in 1987, and received an honorary doctorate from the University of Sydney. But there was much more. Along the way he would become an inspiration and role model to many other indigenous Australians.

Kumantjayi was born in 1936 to Hetti Perkins, an Eastern Arrernte woman, and Martin Connolly, a Kalkadoon-European man, on the side of a hill behind the Old Telegraph Station in Alice Springs. In 1945, Kumantjayi was taken south, with the permission of his mother, to further his education. From all accounts it was neither a happy time nor an easy time for him, and he often talked about the harsh discipline of the home. After leaving the home, he first became an apprentice fitter and turner. However, Kumantjayi’s outstanding soccer skills resulted in him leaving Australia in 1957 to play soccer in England for Everton. After returning to Australia, he finished off his football playing career as captain-coach of Pan-Hellenic in Sydney. His soccer was a passion that never left him throughout his life, and it helped him to finance his way through university, where he graduated with a bachelor of arts degree in May 1966, majoring in psychology and anthropology.

Kumantjayi first rose to prominence in the sixties when he led the ‘freedom rides’, which successfully drew attention to the racism rampant in Australia in a number of country towns in north-western New South Wales. He spoke out strongly and loudly on behalf of his fellow Aboriginal Australians at a time when most other Australians were not interested in the social injustices inflicted
upon indigenous Australians. And he continued to do this for the rest of his life. If you have not seen it, I would recommend that you look at the video made by Rachel Perkins, his film-making daughter, about the freedom rides. Of Kumantjayi’s experience with the freedom rides, Rachel Perkins said:

When he did the freedom rides, you couldn’t even go into a bar, or have a baby in a hospital, or try a dress on in a shop if you were black, to stand there as an individual black person and say, “I’m not going to take this” is really, really extraordinary. That’s inspiring to me...

Kumantjayi was an inspiration to many people, including many indigenous leaders. Most Australians knew who Kumantjayi was; he was hard to ignore. He had a high media profile and he often made outrageous statements—sometimes calculated, sometimes out of frustration. He said many things people on both sides of the political fence often did not want to hear, but that did not stop him. He would say what he thought, often to his detriment. He did not think he always got it right, but he would speak about what he believed in passionately and vigorously. Perhaps as a result of his outspokenness, he had detractors among both Aboriginal and non-Aboriginal Australians. On the other hand, he also had loyal supporters among both Aboriginal and non-Aboriginal Australians.

In the early 1990s Kumantjayi returned to his home in Central Australia, where he was initiated into the law of the Arrernte people. During that time he was active in the development of the Arrernte Council in Alice Springs. I have spoken to a number of people in the Territory, both from the Left and from the Right, who have told me that, although they did not agree with much of his politics, they nevertheless felt a genuine sadness at his death. We need people like Kumantjayi to often say outrageous things to shift us out of our complacency regarding indigenous issues or to force us to defend our position towards indigenous people.

I am sure that Kumantjayi would have been very pleased that last Saturday week his family requested that the Northern Territory’s hypocritical Chief Minister, Denis Burke, not attend his funeral service in Alice Springs unless he agreed to repeal the Northern Territory’s racist mandatory sentencing legislation. Mr Burke was not there and I believe it would have been an insult to a Territorian who had spent much of his life speaking out against social injustices inflicted upon Aboriginal Australians to have a person—

Senator McGauran—Mr Acting Deputy President, I raise a point of order. As reluctant as I may be to interject on a eulogy of Charlie Perkins, who was well deserving of most of the comments being made, Senator Crossin has spoilt it by reflecting on the Chief Minister of the Northern Territory as ‘hypocritical’. That is unparliamentary towards the Chief Minister of another place.

The ACTING DEPUTY PRESIDENT (Senator Chapman)—Senator Crossin, as I heard you, you called the Chief Minister of the Northern Territory ‘hypocritical’, which would certainly be regarded as unparliamentary. I ask that you withdraw that particular reference.

Senator CROSSIN—If that is the way it has come across, I will withdraw. I am reflecting, though, on the words that his family used in a press conference last Saturday week relating to his attendance at the funeral. Mr Burke was not there. It would have been an insult to a Territorian who had spent so much—

The ACTING DEPUTY PRESIDENT—Senator Crossin, you cannot quote words that you cannot otherwise use yourself. Whether it was a quotation or whether it was a direct comment from you, it is still required to be withdrawn.

Senator CROSSIN—I have done that in my reply to you. As I said, it would have been an insult to a Territorian who had spent so much of his life speaking out against social injustices inflicted upon Aboriginal Australians to have a person of the calibre of Mr Burke at the funeral. I attended the service, which was to be held at the Old Telegraph Station at the request of Kumantjayi,
near where he was born many years before. But it had to be relocated due to an unseasonable storm that swept in unexpectedly. Perhaps, as some said at the funeral, it was a final outpouring from Kumantjayi.

Kumantjayi was not always the activist. Away from the public eye, those who knew him well talked about how much he loved his family and how proud he was of his children, Hetti, Rachel and Adam. To those who were friends of the family or of his children, he was a very warm and welcoming person, liking nothing better than sitting around the kitchen table with a cup of tea, talking about family and politics. One Aboriginal artist, a friend of the Perkins family, recently told me a story about how, at the last indigenous arts conference held in Cairns in November last year, Kumantjayi got up with the Aboriginal band that was playing to sing ‘I found my thrill on Blueberry Hill’.

History books that are rewritten must acknowledge this man’s life. His name and his achievements should become an integral part of the stories and histories of indigenous people in this country, and they should be incorporated into our schools’ classrooms. On behalf of Territorians, my condolences go to his wife Eileen and to his three children and four grandchildren. I do not have any doubt that, love him or hate him, Australia is a better and fairer place because of the work, the words and the life of Kumantjayi Nelson Perkins.

Senate adjourned at 10.35 p.m.

DOCUMENTS
Tabling

The following documents were tabled by the Clerk:


Civil Aviation Act—Civil Aviation Regulations—

Civil Aviation Orders—

Civil Aviation Amendment Order (No. 17) 2000.

Directive—Part—

Maritime College Act—Statute No. 13—Election of Staff Members of Council (Amendment) Statute 2000.

PROCLAMATIONS

A proclamation by His Excellency the Governor-General was tabled, notifying that he had proclaimed the following provisions of an Act to come into operation on the date specified:

QUESTIONS ON NOTICE

The following answers to questions were circulated:

Federation Cultural and Heritage Projects
(Question No. 1378)

Senator Faulkner asked the Minister representing the Minister for Arts and the Centenary of Federation, upon notice, on 30 August 1999:

With reference to the additional four Federation Cultural and Heritage Projects which scored less than 15 points, which the Minister and the Minister for the Environment and Heritage referred to in their letter of 30 June 1999 to the Chair of the Environment, Communications, Information Technology and the Arts Legislation Committee: Can the Minister provide the same information as was supplied in respect of the other 12 projects in this category (answer to question no. 96 taken on notice at the 1998-99 additional estimates hearings), namely: (a) how many of these four projects were recommended by the National Council for the Centenary of Federation; and (b) what was the total value for these four projects.

Senator Alston—The Minister for the Arts and the Centenary of Federation has provided the following answer to the honourable senator’s question:

(a) The National Council for the Centenary of Federation did not recommend any of the four projects in the question.

(b) Funding for the four projects is $2.82m or 4% of the $70.4m available for the FCHP.

Department of Veterans’ Affairs: Register of Contracts
(Question No. 2595)

Senator Bartlett asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 24 July 2000:

With reference to the Department of Finance and Administration:

(1) Can an outline be provided of the means by which your department records and manages a register, if any, of contracts which include commercial-in-confidence provisions.

(2) Can a list be provided of all contracts signed since 1 July 1999, which have commercial-in-confidence provisions, and against each contract so signed, please indicate the reasons for the commercial-in-confidence provisions.

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

(1) The Department of Veterans’ Affairs (DVA) maintains contract registers on a state and national office basis and has recently upgraded its capacity to capture information on its Commonwealth contracts through the implementation of a national Contracts and Indemnities Register Online. Neither this system nor the Gazettal Purchasing System specifically identify commercial-in-confidence provisions in contracts as such.

(2) Set out below are two lists of Commonwealth contracts signed since 1 July 1999 that have been identified as having commercial-in-confidence provisions. These lists may not identify every contract that might have commercial-in-confidence provisions. The lists cover:

- hospital and day procedure services agreements which involve confidentiality regarding specific rates for services provided to veterans and other eligible persons within very competitive hospital markets across Australian States and Territories, and
- defence service homes re-insurance arrangements, which involve confidentiality regarding specific case details and the premium rate for reinsurance, obtained in internationally competitive re-insurance market.

Department of Veterans’ Affairs Contracts Signed Since 1 July 1999 involving hospital or day procedure service providers

Abergeldie Hospital
Adelaide Community Healthcare Alliance
Ainslie Private Hospital
Australian Hospital Care Limited
Australian Hospital Care Limited
Australian Hospital Care Limited
Australian Hospital Care Limited (Delmont)
Ballan & District Soldiers’ Memorial Bush Nursing Hospital & Hostel Inc
Baronor Private Hospital
Benchmark Healthcare
Benchmark Healthcare Pty Ltd (Donvale)
Benchmark Hospital
Berwick Private Hospital
Blackwood Hospital
Brighton Hospital Management Pty Ltd (Brighton Rehab)
Brighton Hospital Management Pty Ltd (Brighton Private)
Burnside Hospital
Calvary Hospital
Calvary Private Hospital
Cedar Court Health South Rehabilitation Hospital
Chiltern and District Bush Nursing Hospital Inc
Cliveden Hill Private Hospital
College Grove Hospital
Coonara Private Hospital
Dandenong Pinelodge Clinic Private
Epworth Foundation
Euroa Hospital inc
Freemasons Hospital
Glen Avon Wodonga Pty Ltd
Glenelg Community Hospital
Griffith Rehabilitation Hospital
Hartwell Private Hospital Pty Ltd
Healthscope Limited
Heyfield Hospital
Holdfast Hospital
Hopetoun Rehabilitation Hospital Pty Ltd,
Jessie McPherson Private Hospital
Knox Specialist Medical Centre
La Trobe University Medical Centre
Malvern Private Hospital Pty Ltd
Maryvale Private Hospital Limited
Mayne Nickless Limited
Mayne Nickless Limited (Lilydale)
McClaren Vale Hospital
Melbourne Day Surgery
Mercy Health & Aged Care trading as Diamond Valley Mercy Hospital
Mercy Health & Aged Care trading as Mount Alvernia Hospital
Mersey Community Hospital
Mildura District Hospital Fund Limited
Mountain District Private Hospital Pty Ltd
Nagambie Hospital Inc
Neerim District Soldiers Memorial Hospital Inc
Nenagh Private Hospital Pty Ltd
Noarlunga Hospital
North West Private Hospital
NZROP Pty Ltd
Parkwynd Hospital
Peltrex Pty Ltd
Philip Oakden House
Ramsay Health Care Australia
Ramsay Health Care Limited
Rosebery Community Hospital
Sea Lake Bush Nursing Hospital
Southern Eye Centre Day Surgery & Laser Clinic
Sportsmed Hospital
St Andrews Hospital
St Francis Xavier Cabrini Hospital
St John of God Health Care
St Lakes Private Hospital
St Vincents & Mercy Hospital
St Vincents Hospital (Launceston)
Stirling Hospital
The Bays Hospital Group Inc
The Hobart Clinic
United Day Surgeries
Vaucluse Private Hospital
Victoria House Private Hospital
Vimy House Private Hospital
Walwa & District Bush Nursing Hospital Inc
Warburton Private Hospital
Warley Hospital Inc
Western Private Hospital
Yackandandah Bush Nursing Hospital Inc
Department of Veterans’ Affairs contracts signed since 1 July 1999 involving reinsurance service providers
American Ag (USA)
Arig (Hong Kong)
CCR (France)
China Re (Hong Kong)
Chiyoda (UK)
CNA (UK)
Copenhagen Re
ERC / Kemper / Eagle Star
Erie (USA)
Everest Re (Hong Kong)
GCR
Gerling
Great Lakes (UK)
Hannover Re
Le Mans Re (Sing)
Mapfre (UK)
Munich Re
New India
Nissan (Japan)
Partner Re (Bermuda)
PX Re
R&V (Germany)
Rhine Re (Switzerland)
Scor Re
SPS Re (France)
St Paul (UK)
St. Paul (USA)
Swiss Re
Sydney Re
Syndicate 1141 (JEM)
Syndicate 1241 (CAR)
Syndicate 2488 (AGM)
Syndicate 362 (WEH)
Syndicate 376 (AGY)
Syndicate 382 (PWH)
Syndicate 40 (KJC)
Syndicate 435 (DPM)
Syndicate 566 (STN)
Syndicate 588 (NJM)/1209 (MEB)
Syndicate 727 (SAM)
Senator Faulkner asked the Minister representing the Treasurer, 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 Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Treasury Salaries and salary-related costs $’000</th>
<th>Cost of contracts $’000</th>
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Senator Faulkner asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, 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 authorized the expenditure.
(8) What was the estimated cost of this research, and what was the total cost.
(9) How will the results of this research be used.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

Attitudes towards Harvest Work

(1) Yes. A survey of the attitudes towards harvest work of registered unemployed job seekers was commissioned in October 1999. The survey was undertaken on behalf of the National Harvest Trail Working Group, which was appointed by the Minister for Employment Services in May 1999.

(2) The purpose was to undertake a survey among a sample of unemployed job seekers registered at selected metropolitan and non-metropolitan Centrelink Customer Service Centres, to identify their level of awareness and understanding of harvest work and preparedness to undertake such work.

(3) No.

(4)(a) Environmetrics Pty Ltd.
(b) 1002 job seekers voluntarily participated in the survey which was conducted in nine Centrelink Offices (five in metropolitan areas and four in regional centres located across NSW, Victoria, Queensland and South Australia). The survey was undertaken via a questionnaire administered face to face by a survey interviewer in a private area of the Centrelink Office.
(c) The timetable for the research was:
• 28 October 1999 Research Commissioned
• 1–12 November 1999 Conduct face to face interviews
• 15–24 November 1999 Data processing and analysis
• 8 December 1999 Delivery of results

(5) Yes. Interviewing was carried out by Pacific Market Surveys (PMS) who provided a specialist interviewing service under the supervision of Environmetrics.

6) A summary of the results of the survey is included at Appendix 3 in the Report of the National Harvest Trail Working Group, Harvesting Australia, June 2000. The text is repeated below.

Survey of Unemployed Job Seekers

The aim of the survey was to identify the level of awareness and understanding of harvest work among unemployed job seekers and their preparedness to undertake such work.

Environmetrics Pty Ltd was commissioned to undertake the survey at nine Centrelink Customer Service Centres located across New South Wales (Liverpool and Tamworth), Victoria (Springvale and Bendigo), Queensland (Mt. Gravatt and Toowoomba), and South Australia (Torrensville, Port Adelaide and Berri).

A total of 1002 unemployed job seekers, who were either receiving or seeking unemployment payments, participated in the survey. Interviews were conducted within the Centrelink Customer Service Centres during the period 10–26 November 1999.

Survey Sample

The survey sample is not representative of all the unemployed in Australia. Accordingly, the results are indicative only – statistically valid conclusions are unable to be drawn from the survey results that could be said with confidence to apply to all unemployed job seekers. Nevertheless, the survey results are most useful in presenting a picture of how seasonal harvest work is viewed by job seekers who fall into the categories of those surveyed, and provide some useful insights into issues that should be addressed in targeting future activities which involve sending messages about harvest work.

Characteristics of Survey Respondents

Half of the survey respondents are aged under 25 years (48.3 per cent — compared with a national figure of 37 per cent of unemployed persons, Labour Force Survey, ABS October 1999) and almost half have post secondary school qualifications (45 per cent).
42 per cent of respondents have been looking for work for less than 3 months; 23 per cent more than 12 months and 81 per cent have been employed in the past 5 years.

Access to private transport would not appear to be a major factor as 69 per cent have a driver’s licence and 82 per cent have access to a car/motor cycle (although the availability of the transport to the job seeker for commuting to harvest areas was not explored in the survey).

64 per cent reside in a metropolitan centre; 43 per cent were last employed in permanent full-time positions; and 50 per cent were last employed on a casual basis.

**Level of Awareness and Experience of Harvest Work**

The level of awareness among respondents of work in country areas which involved picking, pruning or packing fruit was high (over 90 per cent), although awareness of the term “seasonal harvest work” was much lower (67 per cent).

Of the 90 per cent of respondents who had heard of work in the country involving picking, pruning and packing, only 30 per cent had ever earned money from doing it. This is also despite 58 per cent of respondents indicating they would consider doing harvest work (see Preparedness to Undertake Harvest Work below).

Of the 30 per cent of respondents who had earned money through harvest work, almost all were under 40 years of age (91 per cent) and over 40 per cent had identified manual labour as their last occupation, with a further 10 per cent identifying driver/transport/production worker.

There were no major differentiations between respondents on the basis of age, gender or region of residence (metro/non-metro), although respondents interviewed in regional Centrelink offices were more likely to have earned money from harvest work and were highly likely to have done so, if residing in a harvest area (e.g. Berri).

Respondents from non-English speaking backgrounds (86 per cent) were likely to have lower levels of awareness than respondents who identified with Indigenous (97 per cent) or disability groups (96 per cent).

**Preparedness to Undertake Harvest Work**

58 per cent of respondents indicated they would consider doing harvest work if it was available. The main reasons were:

- Needed work and would be happy to do anything (50 per cent);
- Enjoyable/easy/would be a good experience (16 per cent);
- Good pay (15 per cent);
- Previous experience (9 per cent);
- Like outdoor/manual work/country lifestyle (8 per cent); and
- Depend on the location/type of work/pay (7 per cent).

For those who would not consider doing harvest work, the main reasons were:

- Medical problems/too old (22 per cent);
- Family/work/study commitments (16 per cent);
- No career path/not in area of expertise (15 per cent);
- Too physically difficult (14 per cent);
- Too far away/too much travel (13 per cent);
- Don’t like the type of work (10.7 per cent);
- Not an outdoors/manual labour person (11 per cent);
- Poor pay (10 per cent); and
- Poor conditions/too hot (6 per cent).

Other factors impacting on a respondent’s willingness to undertake harvest work were:

- age (only 32 per cent of respondents over 40 years would consider doing harvest work);
- residential location (69 per cent of respondents from non-metro locations compared with 52 per cent from metro locations in favour of harvest work);
• education level (those with trade and higher education qualifications less likely to undertake harvest work); and
• awareness of harvest work (two-thirds of those willing to consider harvest work have earned money from this previously).

Access to private transport seemed to have very little impact on a respondent’s preparedness to undertake harvest work. Of those who would consider undertaking harvest work, 56 per cent had access to transport and 60 per cent did not. Similarly, of those that would not consider doing harvest work, 44 per cent had access to transport and 40 per cent did not.

The data shows that women, metropolitan residents and job seekers from a non-English speaking background, are less likely to have earned money from doing harvest work and are less likely to consider doing harvest work.

Over 60 per cent of the respondents would want to do picking work less than 6 months of the year if it was available. However, over 20 per cent would do more than 9 months, but only 7 per cent would do between 6 and 9 months.

Almost half of all respondents thought that year round employment in harvest work could be achieved if one followed the cycle of available work.

Perceptions of Harvest Work

The main negative perceptions held about harvest work were:
• lack of accommodation (63 per cent);
• distance to travel (43 per cent - although just as many respondents did not see this as a problem); and
• no real career path (67 per cent).

Positive perceptions held about harvest work were:
• a good way to see Australia;
• a good way to get off the dole;
• a good way to get fit;
• a good way to meet people; and
• a good way to work outdoors.

Perceptions with mixed/unexpected results are:
• It’s something people did in the past (35 per cent agreed, 50 per cent disagreed);
• It’s good experience for other jobs (55 per cent agreed, 30 per cent disagreed);
• Pay is too low (22 per cent agreed, 47 per cent disagreed, 12 per cent neutral, 19 per cent didn’t know); and
• Unsuitable due to family/study commitments (39 per cent agreed, 51 per cent disagreed).

(7) Mrs Christine Gallus MP, Member for Hindmarsh, and Chair of the National Harvest Trail Working Group, requested the survey be undertaken on behalf of the National Harvest Trail Working Group as part of investigations that were being undertaken on harvest labour issues. The expenditure for this survey was approved by the Assistant Secretary, Job Network Management Team, DEWRSB.

(8) Estimated cost: $23 660
Actual cost: $23 660

(9) The survey results were presented to the National Harvest Trail Working Group for their consideration. The findings were incorporated into their Report Harvesting Australia, which was handed to the Hon Tony Abbott, MP, Minister for Employment Services, on 11 August 2000.

Mutual Obligation and Work for the Dole

(1) and (2) The department also commissioned base line research on public attitudes to Mutual Obligation and Work for the Dole and to test the views on these issues of unemployed people in various age groupings. The research was conducted by the Wallis group; the contract to conduct the research was signed on the 19 January 2000 and completed in June 2000.
The research was designed to test a broad range of Australians’ attitudes to Mutual Obligation and Work for the Dole. This included rural and regional constituents. However, information about the views of people living in regional or rural areas was not separately drawn out.

(a) The Wallis Consulting Group Pty Ltd carried out the research.

(b) A two stage research methodology was used:

- qualitative research comprising focus groups amongst the general community and unemployed persons;

- quantitative surveys with the general community and unemployed persons.

(c) The timetable covered six months.

DEWRSB contracted Wallis Consulting Group Pty Ltd to conduct the research and is not aware of any other organisation being involved in the research.

There was strong support for the Government’s Mutual Obligation Policy and Work for the Dole policy.

The research was undertaken on the recommendation of the department and approved by the Minister for Employment Services, the Hon Tony Abbott MP. The expenditure was authorised by the (then) Assistant Secretary, Employment Programmes Branch, DEWRSB.

The estimated cost of the research was $150 000. The actual cost was $144 000.

The results of the research will be used to validate and maximise current management practice and improve job seeker services.

Office of the Employment Advocate (OEA)

In 1999–2000 the OEA conducted limited market research (both quantitative and qualitative), principally associated with the evaluation of the print and TV advertising campaigns on Australian workplace agreements (AWAs) and freedom of association.

In setting up focus groups Sweeney Research were asked to establish groups of small business employers and employees in Cairns, Rockhampton, Coffs Harbour, Wagga Wagga, Bendigo and Mt Gambier, in addition to those run in Sydney and Melbourne.

The objective of the research was to assess the level of awareness and understanding of the role of the OEA, Australian workplace agreements (AWAs) and freedom of association amongst employers and employees post the 1999 national print and TV advertising campaigns. In the focus groups the participants were also asked for feedback on a template AWA developed by the OEA for small business but this was a secondary purpose.

The scope and brief for the OEA’s research was principally about assessing the effectiveness of the advertising campaign. The questions in the phone survey and in focus groups were about clarifying/understanding options for agreement making, understanding FoA and the role of the OEA; and testing a number of messages (the agency had used) for their effectiveness.

(a) Sweeney Research conducted the phone survey and the focus groups used in the evaluation.

(b) In the phone survey 826 employers and employers in NSW and Victoria (423 employers; 403 employees) were contacted with a series of questions designed to test their awareness of the OEA, AWAs, FoA and the ads themselves. In the focus groups the objective was to identify more precisely the sorts of messages that had been received and the impact of some of the specific messages in the advertisements with people from the target audiences. The OEA has not commissioned research that has gone to the general public about their attitudes.

(c) The research was scheduled for the first half of the 1999–2000 financial year.

I am not aware that Sweeney Research sub contracted any other organisations to conduct this research.
(6) Copies of the evaluation reports from the research are being separately provided to the honourable Senator. They have been previously provided to the Senate’s Employment, Workplace Relations, Small Business and Education Legislation Committee, in response to a question on notice (W68) from Senator Ludwig during a hearing in February 2000, relating to the consideration of additional estimates for my portfolio.

(7) The work was commissioned by the OEA in accordance with the plan for evaluation of the advertising campaign. The Manager of the Advisory and Marketing Unit of the OEA authorised the expenditure.

(8) The estimated cost of the research was $167,800 and the final cost was $72,300.

(9) The research has been used in reviewing the OEA’s communication strategies for the year 2000 and in identifying issues with the draft template AWA, and has subsequently been considered in its final version; and the OEA’s approach to communications.

Department of the Treasury: Market Testing of Corporate Services

(Question No. 2670)

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 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 Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1) Yes. Relevant details tabulated below.

<table>
<thead>
<tr>
<th>Department of Treasury</th>
<th>(1) Treasury is currently reviewing a range of corporate services functions. A timeframe to market test these functions will be established. Treasury has already outsourced a range of corporate services functions and previously market tested under a prime contractor arrangement in 1998-99. In accordance with the Federal Governments IT outsourcing initiative, The Treasury is currently a member of the Group 11 IT Outsourcing cluster. Treasury has been working in conjunction with the Office of Asset Sales and IT outsourcing (OASITO) and the Group 11 partners since June 1999 preparing specifications and statements of work for inclusion in the Request for Tender to be released to the market mid-September 2000. (2) Affected staff are consulted.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Bureau of Statistics</td>
<td>(1) The Australian Bureau of Statistics (ABS) is currently reviewing a range of corporate service functions. A timeframe to market test these functions, will be established. The ABS has previously put to market, and outsourced, a number of corporate functions: (2) Affected staff are consulted.</td>
</tr>
<tr>
<td>Australian Taxation Office</td>
<td>(1) The ATO expects to undertake market testing of corporate services by December 2001. (2) Affected staff are consulted.</td>
</tr>
</tbody>
</table>
(1) The Commission expects to commence market testing its corporate services early in 2001 (apart from IT which is being market tested this year). All corporate services functions will be examined as to their suitability for market testing. In recent years the Commission has market tested various components of its corporate services and a number have or are being outsourced in whole or part (eg printing, media monitoring, payroll, IT training). 

(2) Affected staff are consulted.

Australian Competition and Consumer Commission

(1) A range of corporate services will be market tested in 2001; 
(2) Affected staff are consulted.

Australian Securities and Investment Commission

(1) ASIC anticipates it will market test the IT function. No timeframe has yet been set. 
(2) Affected staff are consulted.

National Competition Council

(1) The Council has set a timeframe for market testing a range of corporate services.

Council has completed market testing of its Information Technology support services. As a result it has developed and implemented two (2) contracts.

Council has completed market testing of its Website and its contractor is currently in the process of re-developing the site.

The timeframe was for the period 6 June to complete the exercise by mid to end September. 
(2) Affected staff are consulted.

Department of Employment, Workplace Relations and Small Business: Market Testing of Corporate Services

(Question No. 2674)

Senator Faulkner asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 August 2000:

(1) Has the department and/or any agency in the portfolio, set a time-frame 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 Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

The Department of Employment, Workplace Relations and Small Business (DEWRSB)

(1) All government departments are required to review their activities and services, as an ongoing way of ensuring that these are administered effectively and efficiently.

The department’s IT infrastructure services are about to be market tested with a view to outsourcing, in accordance with the Government’s Whole of Government ‘IT Infrastructure Initiative’ which is managed by the Office of Asset Sales and IT Outsourcing.

Following a review of its corporate services other than IT infrastructure, the department has identified some priority areas for market testing. It is moving to market test its human resource services and some office services as soon as possible.

(2) In addition to the established communications forums, special consultative measures have been taken and staff and their representatives have been meeting regularly with departmental management, to discuss the full range of issues relating to the review of corporate services and market testing.

Comcare

(1) Some corporate services including payroll disbursement, auditing, printing, some financial services and co-ordination of staff development activities are currently outsourced. It is Comcare's
intention that further elements of its corporate services will be subject to market testing during the
2000–2001 financial year. Activities likely to be included are file storage and retrieval services, mail
services, personnel systems and national building management.

(2) The Comcare certified agreement documents Comcare’s commitment to consultation with
employees at all levels about workplace matters affecting them; such consultation will occur at the
appropriate time.

**National Occupational Health and Safety Commission (NOHSC)**

(1) The Minister for Employment, Workplace Relations and Small Business has advised the National
Occupational Health and Safety Commission that its corporate functions are to be included in the
market testing of corporate functions being undertaken by the Department of Employment, Workplace
Relations and Small Business. It is expected that the following functions will be market tested:

- human resource functions;
- property and office service functions; and
- finance and purchasing functions.

Because the provision of corporate services to NOHSC is being included in the market testing
programme being undertaken by DEWRSB, the timeframes for this market testing are those that will be
determined by, and apply to DEWRSB.

Following a needs analysis and subject to consideration by the Commission, options for outsourcing
certain physical library holdings and related services will be examined, including market testing for the
provision of these services. This process is expected to be completed this financial year.

The provision of information technology services has already been outsourced and is subject to
market testing each time the service provision contract is due for renewal.

(2) Advice of the decision that market testing of corporate services is to be undertaken was provided
to affected employees and their representatives on 29 June 2000. Since that time, staff and their
representatives have been provided with a number of opportunities to attend meetings to consider the
effects that the decision may have on them. Information has also been provided in staff bulletins.

As the provision of information technology services has already been outsourced, the market testing
of the service provision will not affect staff. Consultation with employees and their representatives,
beyond that which would normally occur to ascertain required service performance standards, has not
been undertaken in relation to the market testing of the provision of these services.

**Equal Opportunity for Women in the Workplace Agency**

(1) No
(2) Not applicable

**Australian Industrial Registry (AIR)**

(1) No.
(2) Normal consultation arrangements will apply.

**Defence Force Remuneration Tribunal (DFRT)**

(1) No
(2) Not applicable

**Department of Employment, Workplace Relations and Small Business: Market Testing of Functions**

(Question No. 2693)

Senator Faulkner asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, 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 Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

**Department of Employment, Workplace Relations and Small Business**

(1) No
(2) Not applicable

**Equal Opportunity for Women in the Workplace Agency**

(1) No
(2) Not applicable

**Comcare**

(1) Some services identified for market testing by Comcare are information technology infrastructure services, consistent with the Government’s policy in this area and are currently provided by staff in Canberra. The process in relation to this will be substantially completed by the end of the 2000–01 financial year. Some Comcare services (other than corporate services) including actuarial services, information technology (applications development), some legal services, auditing, and non-corporate printing are currently outsourced.

(2) The Comcare “Certified Agreement” documents Comcare’s commitment to consultation with employees at all levels about workplace matters affecting them; such consultation occurs at the appropriate time. Consultation on IT infrastructure outsourcing has commenced.

**Australian Industrial Registry**

(1) No.
(2) Not applicable

**National Occupational Health and Safety Commission**

(1) The National Occupational Health and Safety Commission (NOHSC) is reviewing its library services after which it intends to market test some of its library collection and related services. Those functions are currently performed by staff in the NOHSC office in Sydney. As a starting point, a needs analysis is to be conducted to clearly establish the library resources and services required by the NOHSC Office to meet NOHSC’s outcomes as identified in the Portfolio Budget Statement and the activities planned under NOHSC’s 2000–03 Strategic Plan. This process, including any decision making by the commission and consequent implementation, is expected to be completed within the current financial year.

(2) Consultation with employees has been undertaken through the CEO’s meetings and communications with all staff, through the establishment of a bulletin board and in the negotiation of a new Certified Agreement. A Library Review Team, which includes NOHSC library staff, has been established to provide advice on the library review process as outlined above.

**Defence Force Remuneration Tribunal**

(1) No
(2) Not applicable

**Employment: Jobs Pathway Program**

(Question No. 2778)

Senator Robert Ray asked the Minister representing the Minister for Employment Services, upon notice, on 24 August 2000:

(1) Is the Minister aware of the benefits of linking the Jobs Pathway Programme to Job Matching.

(2) Can the Minister confirm that there are service gaps and service deficiencies in the eastern suburbs of Melbourne, notably, in Bayswater and Lilydale.
(3) Is the Minister aware that KYM Employment Services, despite a four and a half star rating, was not given a contract in Job Network, but has subsequently been sub-contracted to deliver Job Matching services at Ringwood, Box Hill, Heidelberg and Oakley.

(4) Is there any impediment, given that KYM Employment Services have offices in Lilydale and Bayswater, to their providing job matching services to build on their excellent Jobs Pathway Programme.

(5) Will the Minister confirm that KYM Employment Services’ Jobs Pathway Programme has been of massive assistance to the aboriginal community, especially through its connection to Worowa College.

Senator Alston—The Minister for Employment Services has provided the following answer to the honourable senator’s question:

(1) Job Network members can establish links between Job Network services and other services also focussed on assisting people into jobs. Such linking may not, of course, give rise to double funding for any single employment outcome. Linking the Jobs Pathway Programme with Job Matching can provide an holistic approach to meeting the job search needs of many school leavers.

(2) The eastern suburbs of Melbourne are well serviced by Job Network. In particular there are five Job Network members providing Job Matching services in Lilydale. While there are no Job Network members located in Bayswater, there are at least nine other Job Network members who provide Job Matching services to that suburb from nearby locations such as Boronia, Knox, Wantirna and Ringwood.

(3) Yes.

(4) KYM Employment Services would only be able to provide Job Matching services in Lilydale or Bayswater as a sub-contractor to a Job Network member.

(5) This is a matter for my colleague, the Minister for Education, Training and Youth Affairs.

Yirrkala Bark Petitions
(Question No. 2867)

Senator Ridgeway asked the Minister representing the Attorney-General, upon notice, on 29 August 2000:

With reference to a letter from Senator Ridgeway addressed to the Attorney-General, dated 30 June 2000:

(1) Can the Attorney-General clarify the ownership of copyright for the Yirrkala Bark Petitions, now that they have been tabled in Parliament.

(2) Can the Attorney-General clarify the ownership of copyright that subsists in cultural materials, such as artworks, which are presented to courts as evidence in legal proceedings such as native title claims.

Senator Vanstone—The Attorney-General has provided the following answer to the honourable senator’s question:

(1) The tabling of the Yirrkala Bark Petitions in Parliament did not effect a transfer of such copyright as subsists in the petitions.

(2) The presentation of cultural materials, such as artworks, to courts as evidence in legal proceedings does not effect a transfer of such copyright as subsists in them.

People with Disabilities: Employment
(Question No. 2873)

Senator Chris Evans asked the Minister for Family and Community Services, upon notice, on 29 August 2000:

With reference to the ‘Review of the Business Services Sector of the Disability Employment Industry’:

(1) What mention has been made of employers’ legal obligations to people with disabilities.
(2) How long does the department expect the review to take.
(3) Have any interim reports been released; if so, are they publicly available.
(4) What does ‘industry profiling’ consist of.
(5) Can information and a timetable be provided regarding the industry forums that have taken or will take place.

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

(1) Recommendation 25 of the report makes reference to achieving employment outcomes for people with disabilities in a manner consistent with the Disability Services Act 1986. Compliance with legal obligations also remains a condition of funding.

(2) The Review is nearing completion with the main report now finalised. The case study compendium will be finalised shortly. It is expected that the final report encompassing the strategic plan for the sector and case studies will be provided to Ministers shortly.

(3) Yes, two discussion papers and a draft final report encompassing the strategic plan were released for comment. These papers can be accessed through the Department of Family and Community Services web site at www.facs.gov.au.

(4) Industry profiling consisted of an industry survey that collected information on current operational arrangements and broad performance information on business services. This information was then used to establish the relative performance of business services against a range of indicators.

(5) Three rounds of industry consultation forums were undertaken as part of the formal review:

- Round one in August/September 1999.
- Round two in October/November 1999; and
- The third and final round was completed in March 2000.

Other presentations were made to industry representatives at conferences held during the period of the review.

**Commonwealth Rehabilitation Services: Agreement**

(Question No. 2875)

**Senator Chris Evans** asked the Minister for Family and Community Services, upon notice, on 29 August 2000:

With reference to the Commonwealth Rehabilitation Service (CRS):

(1) Has the service level agreement between the department and CRS Australia been reviewed or revised.

(2) (a) What performance and outcome targets are in place; and (b) are these targets being reached.

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

(1) Yes. The Service Level Agreement between the department and CRS Australia is an annual agreement and is reviewed on this basis.

(2) (a) and (b)Performance and outcome targets for 1999-2000 are as follows:

<table>
<thead>
<tr>
<th>Clients</th>
<th>Projected Outcome</th>
<th>Actual Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Clients –</td>
<td>28,940</td>
<td>29,222</td>
</tr>
<tr>
<td>including new clients</td>
<td>17,600</td>
<td>17,759</td>
</tr>
<tr>
<td>Percentage of clients to be pensioners or Commonwealth beneficiaries</td>
<td>85%</td>
<td>82%</td>
</tr>
<tr>
<td>Employment Outcome to be achieved (+ 2.5%) clients</td>
<td>7040</td>
<td>6108</td>
</tr>
<tr>
<td>Percentage of employment outcomes of total completed vocational rehabilitation programs</td>
<td>65%</td>
<td>71%</td>
</tr>
</tbody>
</table>

Performance and outcome targets for 2000-2001 are consistent with the 1999-2000 targets.
Sudan: War

(Question No. 2876)

Senator Brown asked the Minister representing the Minister for Foreign Affairs, upon notice, on 30 August 2000:

(1) What information does the Government have on the war against southern Sudan and, in particular: (a) what caused it; (b) what is the state of events; and (c) how many people have been displaced, killed or injured.

(2) What is the involvement of chemical weapons and who manufactured them.

(3) Was Iraq involved in arming or providing chemical weapons information to Khartoum.

(4) Has China involved itself in arms sales or manufacture in the Sudan; if so, how.

(5) What action has been taken, is being taken, or will be taken by the Australian Government to bring to an end the calamity in Sudan.

(6) Is Australia involved in efforts to have an independent or United Nations investigation into the events in southern Sudan, including the involvement of chemical warfare agents.

(7) What relations does Australia maintain with Khartoum and/or the representatives of southern dissidents.

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

According to the records held by the Department of Foreign Affairs and Trade:

(1)(a) The 17 year-old civil war in the Sudan has its roots in the economic and political dominance of the north over the south during the 19th and early 20th centuries. Religion and ethnic identity are often invoked by both sides to justify their participation in the conflict. The war is thus commonly characterised as a north/south, Islamic/Christian, Arab/African conflict. However, economic interests, including the control of oil fields, are also factors. The situation is complicated by conflict between factions in the south and instability in neighbouring countries.

(b) There are currently two peace initiatives – those sponsored by the regional African body IGAD (Inter-governmental Authority on Development); and the Egyptian-Libyan sponsored peace initiative. The IGAD mediation process began in late 1993. It involves negotiations between the Sudanese Government and the southern-based SPLA (Sudanese People’s Liberation Army) only. The Egyptian-Libyan sponsored negotiations began in 1999 and include the NDA (National Democratic Alliance), an umbrella group of northern and southern opposition forces. In late 1999, Canada also offered to host peace talks.

(c) It is widely reported that up to 4 million people (in a total population of 30 million) have been internally displaced by the 17 year war, with another 400,000 taking refuge in neighbouring countries. Two million people are estimated to have been killed in the conflict. Numbers injured are inestimable.

The Australian Government is particularly mindful of the plight of the Sudanese people. The African component of DIMA’s humanitarian program has been increased significantly this year, and the Sudanese case load has been identified as a high priority.

(2) The Government is aware of the allegations which have been made over the years concerning the use of chemical agents in Sudan. Despite the persistence of these claims, they remain unsubstantiated and investigation of the alleged evidence has failed to reveal any trace of chemical agents.

(3) The Government is similarly aware of media and other speculation of Iraqi assistance to the Sudanese Government in the field of chemical agents. Given that claims of a Sudanese chemical weapons program remain unsubstantiated, such reports of Iraqi assistance must necessarily be speculative.

(4) The United Nations has not imposed an arms trade embargo against Sudan. China is one of many countries reportedly supplying conventional arms to the Government of Sudan. Very few of these transfers are publicly documented. The Human Rights Watch Report on Arms Transfers to the

(5) The Australian Government regularly co-sponsors Resolutions on the Sudan at the United Nations General Assembly (UNGA) and Sessions of the Commission on Human Rights (CHR). The Resolution of the 56th Session of the CHR (April 2000) expressed our deep concern at the use of weapons, including landmines, against the civilian population and at the continuing and serious violations of human rights, fundamental freedoms and international humanitarian law perpetrated by all parties to the conflict. The Australian Government is pleased to note the cooperation extended by the Government of Sudan to visits, in 1999 and February-March this year, by the United Nations Special Rapporteur on Human Rights.

The Australian Government has also made bilateral representations to the Sudanese Government on human rights issues.

Any application to export defence or related goods from Australia to Sudan would be subject to the closest scrutiny by agencies of the Standing Interdepartmental Committee for Defence Exports to ensure consistency with Australia’s foreign, strategic and security policy objectives. The Australian Government has not approved the export of any offensive weapons to Sudan for over ten years.

More broadly, through our participation in the Wassenaar Arrangement on Export controls for Conventional Arms and Dual-Use-Goods and Technologies, the Government is working to promote greater transparency and responsibility in transfers of conventional arms to regions of concern. Arms flows to countries in the Horn of Africa have been the subject of Wassenaar attention.

(6) There has been no United Nations Resolution calling for stronger action to deal with the conflict in Sudan beyond existing mediation efforts. The Australian Government welcomes all attempts to bring the war to a conclusion acceptable to all parties but does not support one peace initiative over another.

(7) There is no Sudanese diplomatic or consular post in Australia. The Australian Ambassador to Egypt is accredited to the Republic of Sudan. The Australian embassy in Cairo maintains dialogue with northern and southern opposition groups based in Egypt.

Northern Territory: Rural Communities Program Funding
(Question No. 2888)

Senator Crossin asked the Minister for Regional Services, Territories and Local Government, upon notice, on 4 September 2000:

(1) How many communities in the Northern Territory applied for funding under the Rural Communities Program.

(2) (a) How many communities in the Northern Territory gained funding under the program; (b) what communities are they; (c) what programs have they been funded for; (d) how much funding for each community was granted;(e) when will the communities receive these funds.

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

(1) Seven

(2) (a) Seven

(b) Atite Co-operative Aboriginal Corporation
Lone Fathers Association NT Inc
Ntaria (Hermannsburg) Council Incorporated
Mataranka Community Government Council
Yuyung Nyannung Aboriginal Corporation
Marrangu Aboriginal Association
Nguiu Community Government Council
(2) (c), (d) and (e)

**Organisation:** Atite Co-operative Aboriginal Corporation  
**Location:** Alice Springs, NT

**Project Summary:** to conduct a horticultural-project which will provide training to the people at Mosquito Bore outstation. The project will provide the community with access to fresh fruit and vegetables.

**Funding:** 2000-01: $19939 Funding to be paid in two instalments when Deed of Agreement signed.

**Organisation:** Lone Fathers Association NT Inc  
**Location:** Darwin, NT

**Project Summary:** assist the Lone Fathers Association to undertake planning and establish the need for support in rural NT.

**Funding:** 1998-99 $3000  
Funding already paid to group.

**Organisation:** Ntaria (Hermannsburg) Council Incorporated.  
**Location:** Hermannsburg, NT

**Project Summary:** to conduct a community planning project.

**Funding:** 1999-00 $3000  
Funding already paid to group.

**Organisation:** Mataranka Community Government Council  
**Location:** Mataranka, NT

**Project Summary:** to conduct a community planning project.

**Funding:** 1999-00 $3000  
Funding already paid to group.

**Organisation:** Yuyung Nyannung Aboriginal Corporation  
**Location:** Ramingining, NT

**Project Summary:** to conduct a community planning project.

**Funding:** 1999-00 $3000  
Funding already paid to group.

**Organisation:** Marrangu Aboriginal Association  
**Location:** Ramingining, NT

**Project Summary:** to conduct a community planning project.

**Form of approval:** Recommended

**Funding:** 1999-00 $3000  
Funding already paid to group.

**Organisation:** Nguiu Community Government Council  
**Location:** Tiwi, NT

**Project Summary:** publish and distribute a community newsletter for the people of both Bathurst and Melville Islands.

**Form of approval:** Recommended

**Funding:** 1999-00 $3360  
Funding already paid to group.
Philippines: Export Finance and Insurance Corporation Assistance
(Question No. 2903)

Senator Brown asked the Minister for Trade, upon notice, on 7 September 2000:
(1) Has the Export Finance and Insurance Corporation been approached by anybody to provide assistance, information or services for a proposed coal-fired power plant in the town of Pulupandan, province of Negros Occidental, in the Philippines; if so, can details be provided of when, who and what they wanted etc.

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

(1) Yes.

The Export Finance and Insurance Corporation (EFIC) received a preliminary approach from a potential exporter in May 1999. The potential exporter sought a nonbinding indication outlining the finance support EFIC may be able to provide.

At this stage EFIC has not begun detailed consideration of the proposed project, and does not expect to begin such consideration in the near term. Should the proposed project proceed with the involvement of Australian exporters, and an EFIC facility remained of interest to the project sponsors, and if EFIC determined that the project was appropriate for its support, EFIC would conduct its usual due diligence prior to making any commitment to provide a facility. Based on the little EFIC knows about the project and the potential Australian exports at this stage, EFIC would expect that its due diligence would include consideration of the environmental and social impacts of the project under its Environment Policy. This would involve publication of an Environment Impact Statement (EIS) and the seeking, and consideration of, public comment on the EIS.

Burma: League for Democracy
(Question No. 2907)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon notice, on 11 September 2000:

(1) Can the Minister explain the Australian Government’s silence in relation to the recent crackdown on the movement, rights and detention of the leader of the national League for Democracy while other governments around the world were condemning the military regime.

(2) Has the Government made any representations to the military regime in Burma; and (b) does it have any information on the safety and well-being of Daw Aung San Suu Kyi and her supporters who have been arrested and detained.

(3) Given that this latest crackdown occurred just weeks after the Australian Government provided human rights training to Burmese civil servants (a) does the government agree that its efforts to engage the military and teach it the fundamentals of their international human rights obligations has been an abject failure and (b) will the Government cancel, the human rights training scheduled for later in 2000.

Senator Hill—The Minister for Foreign Affairs has provided the foloowing answer to the honourable senator’s question:

(1) The Australian Government was not silent over the recent restrictions on the travel of Daw Aung San Suu KyiL We deplored the recent actions of the Burmese Government in forcing Suu Kyi and her NLD supporters to return to Rangoon. We had repeatedly urged the Burmese Government to respect the right of freedom of movement for all Burmese people including Suu Kyi, and this included her right to move about freely and meet with her supporters in the township of Dala. As Mr Downer said in the House of Representatives on 4 and 5 September, the Australian Government had repeatedly and publicly criticised human rights abuse in Burma and was appalled by the standard of human rights in Burma.

(2) Our Ambassador in Rangoon made the point that this right was being flagrantly ignored to the Burmese Deputy Foreign Minister on 25 August. High level representations were made thereafter on an almost daily basis. We then became deeply concerned that Daw Aung San Suu Kyi and her supporters were being held under de facto house arrest. Our Ambassador emphasised to the Deputy Foreign
Minister on 4 September that the restrictions on Daw Aung San Suu Kyi should be lifted as soon as possible. Our Embassy in Rangoon also sought to meet with Daw Aung San Suu Kyi as a matter of urgency to check on her welfare and that of her supporters. Our representations were made in parallel with similar protests by other like-minded missions in Rangoon. Our Ambassador and our Embassy continued to protest over the Burmese Government’s actions. Representations were made to the Chief Justice, the Minister for Home Affairs and the official Government spokesman. We also considered other steps to register our concerns with the Burmese Government, including the sending of a letter to the Deputy Foreign Minister on 12 September that made strong representations over Suu Kyi’s virtual house arrest. Restrictions on Suu Kyi and the NLD were lifted on 14 September.

On 7 September Mr Downer called in the Burmese Ambassador and told him that the Australian Government deplored the recent treatment of Daw Aung San Suu Kyi by police and military officials. He emphasised that the prevention of Daw Aung San Suu Kyi’s travel beyond Dala, and her forcible return to Rangoon were in violation of the intentionally recognised right to freedom of movement and association. The Australian Embassy in Rangoon sought access to Daw Aung San Suu Kyi and NLD representatives as soon as possible in order to confirm first-hand their circumstances and welfare.

(3) (a) Judgements that recent events in Rangoon are evidence of the failure of the Australian Government’s approach are simplistic. There has now been a decade of failed approaches to the human rights situation in Burma. The reality is that neither sanctions nor constructive engagement have achieved any improvements in the dire human rights situation in Burma. Our small-scale efforts to provide human rights training to middle-level officials are the beginning of a step by step approach. This approach is entirely consistent with our broader approach to the promotion of human rights, including institution building, in the region. (b) The Government has no plans at this point to abandon the third workshop in our human rights training initiative which will be held in Rangoon from 9-19 October.