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Wednesday, 7 February 2001

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

SYDNEY HARBOUR FEDERATION TRUST BILL 2000 [2001]

Consideration of House of Representatives Message

Consideration resumed from 6 February.

The CHAIRMAN—The committee is considering House of Representatives message No. 612. The question is that House of Representatives amendment No. 1 be agreed to.

Senator BARTLETT (Queensland) (9.31 a.m.)—I wish to continue the comments I was making yesterday in relation to the Sydney Harbour Federation Trust Bill 2000, the motion moved by Senator Hill and the issue as a whole. It is important to emphasise the importance of the role that the Senate has played. Indeed, I was a bit surprised, given how much the Senate amendments have been taken on board by the government, that other non-government speakers have not been paying a lot of attention to the significant benefits and improvements that have been made as a result of the Senate’s work. Slightly over 100 amendments that were made to this bill by the Democrats and the ALP back in the middle of last year, in what I thought was a good example of cooperation, have resulted in significant improvements.

For some reason, when the Democrats and the ALP put amendments together and vote together it is fine, upstanding cooperation and when the Democrats vote with the government it is outrageous, dirty, backroom secret dealing. That is political rhetoric for you. You do not get much more open and public than debating, explaining and outlining amendments in the Senate chamber. That is what the Democrats are doing as part of this legislation. It is important to emphasise that this bill—as significantly amended in line with the Democrat and Labor amendments from last year—ensures that the Defence Force land surrounding the Sydney Harbour foreshores will not, indeed cannot, be sold by this government or any future federal or state government.

It is a one-off opportunity to protect those lands and in the process put them in the context of developing a cohesive plan for the future in terms of public access, preserving heritage and maintaining useableness and workability. The amendments that have been put in place make an enormous difference in terms of ensuring the long-term protection of those lands for future generations. Contrary to the misunderstandings that were put forward in this chamber yesterday when we started debating this legislation—in the position that the Democrats were taking, anyway—the aim is to vote to ensure that Sydney Harbour lands will not be sold and that they will be protected for future generations.

The concern the Democrats have is that, if the government were able to walk away from this legislation—as they quite easily could do—and kill or dump the bill, then that one-off opportunity would pass. Voting to kill the bill would be voting to leave all those Defence Force lands at risk of being sold either by this government or by a future government. As was pointed out yesterday, at one stage it was a position of the ALP, when they were in government, to sell a lot of these lands. That position has changed since then, and that is a good thing. It highlights the point that any future government, if there is no legislative protection put in place, can sell significant parts of these Defence Force lands. As anybody who has visited the various sites would agree, they are incredibly significant, in some cases not just in terms of bushland but also in terms of heritage, indigenous and cultural values. There is a lot of history there.

Sydney Harbour is an issue not just for the people of Sydney, although they obviously have an important stake in it; it is an issue for the people of Australia, because it is an Australian icon. Of all the people partaking in this debate, none are from Sydney or New South Wales. It is a significant gateway to Australia, and it is of interest to all Australians to ensure that its future is protected. As
is often the case with legislation that the Senate has to consider, the Senate has to choose between insisting on an absolutely perfect outcome or accepting an outcome which is a significant advance in the status quo.

We have already heard some political rhetoric on this, and I am sure we will have to endure some more political rhetoric before this debate is out. From the Democrats point of view, if it is a matter of protecting the environment and heritage, we will certainly put that first every time—before politics, political rhetoric and supposed short-term political advantage. That is a record the Democrats have in relation to a whole range of environmental issues. The reason we have a strong record on environmental issues is that we will put the environment first, before knee-jerk politics, and that is what we are doing in relation to this legislation.

The only piece of land that may—and it is important to emphasise ‘may’—be developed is basically a suburban cul-de-sac of 1960s government houses—not exactly an endangered species, unless people think that 1960s red brick houses are an endangered species. It would be developed only after a comprehensive management plan in consultation with the community, local councils and state and federal governments and only after the development was deemed to be consistent with the future direction of the land. There are important issues in relation to ensuring that that land is not used for a high-rise or any building that is of greater height than is there now, because it would damage the visual aspect of the harbour if a building went up over the ridge line. But it is not a heritage site; it is basically some housing in a suburban street. It is an area I have been to and examined, as I have examined all the other Defence Force lands.

I think it is important to emphasise that that is the only piece of land that has any prospect of being sold under the legislation as it now stands. The significantly amended bill, as it now stands, ensures that all the other Defence Force lands listed—and there are some very significant and magnificent sites amongst them—will be protected from sale in the future. Taking a vote to knock off this legislation would prevent those lands from being protected. The Democrats position is that we are not going to leave those lands unprotected and at risk of future sale.

Given the number of amendments we have and the length of the running sheet, I will not speak further at this point. There will no doubt be further misunderstandings put forward during this debate, and we may need to correct those to ensure the public is not misinformed about the purpose of this legislation and the effect of it as amended. There are some other amendments which we will speak to as we go through the rest of the legislation. Many of those that the opposition has put forward have a lot of merit. When they are put forward, I think it is important for the government to give its explanation of why they are not acceptable or why they are problematic.

Senator BROWN (Tasmania) (9.40 a.m.)—I rise to speak on the Sydney Harbour Federation Trust Bill 2000. Firstly, I want to speak about the specific amendment in which the government wants to change the objects of the act by changing the pivotal word from ‘preserve’ to ‘enhance’—that is, the aim of the act would be to enhance the Sydney Harbour foreshore instead of preserve it. This gives a direct bead on at least some of the government’s intentions. When you go to the Macquarie Dictionary, you find that the word ‘preserve’ is entirely appropriate to the sentiments most people are expressing about the aim of this legislation. It says:

1. to keep alive or in existence; make lasting. 2. to keep safe from harm or injury; save. 3. to keep up; maintain. 4. to keep possession of; retain ...

When you go to ‘enhance’, you find a very different meaning. ‘Enhance’ means:

1. to raise to a higher degree; intensify; magnify ... 2. to raise the value or price of ...

So my question to the minister is: why do you want to change this word? Why has the government’s object gone from being one of preserving these lands to one of building up or increasing the value of these
lands? In the second reading speech, the minister himself began by saying:

The Commonwealth Government, in its 1998 election commitment, *Protecting the Sydney Harbour Foreshore*, stated that it was committed to preserving the Sydney Harbour foreshore for future generations.

He went on to say:

As the cradle of European settlement and the focus of Australia’s most populous city, the Harbour is the quintessential image of our nation abroad. It will be the centre of international attention during the 2000 Olympic Games.

For the people of Sydney, the Harbour provides an avenue for commerce and the transport of people. The Harbour and its foreshores are a focus of city living and of recreational pursuits.

For these reasons the Government is committed to preserving the Harbour and its foreshore for future generations.

He goes on to use the word ‘preserve’ a third time in the second reading speech. I think that is an entirely appropriate word. The object of this bill is to preserve these lands. So I ask the minister: why has ‘preserve’ been changed to ‘enhance’ since he wrote the second reading speech, dwelt on that word and emphasised that that word came from the Prime Minister himself? What is the significance, as the government sees it, of the word ‘enhancement’ which makes it more appropriate than the word ‘preservation’? Unless there is a good explanation, I will be opposing this amendment. I believe the bill as it stands—using the word ‘preserve’—is entirely appropriate.

That being said, I want to respond to Senator Bartlett, who spent much of his contribution talking about those of us who have a different point of view wanting to misrepresent or in some way or other give a false analysis of what the Democrats position is. Let him defend their position, but we have every right to put forward a different one—a stronger one and one which is indeed aimed at preserving the foreshore lands, not just enhancing or increasing the value of the foreshore lands as the government’s new aim would have it.

Senator Bartlett said a number of times that the Democrats have moved to compromise in these amendments because they did not want the government walking away from this legislation. This shows the weakness of the Democrats position. The Democrats want to be at the prime ministerial table and involved in making the big decisions but, time and time again, they are found to be, effectively, doing nothing of the sort. They are found to be simply paving the way for the government to get unsatisfactory legislation through the Senate, which should be the watchdog of the people’s interest. There is no way that the government is going to back down on this transfer of land. The government sees it as a centrepiece of its forthcoming election platform, particularly for the people in the marginal seats in Sydney, who are going to be very keen on seeing the transfer of these lands to the trust and the protection of these foreshore lands as an enormous heirloom for the city of Sydney and the people of Australia in the future.

The government also sees some commercial opportunities for some of the lands—for example, Markham Close, which has been valued, I understand, at $15 million; I am talking about the red brick houses in Mosman that Senator Bartlett was just referring to—coming down the line. So it has opened up the way for the privatisation and the sale of some of these lands, all of which should be kept in the public domain and protected in the future as public amenity. I will be asking the minister for the government valuation of Markham Close and other lands that has so far not been forthcoming. That aside, I wanted to say to Senator Bartlett, through you, Mr Temporary Chairman, and to the Democrats that the position they have taken is facilitating the strategy of the government. It is not facilitating the interests of the people of Sydney. They have gone to the table from the weak position of wanting to be seen to be the fixers and, instead, they end up being the people who allow the government to come up with second-best legislation which inevitably going to include the privatisation of some very important components of what should be the future Sydney Harbour National Park.
There is no need for this. If the Democrats were standing strong with the Labor Party and the Greens, this legislation would be going through in the way that those people in the community in Sydney who have been fighting for the best outcome would have it, with these lands protected, with their integrity assured and with the hovering possibility—I would say probability—of the real estate values making some of the lands fall prey to future so-called development—that is, moneymaking—by sectional interests, by people who can get their hands on it, eliminated.

Because of the Democrats amendments, that possibility is going to be there. We have the possibility of the future transfer of lands into schedule 2 and then on to purchase, with no real backstop except ministerial authority. A tick from the minister of the day here in Canberra is all that is required for the sale of those lands, and that is not satisfactory. I say to Senator Bartlett: you protest too much. You have proven to be the weak link in the defence of the lands. You have not learnt from the GST debacle. You have not learnt from the environment bill debacle, where the Democrats effectively gave the woodchippers what they wanted through the regional forest agreement components of that legislation.

Now we have, with this important legislation, a second-best outcome, because the Democrats have not held firm. We will get into detail as this debate unfolds. It is another matter of great importance that, through this deal with the government, we are going to see certain important environment and planning laws in New South Wales not applying under certain circumstances to the protection of these Sydney Harbour foreshore lands. And the question is: why not? That is a question that the Democrats are going to have to answer.

We have another Meg Lees-John Howard get-together to come up with a solution which is one the Prime Minister wanted, not one the people wanted. It has pulled the rug from under those people who saw the real opportunity of this being a totally good outcome for the Sydney Harbour foreshore lands. So there it is. I congratulate the Labor Party for its stand on this future Sydney Harbour National Park. We are going to get an outcome here today. It is going to be a Democrats-Howard government outcome.

No doubt, it is going to be a centrepiece of Mr Howard’s election campaign in Sydney. But those who know the issue are going to be regretful that, because of the Democrats, it is second best and it does leave a lingering threat that there will be future privatisation of parts of what should be a completely safe Sydney Harbour National Park for the future.

The attraction for, and the pressure from, developers of this land is going to be huge. When you leave the way open for that, that way will be taken. So instead of people planning the future of this great national park with security, there is going to be ongoing anguish as pressure comes from those people who can see themselves making a profit at the public expense through the future sale of components of this land. There should be one absolutely certain outcome here: none of this land can be sold into the private domain.

Senator BOLKUS (South Australia) (9.53 a.m.)—by leave—I move opposition amendments Nos 1 to 3:

(1) Amendment (1), Preamble, first paragraph, omit “to conserve and preserve”, substitute “to conserve, preserve and enhance”.

(2) Amendment (1), Preamble, first paragraph, omit “Suitable land with significant environmental and heritage values”, substitute “The land”.

(3) Amendment (1), Preamble, second paragraph, omit “. The Trust will transfer suitable land”.

These amendments go to the purport of the House of Representatives amendment No. 1—that is, to the preamble of this legislation. As I said last night, this legislation, as it is going to go through today, represents a missed opportunity in a number of respects,
and one of those respects is being able to state in the preamble quite clearly and with a degree of vision what this land is all about and what preserving it is all about. We do not do that. We have missed this opportunity to recognise that what we are talking about here is land with significant natural heritage, historic, indigenous and cultural aspects. We also missed the opportunity to talk about the necessity to rehabilitate and restore these lands for future use in public trust. There is no vision in this legislation. It is a vision that you would expect from a 1950s, Sydney suburban solicitor—that is, John Howard.

Unfortunately, as Senator Brown quite rightly said this morning and as we said last night, the Australian Democrats have also missed the chance to be part of moulding some fairly important legislation here. They have chosen the approach of being the third arm of government yet again when it comes to environment matters. Over the break, there was promise after promise, indication after indication, that Meg Lees now wanted the Democrats to be seen as an alternative to the major parties. As I said last night, not only have the Democrats sold out; they have devalued the currency of trading and doing deals in this place. They sold out early, and they sold out in the basest of ways when they did not have to. This government needs this legislation to go through, because it tries to represent a promise made by the Prime Minister before the last election, a promise which, in the passages of this legislation and the way it has been dealt with by the Democrats and the government, is breached; that promise is broken. The promise was a commitment to keep all the land in public trust and to hand over that land to New South Wales to be subject to its environmental and heritage laws. This preamble does not even accept that as well.

We challenge the Democrats again. We are moving amendments, such as those I have just moved conjointly. Those amendments will enhance the value of the preamble. They will enhance the language of the preamble to recognise the inherent values of this land, to recognise that all trust land should remain in public ownership and to ensure that the trust land is transferred to the national parks and reserves system of New South Wales, as promised by the Prime Minister. This was an opportunity for the Australian Democrats to kick off this year with a new start. As I said last night, they have come from the party of claiming for themselves a role of keeping the bastards honest to the party now under Meg Lees who are being seen in their deals and counter-deals with the government as, in a sense you could call them, ‘Meg the cheap’. They are for sale, they are for sale at fire sale prices, and this is an indication of that.

Senator BARTLETT (Queensland) (9.56 a.m.)—I will not correct every distortion that everyone makes in this debate or we will be here until Christmas, but I think it is appropriate to respond on behalf of the Democrats to some of the comments that have been made. Firstly, following on from Senator Bolkus’ comments, I think the only thing cheap that is happening here is the cheap shots that he is choosing to take. I guess that is understandable because there is not much else there. If they just want to make political postures and ignore the environmental opportunities, then that is fine, but as I said before the Democrats will put environmental opportunities first.

I will not talk about the fabulous performance of the ALP in terms of protecting public ownership of things. One could mention the sale of the Commonwealth Bank, Qantas, the Commonwealth Serum Laboratories, our airports and pipelines—the list goes on and on. Indeed, as I said previously, the ALP, when they were in government, proposed selling off some of the lands that we are now going to lock in permanently in public ownership as a result of this legislation. So I think for them to come in and talk about needing to protect a few blocks of suburban housing as though it is the holy grail of protecting public ownership is fairly ironic, to put it mildly.

Then there is this idea of devaluing the currency of dealing or, to use Senator Brown’s phrase, the idea that this is somehow or other about wanting to sit at the
Prime Minister’s table. I must say that I have never been in the Prime Minister’s office, and I do not particularly have any desire to be, one way or the other. I have not even been to the Lodge, actually. What I am focusing on as a legislator is delivering positive legislative outcomes for the people of Australia. From the Democrats point of view, that particularly involves putting the environment first. That is what we are going to do. We are not going to put politics first.

Senator Brown said that we need to maintain public amenity. That is what this bill as amended does. It ensures a maximised public amenity on all of this Sydney Harbour foreshore land. How he could call some suburban housing public amenity is a bit beyond me. Markham Close is almost identical to Defence houses in any other place. For example, Long Tan Place at Scheyville, about 35 kilometres to the north-west, is almost identical in terms of 1960 designed red brick houses, but nobody is suggesting that they should be kept and preserved for all time as part of the need to maintain public amenity. The only difference is that Markham Close is located on the edge of the suburb of Mosman. It is important that development controls are maintained over that land, that it is not misused and that inappropriate development does not occur on it, but that is separate to the issue of ownership. That is why there are all the other protections in the legislation.

It is worth emphasising that, in the absence of legislation, the federal government can do whatever it wants. Indeed, it is doing whatever it wants now. The interim trust is operating without legislative oversight, constraints and protection. By enabling something to be put in place, we are preventing governments from changing their minds and switching to something else, whether that is selling the land off or allowing inappropriate development.

I do not know whether Senator Brown has been to Markham Close or how many meetings he has had with local councils and the trust director or how much of a look he has had around all the other various sites. I do not know whether he has spoken with the planners and architects who are in place now in the interim trust, who have an incredibly passionate commitment to protecting these lands into the future. I would be interested to know if he has done all those things and got that perspective on what is being done now and what the potential and opportunities are rather than simply going on about somehow incorporating some suburban housing into Sydney Harbour National Park. Suburban housing would make an interesting national park addition. Basically, what is being suggested is that we should throw away this opportunity to prevent the Sydney Harbour foreshore lands from being sold for some ideal of putting suburban housing into a national park. That is the logical extension of what is being said.

The Democrats believe that there are some extra benefits and improvements that could be made to this legislation. I think it is quite clear that the government do not have to proceed with it. I do not see any reason why they would not withdraw this legislation and go ahead and do something different in an election year. It would be quite easy for them to put that forward as some sort of stunt that required no legislative backing, approval or protection whatsoever. This is a one-off opportunity to protect and preserve these lands for future generations. That is why the Democrats will not pass up the opportunity for the sake of some political point scoring.

It is important to note all of the gains that have been made by the Democrats and the Labor Party. I would have thought they would be claiming these as gains they have achieved rather than trivialising them as being of no worth whatsoever. One of the significant concerns and problems in place in the original legislation was a significant requirement that a sustainable financial base be part of the functions of the trust. That is no longer there as a result of the amendments. The risk of inappropriate commercial development is, and has always been, the main danger with the future of these lands. Indeed, Sydney Harbour as a whole has any number...
of examples of inappropriate and unfortunate commercial development—much of it a consequence of actions of the state government—as well as development on previous Commonwealth lands. That highlights how dangerous it is to leave these lands unregulated.

We have specific individual properties that are now named in the preamble, and the boundaries are listed. All of the land in schedule 1—which is all of the lands except for Markham Close, the suburban housing—is required to remain in public ownership. Even that suburban housing can only be sold where the approved plan has identified sale as the preferred option and the land has not been identified as having significant environmental heritage values. The government can put future lands into schedule 2 and be in a position to sell them off, that is true. But the government also does not have to put any lands into schedule 2 at all. If it wants to sell other land off, it can just do it. To suggest that, somehow or other, not having a cast-iron protection against the sale of Markham Close leaves all of the foreshore lands open to being flogged off is simply wrong.

The trust is not able to even give security over any land that is mentioned in schedule 1, which is all of the lands that are listed except for those suburban housing blocks. Long leases are disallowable instruments. We have expanded the membership of the trust and allowed and ensured direct representation of an elected member of local government. I think the role of local governments is important here. I acknowledge the work that the local councils have put in, as well as the work that many people in the community organisations have put in, because it has resulted in significant gains.

At the end of all the shouting and finger pointing that passes for debate in this place occasionally, you have to look at whether you are moving forward and making some gains or whether you are not doing so. Clearly, being able to ensure that all of these lands on the foreshores are protected from future sale is a significant advance over where we would otherwise be and where we will be if the government chooses to walk away from the legislation. There have also been significant changes in terms of increased public and community participation and transparency and openness of meetings, minutes, plans, public notices and the like. I think that is an important part of it and will be a significant change from what has occurred with most Sydney Harbour lands in the past, whether you are talking about Commonwealth or state lands. Basically, these lands have been open to deals between developers, governments and councils. That would no longer be possible if this legislation were to pass. If it were to fall over, through the government walking away from it, those deals would still be possible. That is an outcome that the Democrats do not want to see happen and do not want to facilitate happening.

So it is not a matter of trying to facilitate the government. If anything, the Senate as a whole has been a pain in the neck for the government in this issue because we have dragged it out over months and months and months. We have required them to take on board significant amounts of concerns of the community, of the Senate and of local councils, and the fact that they have done that to a fair degree, I think, would be more a matter of the government facilitating the demands and wishes of the community and of the Senate rather than the other way around. I do not particularly care who is in government in relation to legislation that is put forward, and the Democrats never have. What we are concerned about is getting positive advances for the environment for the community. We certainly do not want to throw those away for the sake of some political posturing, because we will, as we always have, put the environment first.

Senator BROWN (Tasmania) (10.08 a.m.)—Just a little earlier I asked the minister if he could, maybe at this early time, clear up the matter of an evaluation of the Markham Close properties. Could the minister tell the committee about any valuation that has been done by any government instrumentality or any other valuation that is known to the government?
Senator HILL (South Australia—Minister for the Environment and Heritage) (10.08 a.m.)—I do not know, and my advisers do not know, of the government having commissioned any valuation of the Markham Close land, at least of recent times.

Amendments not agreed to.

Senator BOLKUS (South Australia) (10.09 a.m.)—I am a bit reluctant to call a division but I would like to get some indication from the Australian Democrats as to what they are doing with the amendments. If we can get that from Senator Bartlett at this stage, then we will be clearer as to which way the vote will go.

The TEMPORARY CHAIRMAN (Senator George Campbell)—I thought Senator Bartlett indicated in his speeches that he was not supporting the amendments. I am open to correction by Senator Bartlett.

Senator BARTLETT (Queensland) (10.09 a.m.)—As I think I indicated in some of my comments, I think it is appropriate for the minister to outline reasons why he thinks something is unacceptable. I think the government attitude is important, not just on this amendment but on all of the amendments.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.10 a.m.)—The government has made major concessions to this bill since this process started. As you will recall, some 100-odd amendments were previously passed by the Senate and went back to the House of Representatives and, wherever possible, we have accepted those amendments either in the form in which they reached the House or in a modified form. We have brought the bill back, therefore, with substantial change to accommodate the desires of the Senate as indicated by the passage of amendments in this place. The amendments that are put up today by the Labor Party are really just another attempt to rerun the same arguments in relation to those of the issues that were not previously accepted by the government. We are therefore not of a mind to accept any further amendments from the Labor Party today.

The TEMPORARY CHAIRMAN—I have called the vote in the negative. The question is that the House amendment No. 1 be agreed to.

Question resolved in the affirmative.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.11 a.m.)—I move:

That the committee agrees to amendment No. 4 made by the House to the bill.

I now move amendment No. 1 on sheet EB246 to House amendment No. 4:

(1) House of Representatives amendment (4) (proposed new paragraph 6(a)), omit “preserving”, substitute “enhancing”.

Senator BOLKUS (South Australia) (10.11 a.m.)—Mr Chair, have we actually done House amendments Nos 2 and 3?

The TEMPORARY CHAIRMAN—No.

Senator BOLKUS—Does the government not intend to move amendments Nos 2 and 3?

The TEMPORARY CHAIRMAN—This is the order that I have it in. The question is that amendment No. 1 on sheet EB246 be agreed to.

Senator BROWN (Tasmania) (10.12 a.m.)—I ask the minister to explain why this amendment is being made and just how it changes the direction of the act.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.12 a.m.)—This is the amendment that I think Senator Brown referred to earlier in relation to the objects, to omit the word ‘preserving’ and substitute the word ‘enhancing’. Senator Brown suspected that there was some sort of evil intent attached to this. I gather that the interim trustees had a long debate on this subject of the distinctions between preserving and enhancing. Whilst in the preamble we had not included the word ‘enhancing’, it was considered desirable to put it in the objects as it relates to ensuring that the management of trust land contributes to enhancing—at the moment it is preserving but would become enhancing—the amenity of the Sydney Harbour region.
As I understand it, the reason for doing that was that they were concerned that, say, in relation to Cockatoo Island, if it simply said ‘preserving’, they might be obliged to preserve what is there now in its current form, whereas in some circumstances it could be enhanced and improved; and they wanted to make clear that that was within the objectives that were their charter. I would not seek to read as much into it as Senator Brown has. I personally do not think that there is a great distinction between preserving and enhancing in this circumstance. In relation to the way in which the trustees are going to meet their obligations, I do not think there is a great difference either.

**Senator BROWN (Tasmania)** (10.14 a.m.)—There is some confusion here because the aim, ultimately, of this legislation must be to preserve the natural amenity of the Sydney Harbour foreshores. What is happening here is that when it gets to the objects, the driving component of this legislation, that aim of preservation suddenly gives way to enhancing, which does have the very clear motivation of human improvement, as we perceive it, built upon it. So it does not sit well with the natural values. Suddenly the built values that Senator Hill referred to come to the forefront and the others get left behind. The Labor amendment is to preserve, conserve and enhance. It at least retains that need for preservation of the natural values to be at the forefront of the design of management plans for the future. If you simply give to managers the direction that they are to enhance what they have there, you open the door to the wrong direction being taken. I think the word ‘preserve’ or the phrase ‘preservation of the natural values’ needs to be built into this. I think it is a mistake to allow that to slip out and to allow concentration on what to do with the built values in these lands to become pre-eminent. Pre-eminent in the minds of Sydneysiders and everybody who knows Sydney is going to be the preservation of the natural values which make these lands so important.

**Senator BOLKUS (South Australia)** (10.18 a.m.)—I think Senator Brown does have a point and Senator Hill, in referring to the diversity of the land complexity, may be onto something as well. I would suggest to the minister that maybe one way we can pick this up is to change the proposed clause 6(a) to read ‘contributes to preserving and enhancing the amenity of the Sydney Harbour region’. Conserving and enhancing are two different functions, and including both objects into 6(a) would meet the trust’s and the government’s need to recognise moving forward with the land. At the same time, keeping the word ‘preserving’ does retain some recognition of the need to move forward but to move forward in preserving the amenity of the land we are talking about. I would ask the minister to consider that while I flag at this stage that, once these amendments are dealt with, I will be moving opposition amendments (4) to (7), which basically go to the same issue. I flag now that we are seeking a commitment to restore, protect, con-
serve and interpret the environmental heritage values to ensure ongoing public ownership of trust land; to ensure ongoing public ownership of trust land; to establish and manage trust land on behalf of the Commonwealth as a transitional arrangement before transfer to New South Wales; and to cooperate with New South Wales, affected councils and the community in furthering the objects of the act as they are finally defined by the Senate. I think those four amendments are important additions to what the government is trying to do. I also ask the minister during the course of the debate on this particular clause to see whether he can pick up those amendments and to try to explain why he will not if he does not.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.20 a.m.)—I do not think it is necessary. As I have pointed out, the objects do include a requirement to protect, conserve and interpret the environmental values of the land. So what Senator Bolkus is seeking to incorporate within another subclause is adequately covered already in the objects that are before the chamber.

The TEMPORARY CHAIRMAN (Senator McKiernan)—The question is that government amendment No. 1 be agreed to.

Question resolved in the affirmative.

Senator BOLKUS (South Australia) (10.21 a.m.)—by leave—I move opposition amendments (4) to (7):

(4) Amendment (4), clause 6, omit paragraph (b), substitute:

(b) to restore, protect, conserve and interpret the environmental and heritage values of Trust land;

(5) Amendment (4), clause 6, after paragraph (b), insert:

(ba) to ensure ongoing public ownership of Trust land;

(6) Amendment (4), clause 6, omit paragraph (d), substitute:

(d) to establish and manage Trust land on behalf of the Commonwealth as a transitional arrangement before transfer to New South Wales;

(7) Amendment (4), clause 6, omit paragraph (f), substitute:

(f) to co-operate with New South Wales, affected councils and the community in furthering the above objects.

I have just spoken to these amendments, so I do not need to speak again other than to ask the minister if he is in a position to accept them and, if he is going to be difficult about it, to explain to the Senate why.

Senator BARTLETT (Queensland) (10.21 a.m.)—I reinforce the question that Senator Bolkus has asked. There are four different amendments that have been moved together and possibly a couple of them are redundant. For example, inserting 'to ensure ongoing public ownership of Trust land' is fairly redundant. We have ensured that by putting those lands into schedule 1. In that sense I suppose it does not hurt to have things in there that are redundant. But, in particular, I think amendment No. 7, which modifies clause 6(f) slightly by having an object of cooperating not just with New South Wales—I presume the New South Wales government will have a say in it—and affected councils but also with the community. I think plenty of other components are now in the bill, because it has been significantly amended, that require a lot of community input anyway. It would seem unnecessarily churlish not to accept an object of cooperating with the community in furthering objects. I would be interested in any explanation the minister has as to why that would be a problem either for the government or for the trust. I know that the interim trust, which has already been operating for a while, has examined in detail the initial amendments that were passed through the House towards the end of last year. They may have some views on those but I have not heard them expressed when I have spoken with them in the intervening period. I think that amendment No. 7, in particular, which includes the role of the community, is crucial to the long-term success of the trust. I would be interested to hear any reason why that could not be part of the objects in 6(f).
Senator HILL (South Australia—Minister for the Environment and Heritage) (10.24 a.m.)—Leaving aside amendment No. 7 for the moment, which is the only one that seems to add new elements, firstly, I do not think that the first few changes are necessary because they are already covered in the bill. Secondly, in the form in which they have been written there is some element of inconsistency of structure in that, out of the long process of negotiation that has taken place in preparation of the original bill and then subsequent to the passage of that bill in this place very heavily amended, the issue of public ownership has been dealt with through splitting the land into two schedules. Thus, to now include a new object to ensure ongoing public ownership of the trust land expressed in such terms is somewhat confusing. So either because of the confusion or because it simply duplicates what is already there in substance in the bill—more than simply objects—I do not think those changes are necessary.

In relation to amendment No. 7, which is the object to cooperate with New South Wales, affected councils and the community in furthering the above objectives, obviously we want the trust to cooperate with all stakeholders. The state government is a clear stakeholder and, similarly, the councils are and the community, as such, is. Again, we have structured the bill in that sense. That is why the community gets a real and meaningful role in relation to advising on each of the plans as they are developed and so forth. I do not know of any other piece of legislation that has gone through this place that actually, in effect, sets out in a detailed form community roles in the way that we have in this particular bill. We have accepted the wish of councils, for example, that an elected office-bearer, an elected councillor, be included as a member of the trust.

I have no problem with the spirit of this amendment. On the other hand, I have some concern about actually including it in the legislation. My fear is simply how it might be interpreted. I give you the example of New South Wales. We have bent over backwards to cooperate with New South Wales in relation to the process so far—the process of identifying the values, the planning process and discussions for the future—and in return we have received no cooperation at all. In such a circumstance it would seem odd to me that we would then want to write into legislation an obligation on the trust, at least through an objects clause, that the trust should then cooperate with the New South Wales government. I think it could lead to confusion in relation to New South Wales planning laws. Does cooperating with New South Wales in any way provide an obligation in relation to their planning laws, which we are certainly not prepared to accept?

Fortunately, the councils—certainly the councils that have written to me—now want this legislation passed, for the reasons that Senator Bartlett said, I suspect; that is, they are suspicious that future governments might do otherwise with this land. They might dispose of it for other purposes than the purpose of this trust. They see a unique security in this legislation in relation to this land so they want it passed. They are witnessing a spirit of cooperation with the trust, and therefore it seems to me that it does not add value and it potentially might lead to future disputes as to what it means in terms of an application in practice. In those circumstances, I would oppose the inclusion of it as an objects clause.

Senator BOLKUS (South Australia) (10.29 a.m.)—I think you have got a point. Maybe the minister can help the Senate on this. He has just spoken about the problems in having an imperative in the legislation for the Commonwealth to cooperate with New South Wales, and he raised a number of issues of concern to him. He has indicated that, as a consequence, he is not prepared to accept opposition amendment No. 7. My understanding is that opposition amendment No. 7 merely adds an obligation to cooperate with the community, and your legislation already imposes an obligation on the trust to cooperate with New South Wales. Are you trying to tell us that you are also going to amend objects clause 6(f) to delete any obligation on the trust to cooperate with New
Senator HILL (South Australia—Minister for the Environment and Heritage) (10.30 a.m.)—No, I am not going to do that. I will accept what is already there. In relation to New South Wales, I remind the Senate that from day one we invited New South Wales to come in as a partner in this process, to appoint nominees to the interim trust, to join us in a meaningful way to work for the conservation and preservation of these wonderful natural and cultural assets—and the response to date has been disinterest.

Senator BOLKUS (South Australia) (10.31 a.m.)—In view of the interaction, I would level the same charge at the Commonwealth. But I ask you: with respect to Senator Bartlett’s inquiry as to why you would not be able to accept amendment No. 7, doesn’t amendment No. 7 merely add an obligation to cooperate with the community? With respect to your rhetoric about New South Wales standards being meaningless, given that your clause already imposes an obligation to cooperate with New South Wales, why can’t you accept opposition amendment No. 7 when it does not add an obligation to cooperate with New South Wales; it only adds an obligation to cooperate with the community? Why not?

Senator BROWN (Tasmania) (10.32 a.m.)—Senator Bolkus is quite right. The committee can see that the government’s own words are that the objects of the trust are, amongst other things, to cooperate with New South Wales—that is the government’s clause, the minister’s clause—and affected councils in furthering the preservation and protection of the Sydney Harbour region. The ALP amendment extends that to say that the trust should cooperate with New South Wales and the affected councils, as the government’s amendment would have it, and the community in furthering those objects. So Senator Bolkus is right. I think the minister may have argued against his own government’s position in saying that New South Wales should not be included there.

I would also like to get some understanding of the Democrats point of view. I ask whether or not the Democrats are in favour of the sale of parts of these lands in the future—a sale which would be excluded by these ALP amendments—and whether or not, Markham Close in Mosman, which is the housing component that Senator Bartlett has been talking about, is the end of it. Would the bill, as designed by the government and the Democrats, exclude any further potential sale down the line of any other properties besides these Mosman properties which Labor and the Greens are opposed to putting on the market? If not, I would like to know where the process ends.

Senator BARTLETT (Queensland) (10.34 a.m.)—To respond briefly to Senator Brown’s comment, I have stated a number of times that the Democrats are keen to ensure that the Sydney Harbour foreshore lands remain in public ownership, and that is why we do not want to see this opportunity lost by effectively killing the bill. That would leave all those lands open to being sold off. We are strongly in favour of the foreshore lands remaining in public ownership.

In terms of any other Commonwealth Defence lands that are not included in this bill, as I stated before—and I have seen no amendments from anybody, including Senator Brown, proposing to add other Commonwealth Defence lands that have not been detailed in the amendments and legislation—that is obviously Commonwealth land and currently they can do with it what they want. If they want to sell it, they will just sell it. They will not bother putting it into the management of the trust. Obviously, because it is not land that is dealt with in this legislation, there is nothing any of us can do whether we support the bill or not. There is nothing we can do to ensure the ongoing public ownership of lands that we are not dealing with. Obviously, if we are not dealing with those lands we cannot guarantee what will happen with them. The reason why the Democrats are keen not to see this legislation fail is that it will ensure the permanent public ownership of the very significant parts of Defence lands that are listed in schedule 1.
I would like to return to the issue of opposition amendment No. 7. I think that it is in some ways a symbolic one, but I think it is an important one. The minister, in outlining his problems with it, talked about the attitude of the New South Wales government. I do not necessarily disagree with the description he gave but, despite problems that may or may not have occurred with the lack of cooperation between the New South Wales and federal governments about the future of these lands, there is still, as the government’s own wording says, a requirement to cooperate with New South Wales. Perhaps the minister might wish there was a requirement for New South Wales to cooperate with the Commonwealth, but obviously we cannot impose that on them. I think it is important, even if it is symbolic, because it sends an important signal for the community to be in there, as in this amendment, partly because of the history of these lands over many years and also because of the history of this bill and the trust.

Given past records of governments of all political persuasions at state and federal level, there is—not unreasonably—a degree of apprehension about what may happen. I think it is due only to the work of community groups that mistakes at council or government level have been avoided. There is still apprehension out there, and that is why some in the community groups want the Senate to insist on further amendments. They want to lock in the trust in every way possible because of that apprehension—a lack of trust in the trust, if you like. I think it is very important that there be a clear requirement on the trust to cooperate. Thanks to all the amendments that have been put through—Democrat and Labor amendments from last year, the majority of which have been accepted—there is a requirement for a lot of public participation. That might create some legal difficulty for the trust in having an objective of cooperating with the community, but I certainly did not pick that up from any of the minister’s explanations. I think it would send an important signal to the community groups that they are equal partners in the future of these lands. Unless the minister categorically assures the Senate that the government will walk away from the entire legislation and let it sink to the bottom of the harbour rather than to proceed with it if the word ‘community’ is added, the Democrats would be keen to support amendments. We would not want to jeopardise the protection of all of the lands that will be protected under this legislation as amended if the government were to insist on walking away from the whole thing as a result of the addition of the word ‘community’. In the absence of such an insistence from the government, we do believe that amendment No. 7 is an important one, even if it is, in a sense, symbolic.

Senator BROWN (Tasmania) (10.39 a.m.)—I want to pursue a little further the pivotal matter of the potential sale of components of the proposed Sydney Harbour National Park lands. Schedule 2 shows that Markham Close in Mosman is not just available but earmarked for that under the government’s arrangement with the Democrats. I ask both Senator Bartlett and the minister to look at the House of Representatives amendment to Part 4—Trust Land, page 10, clause 24 ‘Transfer of Trust land’. It says:

(1) The Trust must not sell or otherwise transfer the freehold interest of:

(a) any land mentioned in Schedule 1—the ones that Senator Bartlett assures us are protected—
or

(b) land identified in a plan as having significant environmental and heritage values; other than to the Commonwealth, New South Wales or an affected council.

Does this mean that the trust could transfer the freehold of land in schedule 1 to a council? If so, is there to be discovered in this legislation a means whereby the council would be prevented from on-selling that land to private owners?

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.41 a.m.)—It is true that if amendment No. 7 passed because the Democrats supported the Labor Party, the government would not walk away from the bill.

Senator Bolkus interjecting—
Senator HILL— I was asked the question, so I have answered it. In relation to the other clauses, there are serious problems, which I can go into if you would like.

Senator BOLKUS (South Australia) (10.42 a.m.)—Before I seek leave to disen-gage the clauses, I ask Senator Bartlett, with respect to proposed opposition amendment No. 6—which basically embodies an obligation on the Commonwealth to set up a transi-tional arrangement before the transfer of the land to New South Wales—why he would not support that amendment. Does he not support the Prime Minister’s commitment—the long-held policy of his party and the Labor Party—that what we are involved in is a transitional trust arrangement and that what we want at the end of it is a transfer to New South Wales? Does he still stick to that commitment? If so, would he support amendment No. 6?

Senator BARTLETT (Queensland) (10.43 a.m.)—I will respond to that and to the minister’s statement by way of being coop-erative—although it does not sound terribly cooperative to refuse the very straightforward amendment No. 7. I must say that I find it fairly extraordinary that the government is willing to walk away from this entire package of legislation simply on that ground. I think that shows the bind that the Senate is in.

Senator Bolkus—Did he say that?

Senator BARTLETT—That is what he said—that he would trash the whole bill rather than support amendment No. 7.

Senator Brown—I understood that he said that he would not.

Senator BARTLETT—Did he? I beg your pardon. I must not have been listening. In that case, that is very cooperative. Thank you; I am glad to hear it. I take it all back. In relation to the other part of Senator Bolkus’s question, and the previous statements as well, clearly we do have a situation whereby, if the legislation fails, there is no guarantee that any of the land will remain in public ownership. The passage of the bill will ensure that all of those schedule 1 lands remain in public ownership. To respond to Senator Brown’s question, there is a condition that, if land is transferred to a state government or a local council, it cannot be on-transferred to private ownership. It can only be on-transferred back to the federal government—I do not imagine anyone would want to do that, but they may—or between state govern-ments and councils. So that protection is there.

In relation to all the focus around the housing in Markham Close, it is worth emphasising that that can be sold only when the approved plan, which is to be developed over a long period of time with significant input from community and all stakeholders, has identified sale as the preferred option and that there are no significant environmental heritage values. I think to suggest that it is earmarked now for sale is wrong—certainly from people in the trust that I have spoken to; I do not know whom in the trust that Senator Brown or others have spoken to. But there is certainly a belief at this stage, before exploring all the options in detail—as has been indicated before there has not been a costing done yet—that it may well be that leasing out these houses would provide a better ongoing income stream for the trust than sales. So I think it is wrong to suggest that they are earmarked for sale and the ‘for sale’ signs will go up tomorrow, as soon as the bill goes through.

It certainly appears to me and to others that I have spoken to that the most likely long-term option would be some form of lease arrangement, but either way I am not sure what the vision is that other senators have for Markham Close as part of the grand Sydney Harbour National Park ideal that is spoken about. I do not see how that fairly nondescript—even though obviously all housing is important—suburban housing is crucial to the future of the Sydney Harbour National Park in terms of it remaining in its existing form. I do not see why the ongoing long-term preservation of these important lands should be jeopardised through a fixation on those houses. There are a lot of other safe-guards in place that relate to the future of those lands. I am sure the local council—and I note the presence in the gallery of
Mayor of Mosman Council, the relevant council, Councillor Harvey—would fight and oppose very strongly and prevent any inappropriate development of those lands, whether or not they are sold or remain in Commonwealth ownership. There is the requirement of the development of a plan first.

So I do not think we should fixate specifically on some housing there, unless other senators are suggesting that they should be an integral part of a public housing strategy of New South Wales or something, which I have not heard suggested. Indeed, I have not heard anything suggested about what the future purpose or use of these suburban houses should be. And there is no reason why the Senate should determine that; that is the role of the development of the plan. That is why the processes have been put in place as they have through this legislation, as amended—to ensure comprehensive input from all stakeholders in the development of plans for all the various lands before decisions are made on the best uses for all of these lands, including suburban housing, and including the suburban housing that exists in Markham Close. So to somehow try to focus on the future of those suburban houses and turn that into a suggestion that that jeopardises the future public ownership of all of these lands is a distortion. There are mechanisms in the bill which prevent the future transfer of all the other important foreshore lands, and that is why the Democrats will do what we can to ensure that that protection is provided.

Senator BROWN (Tasmania) (10.49 a.m.)—I point out to Senator Bartlett that we do accept the good faith of people who are involved in the future management of these important lands on behalf of the people of Sydney, but that is not something that you can write into law. Councils change, governments change, people change, and it is very important that the law is written to give consistent assurance against a changing mood by those who can interpret the law to the disadvantage of the public. So we are not here doubting the bona fides of anybody who is currently looking at this issue, but we have to take into account changes in the future.

Senator BROWN (Tasmania) (10.49 a.m.)—I point out to Senator Bartlett that we do accept the good faith of people who are involved in the future management of these important lands on behalf of the people of Sydney, but that is not something that you can write into law. Councils change, governments change, people change, and it is very important that the law is written to give consistent assurance against a changing mood by those who can interpret the law to the disadvantage of the public. So we are not here doubting the bona fides of anybody who is currently looking at this issue, but we have to take into account changes in the future.

That is why I ask Senator Bartlett just where there is written into this law the prevention of any future sale of lands, other than those in schedule 2, under the mechanism I pointed out. He said it is here in the act, so I ask him to point out specifically where that is.

I also just want to come back to the valuation of the Mosman lands. The minister has told the committee that there has not been a valuation. I point out that in the Sydney Morning Herald under the by-line of Deborah Cameron on 1 September 1999, it was stated, ‘It is understood that an official valuation has been carried out for the defence department, but this has not been made public.’ I ask the minister: is that report wrong?

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.51 a.m.)—I do not know. I understand the trust has not sought a valuation. Senator Brown is now asking if the defence department previously valued the land. I do not know the answer to that, but we will make some inquiries. If they had, I do not know how long ago. The Labor Party wanted to sell this land off, and the defence department at that time, which was the proponent, may well have valued it as part of that process. If Senator Brown thinks that that matter is of issue, I will make inquiries. It might take some time to find the answer, but I will let him know.

The TEMPORARY CHAIRMAN (Senator McKiernan)—The question is that amendments Nos 4 to 6 be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—The question now is that amendment No. 7 be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question is that amendment Nos 4 to 6 be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question is that amendment No. 4, as amended, be agreed to.

Question resolved in the affirmative.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.53 a.m.)—I move:
That the committee agrees to amendment No. 5 made by the House of Representatives to the bill.

I seek leave to move together amendments Nos 2 to 5 on sheet EB246 to House amendment No. 5.

Leave granted.

**Senator Hill**—I move:

(2) House of Representatives amendment (5) (proposed new paragraph 10(b)), omit “6”, substitute “7”.

(3) House of Representatives amendment (5) (proposed new subclause 11(2)), omit the subclause.

(4) House of Representatives amendment (5) (proposed new subclauses 11(4) and (5)), omit the subclauses, substitute:

(4) Within 2 months of receiving the invitation, New South Wales may recommend suitable persons.

House of Representatives amendment (5) (proposed new subclause 12(3)), after the subclause, insert:

(3A) Another of the members must be an elected member of an affected council.

**Senator Bolkus** (South Australia)

(10.54 a.m.)—The opposition opposes the government’s proposal. It is curious to note that when we suggested a trust of seven just a few months ago the minister was very loud in his opposition to it, claiming that it was going to be too unwieldy and too big. I am sure the public can find all that rhetoric in the *Senate Hansard* of the time. It was basically going to mean that the whole system was going to be unworkable. Now the government is proposing a committee of seven. Senator Hill, you have come a little way over the Christmas break but unfortunately I do not think that you have come far enough. What is important, we believe, in terms of the membership of the trust is that there be some equality of representation between New South Wales and the government in terms of the actual committee members. We recognise that the chair could be and is a separate person to that, so we, in the amendments that we will be moving after these amendments, would like to restore the position that is in the bill that went to the House of Representatives, that is, to have a seven member trust, with the chair to be appointed by the Commonwealth; for New South Wales and Commonwealth to appoint three each; and to ensure, for instance, that there is a real and defensible process for selecting the indigenous representative.

We are proposing that the New South Wales Aboriginal Land Council nominate a representative. The government, in their tired and old paternalistic way, want to do it themselves. We are also keen to ensure that there is a transparent process to elect a community representative and we also in our formula propose that a local government representative also be included—as do the Commonwealth, but we differ from them in terms of where the position is drawn from. Basically we are talking about here a real conflict between both sides as to the balance of composition and the selection process. We do not support the government’s amendments Nos 2 to 5 as proposed by the minister and I indicate that I will be moving amendment No. 8 once these issues are determined.

**Senator Bartlett** (Queensland)

(10.56 a.m.)—My understanding is that the amendment that Senator Bolkus has foreshadowed is in conflict with the minister’s ones so, if they were to go through, he would be moving an amendment in conflict with what would have been agreed. Clearly, the government’s amendment is an advance on what was there previously and, if they have taken partly on board the concerns that the Democrats, the ALP and others expressed about the composition of the trust, that is to be noted and welcomed. But I think it would be worth hearing from the minister, I guess in a foreshadowed sense, as to what his problems are with the foreshadowed amendment No. 8 of the ALP. Obviously, it contains one other member but, particularly in terms of the aspect of the invitation to the New South Wales Aboriginal Land Council to recommend a person, what is the government’s opposition to the proposal? As part of that, I think it would be important to get an indication from the minister as to whether the government’s opposition is sufficiently entrenched and strong that it would mean
that the bill as a whole would not be proceeded with if the opposition amendment were to pass.

Senator BROWN (Tasmania) (10.58 a.m.)—Let me say to Senator Bartlett that if he supports this amendment he will find that the government is not going to collapse over that. But if he puts it to the government by way of saying, ‘Will you?’ then the government is going to say yes. It is a very weak negotiating position. Here is an opportunity for this matter of indigenous representation to be one for the Aboriginal people as against the government’s position of having a minister appoint someone who in his or her opinion represents the indigenous point of view—paternalistic, as Senator Bolkus put it. This is an important point. I think the Democrats should stand with this amendment and I think that if they do the government will accept it. But the way Senator Bartlett put it makes it very easy for the government to say no.

Senator HILL (South Australia—Minister for the Environment and Heritage) (10.59 a.m.)—Dealing with the government’s amendments and the Labor Party’s alternative, as even Senator Bolkus conceded, we have expanded the composition of the board, specifically including an elected council representative and also an indigenous representative. We do not see any argument, particularly in the circumstances of what I said was disinterest of the New South Wales government; I could almost have said obstruction of the New South Wales government, but, anyway, their unhelpful attitude to this whole wonderful opportunity, particularly as they are not putting in any money, they are not putting in any land and, in all likelihood, in the end they are going to end up with all of the assets. In those circumstances, their attitude has been really very disappointing. For Senator Bolkus to now come in and suggest that they should get an extra representative is quite odd.

In relation to the indigenous person, it is the view of the government that the indigenous person, as in the case of the elected council member, should be an appointment and choice of the government. Certainly the government should consult widely in making that choice. Obviously, a relevant party to consult would be the body the New South Wales Land Council has referred to in the Labor Party’s amendment, but there may well be other indigenous representative bodies that should be consulted as well. That would seem to me to be sensible, and certainly whilst I am minister I would also seek the advice of ATSIC.

Senator Bolkus—You always seek it but you never take it.

Senator HILL—That is not correct. I quite often take it, actually.

Senator Bolkus—Look at the heritage legislation!

Senator HILL—With the heritage legislation, as you remember, ATSIC actually recommended that we include an indigenous advisory body, and we accepted that advice. We amended our bill in accordance with that advice, Senator Bolkus. There is an aspect that the minister has to attempt to put together a trust of people who he thinks can work together constructively; and the more that you seek to remove that responsibility by actually identifying third parties to make the appointment, the less likely that that is to occur. So the government would be opposed to the amendment suggested by the Labor Party. But certainly I am prepared to give an undertaking that, in the selection of this person, we would seek the advice of the New South Wales Land Council as well as the advice of other indigenous organisations.

Senator BOLKUS (South Australia) (11.03 a.m.)—Is it still the government’s intention to have the trust as a transitional arrangement and for the land to be transferred to New South Wales at the termination of the life of the trust?

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.03 a.m.)—The legislation says that it will be transferred to the New South Wales government or to a council.

Senator BOLKUS (South Australia) (11.03 a.m.)—This concept of council or
back to the Commonwealth has now been included in the legislation. I am asking for a clear statement from the minister as to whether he will stick by the Prime Minister’s commitment that the land will be transferred to New South Wales at the end of the term of the trust.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.04 a.m.)—We stick to all the Prime Minister’s commitments, obviously. The Prime Minister’s commitment is that the land will be held in perpetuity for the benefit of the public. What we are not wanting to do is to allow what was going to occur under the previous federal Labor government, and that was for significant parts of this land to be sold off—land with important natural and heritage values. Our original bill, as I recall it, was much less prescriptive. Now we have provided that it will have to be an authority that is either the Commonwealth, the state or a local government to ensure that guarantee that we gave to the public.

Senator BOLKUS (South Australia) (11.04 a.m.)—Minister, are you not prepared to state unequivocally that the commitment made for the land to go to New South Wales will be met? Are you watering down that commitment?

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.05 a.m.)—We have never made a commitment that all of the land would be held by the New South Wales government. In fact, I can recall mentioning, in the previous debate, that there has been an argument that some of the land—one piece, Woolwich, was being referred to from time to time—might be more appropriately held in local government ownership. That decision obviously has not been made; the plan is still not even out for public consultation. We wanted to leave open which level of government might be the most appropriate, until the proper consideration has been given to that particular issue.

The important thing is that it will be held in public ownership. Let us take the hypothetical that New South Wales refuses to accept transfer. For example, taking into account the attitude of the New South Wales government so far, it would not amaze me if they indicated that they would only accept transfer of this land if it came with a very substantial financial package. In those circumstances, it might be that the Commonwealth would have to continue holding the land for the benefit of the public. It would remain in public ownership. That is the assurance that the Senate wanted on the last occasion and the assurance that it has now got in this bill.

Senator BOLKUS (South Australia) (11.06 a.m.)—Mr Chairman, given what was flagged by Senator Bartlett, I wonder whether I could move my amendment at this stage as well. Can I get a ruling from you now as to whether, if the government’s amendments get up, I will be able to move my amendment since it covers the same point?

The TEMPORARY CHAIRMAN—You could still move your amendment afterwards, irrespective of what happens with the government amendments, but for you to move your amendment now would require leave of the committee.

Amendments agreed to.

Amendment (by Senator Bolkus) not agreed to:

(8) Amendment (5), clauses 10, 11 and 12, omit the clauses, substitute:

10 Membership of the Trust

(1) The Trust consists of:

(a) the Chair; and

(b) 7 other members.

(2) The Minister, by written instrument, is to appoint suitable persons as members of the Trust as follows:

(a) the Chair and 3 other persons (one of whom must be a community representative);

(b) 3 persons nominated by New South Wales (including one elected member of an affected council);

(c) a person nominated by the NSW Aboriginal Land Council.
11 Invitations to NSW to recommend members

(1) Before initially appointing members to the Trust, the Minister must invite New South Wales to recommend persons to be appointed to 3 membership positions.

(2) If New South Wales does so, then one of the persons recommended must be an elected member of an affected council.

(3) If:
   (a) a vacancy arises in the membership of the Trust; and
   (b) there are not 3 other membership positions held by persons recommended by New South Wales;
then the Minister must invite New South Wales to recommend persons to be appointed to the vacant membership position.

(4) Within 2 months of receiving the invitation, New South Wales may recommend suitable persons. If New South Wales does so, at least one of its 3 membership positions must be held by a person who is an elected member of an affected council.

(5) If New South Wales fails to recommend a person under this section, then the Minister must instead ensure that one of the members he or she appoints is an elected member of an affected council.

12 Invitations to NSW Aboriginal Land Council to recommend member

(1) Before initially appointing members to the Trust, the Minister must invite the NSW Aboriginal Land Council (the Council) to recommend a person to be appointed to a membership position.

(2) If:
   (a) a vacancy arises in the membership of the Trust; and
   (b) there is not one other membership position held by a person recommended by the Council;
then the Minister must invite the Council to recommend a person to be appointed to the vacant membership position.

(3) Within 2 months of receiving the invitation, the Council may recommend a suitable person.

(4) If the Council fails to recommend a person under this section, then the Minister must instead ensure that one of the members he or she appoints is a person who, in the Minister’s opinion, represents the interests of indigenous people.

12A Appointment of members

(1) The Minister must not appoint a member of the Trust mentioned in paragraph 10(2)(a) unless the Minister has first:
   (a) sought expressions of interest from suitable persons by public advertisement; and
   (b) considered any expressions of interest lodged in accordance with the advertisement.

(2) Appointments made by the Minister to any vacancy arising in the membership of the Trust must be made in accordance with subsection (1) and sections 11 and 12.

(3) The Minister must not appoint a person as a member if, immediately after the appointment of the person, more than 3 of the members of the Trust would be public employees.

(4) The appointment of a member is not invalid because of a defect or irregularity in connection with the member’s appointment.

The TEMPORARY CHAIRMAN (Senator McKiernan)—The question is that House of Representatives amendment No. 5, as amended, be agreed to.

Question resolved in the affirmative.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.08 a.m.)—I move:

That the committee agrees to amendment No. 8 made by the House of Representatives to the bill.

I also seek leave to move government amendments Nos 1 and 2 on sheet EB251 together.

Leave granted.
Senator HILL—I move amendments Nos 1 and 2 to House of Representatives amendment No. 8:

(1) House of Representatives amendment (8) (proposed new clause 50), at the end of the clause, add:

(5) The Chair must also ensure that:

(a) at least one of those meetings is held in each 6 month period starting on 1 January or 1 July; and

(b) that meeting is open to the public.

(2) House of Representatives amendment (8) (proposed new clause 50A), omit the clause.

Senator BOLKUS (South Australia) (11.08 a.m.)—The opposition do not support amendments Nos 1 and 2 on sheet EB251, and we do have concerns with House amendment No. 8. It has been a very important objective, particularly of the community groups involved in this debate, to ensure a public process for the trust and to ensure public meetings. We have recognised in our amendments that that principle should be embodied in the legislation. We have also recognised that from time to time there may be a need to have a private meeting. But, as was passed by the Senate before Christmas and as we are moving now in our amendments, we believe that the interests of transparency are met by including the reasons for the private meeting in the minutes of the public meeting.

In the proposal adopted by the Senate before Christmas, the proposal that we are pursing, we want to maximise the number of public meetings, put a real stop on the number of private meetings and have some transparency with respect to them. The government’s proposal does completely the opposite. If you look at amendments Nos 1 and 2 on sheet EB251, you basically have the government saying that at least one meeting every six months will be open to the public. But, as for the rest of the meetings, there is no such obligation at all. It throws the balance around the other way. The government’s proposal will basically give the yellow light to a trust running in private as opposed to a trust running in public. For that basic reason, we do not support amendments Nos 1 and 2 on sheet EB251, as proposed by the government.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.10 a.m.)—As I said a while ago, this bill really does set out quite a comprehensive role for community participation—much more so than is generally the case. I think that is a good thing. This is an exciting venture, but it is complex, and the community can bring to bear a great deal of knowledge of these sites. They demonstrate that from their long involvement in and commitment to these issues. On the other hand, you have to permit the trust to do its job and do it in an environment in which it is not unduly inhibited by the responsibility of others or the participation of others. This trust is not like a local council, where you have people who have put themselves up for election in circumstances that they know. All the meetings are public, and they accept that as part of the process. These are individuals who have been selected, because of particular expertise, to carry out an important role for the public through government. Their role and their capacity are set out in great detail in this legislation. The role of the community in relation to the development of the plans is set out.

It seems to me that to be fair to all parties, the broader community and the trust, it is desirable to find a form of balance in relation to public participation during the actual meetings of the trust. The balance that I believe is reasonable, and therefore have included in the amendments before the Senate today, is that the trust is obliged to meet at least four times a year, that at least two of those meetings must be public and that there must be at least one in the first six months of the year and at least one in the second six months of the year. So, on at least two six-monthly occasions, the meetings will be open to the direct scrutiny of the public. As I said, I think that is a fair compromise, and I commend it to the Senate on that basis.
Senator BROWN (Tasmania) (11.13 a.m.)—As anybody listening would know, that simply means the scheduling of the meeting can be such that those matters the trust wants to deal with out of the public domain are put on the scheduling of the private meetings. I ask the minister: why has the government changed its mind about having the trust meetings open to the public, unless it can be established that it is in the public interest to meet in private? Why is it now the situation that the trust can effectively discuss in private anything it wants to on this most public of all matters? Could the minister give an example of a matter which the trust will need to discuss in private and which the public ought not to have access to?

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.14 a.m.)—Senator Brown might not understand this, but I do appreciate the argument that these are not elected officials. They are people who have been requested, because of their particular expertise, whether it is planning or whatever, to perform a service for us and they may feel somewhat intimidated by a public presence at all of their meetings. That argument has been put to me, that case has been put to me, and I think it is reasonable, particularly bearing in mind the degree of participation by the community that is guaranteed by other provisions of this legislation.

I have not gone the whole way, however. For public confidence, for the public to have direct access to at least one meeting every six months might be useful as well. In relation to the question of why not rely on the formal provision—that is, that it be in public unless they determine it is a matter that should not be in public—that not only places a particular onus on the trust members but also, no doubt, raises suspicions. We are trying to build confidence with the community in relation to dealing with the assets, not undermine that confidence. I would prefer it to be structured, therefore, so that the trust does not have to make that decision to take the meeting out of public into private.

Senator BROWN (Tasmania) (11.16 a.m.)—The government is going totally the wrong way about building confidence in the performance of the trust, and I think it is doing the trust a great disservice. It had a formula before which said that if it were in the public interest to have a private meeting—and that can be established—then the matter could be private. We are not talking about a private enterprise here; we are talking about very important public lands which are going to be managed in the public interest. The argument that these are not elected representatives simply does not hold water. These are representatives appointed by the minister, who is elected.

These meetings ought to be open to the public gaze. That is what is going to build confidence. The appointees of the minister ought to have that confidence in the public or I do not believe they ought to be on the trust. This is a simple matter of democracy and transparency. There will be far greater confidence in the trust and it will be good for the trust if it abides by that ultimate vote of confidence in the public and if it takes them into account in all it does. Otherwise, you do raise suspicions. Otherwise, you do get report and innuendo. Otherwise, you do break down the public’s trust. The minister should think about this again. The Democrats ought to be opposing this move by the government to put a veil of secrecy over the performance of the trust through closing out the public from being able to witness its meetings.

Senator BARTLETT (Queensland) (11.18 a.m.)—In discussing these amendments, it is important to look at the context of the debate, which relates to meetings of the trust. It is worth noting that, as a consequence of Democrats amendments, the requirement is currently there for meetings to be public. As Senator Bolkus said, a loophole was put in where meetings could be in private if the trust determined it was in the public interest. I am not sure if this is the rationale of the government, but one of the aspects of the new government amendment that has been circulated today is that it closes that loophole to a certain extent. Under the amendments as they stand, a trust could determine it was in the public interest to hold every single meeting in private. I am not
suggesting it would do that, but that is open to it. Given that we have debated in this place many times before exactly what the term ‘in the public interest’ means, a mechanism and a loophole is open to the trust to hold every single meeting in private by saying that it is in the public interest. That is not an approach the Democrats would support and that is not something I suggest that the trust would say.

In relation to comments about what would best assist the operations of the trust, my understanding is that these additional amendments have come as a consequence of the views of people on the trust. I have had a number of conversations with people involved in the existing interim trust. I do not know how many meeting others in the committee have had with them. It is important that their views be taken into account as well. The government’s new amendment is attractive to the Democrats but not because of the government’s intent in putting forward that amendment. Nonetheless, the effect will be that it absolutely guarantees that at least two, and potentially more than two, of those meetings will be held in public each year.

There will be no opportunity for the veil of secrecy that has been described to be drawn down absolutely exclusively. The potential for that is in the amendments as they exist at the moment. That is an important point that needs to be made. The new amendment partially closes the loophole that was specifically left there by Labor and the Democrats in recognition that there may be times when meetings that are open to the public are not appropriate for a body such as this. This new amendment just circulated by the government will ensure that at least half of the required meetings are open to the public. It leaves no loophole for the trust to keep those private even if it should wish to do so. That is a benefit of what the government is proposing here, if not the government’s actual intent.

Senator BROWN (Tasmania) (11.22 a.m.)—I will put to Senator Bartlett the same question I put to Senator Hill, through you, Temporary Chairman—that is, what are the matters that should not be discussed at a public meeting? I am astounded by what Senator Bartlett just said, which is that he is happy that half of the meetings will be open and half of them will be closed and that that gives the public some guarantee of openness. It does nothing of the sort. It simply means that, if there is a contentious matter that comes up down the line, that contentious matter, which will be of heightened public interest, will be dealt with by the trust behind closed doors; that is guaranteed under these amendments. I cannot see any reason why this trust would ever meet in private. We are talking about public lands here and we are talking about the public interest totally. The excuse that Senator Bartlett puts forward—that this will guarantee that some meetings will be open—is totally lame. As Senator Bartlett is back in the chamber, I ask him to give the chamber the Democrats’ considered opinion on which matters should be dealt with by the trust in private and out of the public view.

Senator BARTLETT (Queensland) (11.23 a.m.)—Unless Senator Brown wants to recommend me to be appointed to the trust, I am obviously not going to tell the trust how to determine their business in terms of what is in the public interest, but I am happy to have my name put forward if he wants to recommend it. I think he has misunderstood my comments in terms of me saying that I am happy for half the meetings to be held in private. The government’s amendment does not ensure that the other meetings are held in private. What it does is guarantee that some will be held in public.

Senator BROWN (Tasmania) (11.24 a.m.)—Beyond the comment, the question to Senator Bartlett is: what would be discussed in private? What are the matters that are considered important enough that they should be discussed by the trust out of the public view? I ask Senator Bartlett to put that on the Senate record.

Senator BOLKUS (South Australia) (11.24 a.m.)—Can I also ask Senator Bartlett whether, in the event that there is a private meeting, he sees any merit in the reasons for such meeting being included in the minutes.
If not, why not? If he does, will he support a Labor amendment that does place that imperative on the process?

Senator BARTLETT (Queensland)
(11.25 a.m.)—I do see merit in that amendment. I note the sheet says that it is in conflict, and I am not quite sure why, having looked at them. But I think there is merit in that suggestion that Senator Bolkus put forward.

Senator BROWN (Tasmania)
(11.25 a.m.)—Senator Bartlett, would you like to put on the Senate record those matters that should be dealt with in private and not in the public view?

Senator BARTLETT (Queensland)
(11.25 a.m.)—I have already answered that question. In addition to the question from Senator Bolkus, I think it is a matter for the trust and that is a good reason why it would be helpful for them to outline such reasons in minutes.

Senator BROWN (Tasmania)
(11.26 a.m.)—It is not a matter for the trust. We are making the law here in the Senate. When you support an amendment, you are obliged to know why you are doing it, particularly when you are supporting an amendment which is against the public interest—that is, to enable a trust dealing with public lands on Sydney Harbour to meet in private. Senator Bartlett has not been able to do that, and that goes against long held principles of the Democrats that there should be transparency. It is up to us to legislate for that transparency to be there and not to support a government amendment to close down that transparency. The failure of Senator Bartlett to be able to give even a lead to the sorts of matters that might be discussed in private undermines the position that he has on this.

We are all aware that we are dealing with a very valuable property and that this trust is going to have a very great obligation on behalf of the people of Sydney and Australia. I think it is unfair to the trust that a potential for the public to feel that it is being shut out from deliberations about an asset that it owns can be written into this legislation. It is bad legislation. This is a particularly undemocratic clause that the government is now inserting here, and I am very, very surprised that the Democrats are supporting it.

Senator BARTLETT (Queensland)
(11.28 a.m.)—I know I said earlier that, if I wished to correct every misrepresentation, I would draw the debate out, but I really cannot allow not only the distortion of what I have said but the complete misrepresentation of Democrat principles. In the amendments that were passed last year, there is scope for meetings to be held in private. When that amendment was passed last time, I do not recall Senator Brown voting against it or requiring some strange concept that the Senate should outline what sorts of matters might be required to be held in private, and I do not see what has changed since then.

The reason there is scope for public attendance at meetings is as a consequence of the Democrats. It is the Democrats' principles that have been reflected in amendments that have been passed. There are provisions in the bill that have enabled and required public attendance at meetings of the trust. Senator Brown suggested that it is unfair for the trust, but I would again ask him how many conversations he has had with people involved in the trust to get their views on this issue. In suggesting that every committee that deals with every single piece of publicly owned property or that every meeting of every government department that deals with public housing should always be open to the public, I think he is trying to extend a principle beyond the remnants of practicality and is again putting politics before the public interest.

The requirement for publicly open meetings provisions are ones that are in place not solely because of the Democrats, I should say, but because of the views expressed by many people, including some people I have spoken to who are involved with the trust, and so I think it is strange to suggest that it is somehow unfair for the trust, when the provisions that have already been put in place are ones that the trust were supportive of—or, at least, some members of the trust were: I would not want to be seen to be reflecting an official position of the trust as a whole;
official position of the trust as a whole; but it certainly reflects the comments made to me. Maybe Senator Brown, in his extensive consultations with members of the trust, and others may have had different feedback, in which case I would be interested to hear it.

Senator BROWN (Tasmania) (11.30 a.m.)—This is my last contribution, because Senator Bartlett has nowhere to go on this. I will certainly support any move to tighten up the previous provision, which would have allowed the trust to meet if it could show that it was in the public interest to meet in private—because I do not believe there are any circumstances in which that would be the case. Senator Hill has failed to give the committee an example of that, and Senator Bartlett has failed to give the committee an example of that. So I think it is totally against the public interest that we now have, prescribed by this legislation, closed meetings by the trust. The Democrats ought to be against that. As we have heard, and as everybody who has taken an interest in this has heard, Senator Bartlett and Senator Hill, combined, have not been able to put before the committee one item or issue so far as the lands we are dealing with are concerned which ought to be debated out of the public domain. But so be it. As you will have heard, Mr Temporary Chairman, I object very strenuously to this, and that is on the public record. The Democrats have made this arrangement with the government, they have the numbers, and the legislation is going to be read in that way.

Senator BARTLETT (Queensland) (11.32 a.m.)—Briefly, I think it is important for those following this debate to know that this amendment does not prescribe closed meetings. That is inaccurate.

Senator Brown—Yes, it does.

Senator BARTLETT—No, it doesn’t.

Senator BROWN (Tasmania) (11.32 a.m.)—Well, it does; and you had better be very careful that you know what you are voting for, because it does prescribe closed meetings as well as open ones, and you know that.

Senator BARTLETT—In the interests of actually trying to ensure that the environment is protected, I think I should curtail my comments on that one so that we can get through some of the other amendments.

Amendment agreed to.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.33 a.m.)—I ask that the question be divided in respect of clause 50A in House amendment No 8.

Leave granted.

The TEMPORARY CHAIRMAN—The question is that clause 50A be agreed to.

Clause not agreed to.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.34 a.m.)—I move amendment No. 3 on sheet EB251, to House amendment No 8:

(3) House of Representatives amendment (8) (proposed new subclause 51(2)), omit “a private meeting”, substitute “is not open to the public”.

Amendment agreed to.

Senator BOLKUS (South Australia) (11.34 a.m.)—I move opposition amendment No. 14 to House amendment No. 8:

(14) Amendment (8), clause 50A, at the end of the clause, add:

(2) A decision to meet in private must be recorded in the minutes together with the reasons for so deciding.

Amendment No. 14 is one which goes to the issue that we have been discussing, and is an amendment which provides that, in those circumstances where there is a private meeting, it must be recorded in the minutes of the meeting that a decision was taken and the reasons for so deciding. It is a pretty clear amendment. It is one that Senator Bartlett has indicated that he is attracted to. I hope he is attracted sufficiently to support it. It is, in a sense, the second-best option: we would like to have seen the balance the other way, in terms of the transparency of the process and the imperative that more meetings be held in public; but we have just been rolled on that and so this is second-best. But it is important that, where a decision is taken
to hold a meeting in private, the reasons for so deciding are recorded.

Senator BARTLETT (Queensland) (11.35 a.m.)—To elaborate slightly further, as I said before in my comments, the running sheet states that this is in conflict with the clause we have just removed. I am not sure why, unless it is just a matter of terminology in terms of ‘private meeting’ versus ‘meeting not open to the public’—in which case, that amendment could be made to Senator Bolkus’s amendment. I note the comments have been made previously in the debate that it may be helpful to the effective operation of the trust for some meetings not to be open to the public. I do not see why it would be problematic for the reasons for that decision to be recorded in the minutes of the meetings of the trust.

Amendment agreed to.

The TEMPORARY CHAIRMAN—The question is that House amendment No. 8, as amended, be agreed to.

Amendment agreed to.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.36 a.m.)—I move:

That the committee agrees to amendment No. 9 made by the House of Representatives to the bill.

I now seek leave to move together amendments Nos 10 to 12 on sheet 246, to House amendment No. 9.

Leave granted.

Senator HILL—I move:

(10) House of Representatives amendment (9) (proposed new subclause 57(2)), omit “issues relating to the relevant plan area”, substitute “matters determined under subsection (6) relating to the relevant plan area”.

(11) House of Representatives amendment (9) (proposed new subclause 57(6)), omit the subclause, substitute:

(6) The Trust must, after consulting a committee, give written directions to the committee on:

(a) matters in relation to which the committee is to give advice and recommendations under subsection (2); and

(b) the way in which the committee is to carry out its function; and

(c) procedures to be followed in relation to the meetings of the committee.

(12) House of Representatives amendment (9) (proposed new subclause 57A(1)), omit the subclause, substitute:

(1) The Trust must provide each community advisory committee with documents and information relevant to matters on which the committee is to give advice or recommendations.

Senator BOLKUS (South Australia) (11.37 a.m.)—The opposition supports the amendments moved by the minister.

Amendments agreed to.

The TEMPORARY CHAIRMAN—The question is that House amendment No. 9, as amended, be agreed to.

Amendment agreed to.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.37 a.m.)—I move:

That the committee agrees to amendment No. 10 made by the House of Representatives to the bill.

I also move amendment No. 13 on sheet EB246 to House amendment No. 10:

(13) House of Representatives amendment (10) (proposed new subclause 58(1)), omit “must”, substitute “may”.

Senator BOLKUS (South Australia) (11.38 a.m.)—The opposition support amendment No. 10. Amendment No. 13 is identical to our amendment No. 15. If it gets up, we will not be moving ours.

Senator BARTLETT (Queensland) (11.38 a.m.)—Similarly, the Democrat amendment was identical, so we clearly support the government’s amendment and will not need to proceed with ours.

The TEMPORARY CHAIRMAN (Senator George Campbell)—The question is that amendment No. 10 moved by Senator Hill be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question is that House amendment No. 10, as amended, be agreed to.
Question resolved in the affirmative.

Motion (by Senator Hill) agreed to:

That the committee agrees to amendment no. 13 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (11.40 a.m.)—by leave—I move opposition amendments Nos 16 to 19 on sheet 2109:

(16) Amendment (13), subclause 63 (2), omit paragraph (a) and “or”.

(17) Amendment (13), paragraph 64(1)(b), omit “for a period that ends after the end of 10 years from the commencement of this Act”.

(18) Amendment (13), heading to clause 64A, omit the heading, substitute:

64A Leases beyond the life of the Trust

(19) Amendment (13), subclause 64A(1), omit “for a period of longer than 25 years”, substitute “for a period that ends after the end of 10 years from the commencement of this Act”.

Amendments Nos 16 to 19 basically pursue the line that the opposition and the community would like to have pursued, which is consistent with our opposition to the sale of these lands into private hands. These amendments also deal with the question of granting security over the subject lands. The trust should not be able to give security over the trust lands. It should not be able to enter lease arrangements beyond the life of the trust without the approval of parliament. We recognise that there will be circumstances in which long-term leases may be required to make investments in some sites financially viable. We oppose—and this amendment embodies that opposition—leases going beyond the life of the trust without such leases being disallowable instruments in the parliament.

This is basically a mechanism to ensure scrutiny over the trust in instances where the trust may decide to enter into a lease arrangement. We do not want a capacity in this legislation for anybody to be able to do through a back door what we do not want them to do through a front door—that is, to give long-term leases that may be seen to be, in essence, a transfer of property; say, a 99-year lease or something like that. This is a set of amendments which allow ongoing parliamentary scrutiny, to ensure that we do not finish up with bodgie lease arrangements that defeat the purpose of public ownership.

Senator HILL (South Australia—Minister for the Environment and Heritage) (11.41 a.m.)—As Senator Bolkus conceded, there may be circumstances in which a long-term lease is desirable in meeting the objects of the trust. Again, one might think particularly of Cockatoo Island and maybe of Woolwich. Where you have assets that are significantly degraded and going to need substantial capital infusion, it may be difficult to attract that sort of capital if the trust is able to offer only a short-term tenure. In those circumstances, we are putting before the chamber a compromise: if the lease is less than 10 years, the trust—or whatever expression we will use for it—can do that without a reference to any other party. It seems that they should not need to go beyond their own judgment—remembering, of course, that particular property would have been subject to this detailed planning process and, no doubt, this recommendation would have come out of that plan.

There has been very considerable public consultation and participation in the development of that plan. Where it goes beyond 10 years, we believe that it should only be with the approval of the minister, and we have included that requirement. We have accepted—although we are not enthusiastic about it—that beyond 25 years it should be subject to disallowance of the parliament. We are not enthusiastic because it seems somewhat odd—having given a responsibility to these people and set out the objects which are the public purpose of the land—to then bring it back to this parliament. To bring their tenure decisions back to this parliament for further consideration seems somewhat odd to us.

However, we can see that some would say that a lease over 25 years can be argued as having some similar characteristics to a sale—although I would have thought that that argument would have been stronger in respect of a lease of something like 99 years.
But, anyway, if it is argued that 25 years is so long that it might be interpreted in that way, that could be inconsistent with the original purpose of the legislation and, therefore, it should come back for a disallowance process. We have nevertheless accepted that argument, so I put to the Senate that compromise. The trust can deal with it as it believes correct, up to 10 years. Beyond a 10-year lease, the trust would need the minister’s approval. Beyond 25 years it would be subject to disallowance by the federal parliament, and I think that is a reasonable compromise.

Senator BARTLETT (Queensland)
(11.45 a.m.)—Most of Senator Bolkus’s amendments go to what is a crucial area of the legislation. Certainly amendments Nos 17 through to 19, which relate to leases, are the ones that I have specifically addressed. I think amendment No. 16 is a slightly different matter in terms of security over non-schedule 1 lands. I think we have done the schedule 1 and schedule 2 debate, but leases are important to the community and to the local councils. Without seeking to be a mouthpiece for anybody, I think it is fair to say that all of the affected local councils are now of the view that, if there is a chance of the legislation not proceeding, as has been put forward by the government, it is something that should be accepted so that things can move forward. That is not to say that they or the Democrats do not believe that there are still further improvements that could be made—and oversight of leases is an area that is important.

As senators will note, amendments Nos 4 and 5 have been circulated by the Democrats, which are in intent, as I read them, the same as Senator Bolkus’s. They are certainly different in form. I am not quite sure why there are two different forms, because certainly the intent of the Democrats amendments is to ensure that leases over 10 years would be disallowable instruments, rather than over 25 years. I note the minister’s comments that he is not enthusiastic about the ongoing parliamentary oversight of leases over 25 years but, nonetheless, he has agreed to it. I think that is an example of the beneficial conditions that the Democrats and Labor have managed to achieve with this bill already. I think there is a valid argument for winding that 25-year period back to 10 years, not because it is equated to some form of pseudo sale but more because of ongoing oversight of the operation of the trust in two areas.

Firstly, as the legislation now stands, as amended, the trust is basically meant to operate for only 10 years, and to bind future titleholders, whether they be state or local councils, to leases for potentially another 15 years is problematic. Possibly more important than that is one of the underlying concerns that remains about the potential future operations of the trust—that is, the financial pressures they will work within in trying to operate, improve and enhance the amenity, the lands and those things that we have all put into this legislation to improve public access. There is a lot of restoration and remedial work that needs to be done. Indeed, that is another reason why there is a risk in allowing this legislation to fall over: there is work on hold until certainty is established. Some of that is restorative work to prevent further degradation. Whether it is important buildings, or bushland or decontamination, it is all extremely expensive. Certainly I know that, to some extent, those important activities are being held up and ongoing degradation can continue to occur if this falls over.

There is ongoing financial pressure. The government has not outlined what long-term financial contributions it is going to make to the operations of the trust. I am not necessarily saying that it should, but it has not, and it obviously cannot bind the hands of a future government in relation to what level of public funds they may put in. When this plan was initially put forward by the Prime Minister, the suggestion was that all of the funds for the trust’s work may come from use of the lands, whether that is renting out buildings or leasing out properties, and that quite rightly generated extreme concern in the community and among the local councils. It is quite clear that the trust itself cannot raise enough funds from commercial operations to self-fund. That is why, among other things, it
is pleasing that the bill no longer has a requirement that a sustainable financial base be developed.

There is no doubt that there will still be financial pressures, and clearly long-term leases is one of those areas where opportunities may be seen for deriving funds. When financial pressures are strong, then, clearly, that risk is there, whether it be for the trust now or for future trusts. This is about maintaining the opportunity for ongoing oversight of the operations of the trust by the parliament. I can see that, in an operative sense, it is a bit clumsy to have that extra requirement of potential disallowance but I think that, given the risk not just of this government but of future governments for the next 10 years not adequately funding the operation of the trust and undue commercial pressures coming into play, there is a need for ongoing parliamentary oversight. It is an important safeguard against the future activities of the trust in what is a sensitive area. This area of their activities is likely to be among the most sensitive. Nobody is going to argue about restoring buildings or remediating degraded bushland, but people are going to be concerned about commercial leases on some of those lands and what those leases will contain.

There are safeguards in terms of the development of the management plan. In that sense, the minister possibly should be grateful that there is not a requirement that the plans be a disallowable instrument. Certainly there are other parliamentary precedents where plans that have been developed over many years—I am thinking particularly of fishery plans—are still liable to disallowance by the parliament. That is obviously an irritation for the departments and bodies that have to do that final check, but it is put in place deliberately by the parliament. Without going too far off the track, we have debated disallowances, within the last 12 months or so, of the Northern Prawn Fishery plan, which was developed over many years and with lots of heartache and angst. The disallowance was not successful but there was that potential because of parliamentary concern that, despite all the work, the plan was going in the wrong direction.

We do not have that requirement in this legislation with management plans, although there are plenty of other opportunities for public input and comment through the development of those plans. But in the absence of that, whilst I note the government’s reluctance, I think there is a strong argument for ongoing parliamentary oversight for leases for a shorter period than the government is suggesting. Given that the life of the trust is 10 years, I think that is an appropriate length of time. In speaking about the benefits of that, from the Democrats’ point of view, we expect that there will be circumstances where leases of longer than 10 years and possibly longer than 25 years may be quite appropriate. It would be quite reasonable in some circumstances, for example, if someone were to set up a maritime museum at Woolwich—or something else that would improve public amenity on some of the other lands—for them to have some security over their investment, if that is the path that the trust chooses to go down. I am in no way foreshadowing that that is what they may do; that is just hypothetical.

The Democrats do not have any intense ideological objection to long-term leases. We are likely to be very supportive of ones that are able to be demonstrated to be of long-term benefit in the use of the lands, but we do think it is appropriate for the parliament to be able to make that assessment on a case by case basis. I believe that this goes to the heart of the major ongoing public concern: that the lands will be inappropriately used and inappropriately commercialised. That is why the Democrats are keen to ensure that there is protection so that the lands cannot be sold off to private sources, as has been threatened in the past. Obviously even when lands are in government hands they still can be put to inappropriate uses—and have been in the past. For that reason, we believe that there is a lot of merit to having that disallowable component over leases longer than 10 years.
As I said before, I am not sure what the legal difference is between Senator Bolkus's amendments and the ones the Democrats have circulated. They go to the same intent and Senator Bolkus’s seem a lot neater—in effect, just crossing out 25 and putting in 10. Either way, the thrust of the amendments is important and essential in the ongoing oversight of the operations of the trust.

Amendments agreed to.

Amendment (by Senator Hill) proposed:

(14) House of Representatives amendment (13) (proposed new subclause 64A(1)), omit “Before”, substitute “In addition to the requirement in section 64, before”.

Senator BOLKUS (South Australia) (11.57 a.m.)—This amendment goes to the ultimate transfer of the land in question. We are concerned to ensure that ultimately the land, after the transition period, is transferred to New South Wales. Our amendment No. 20, which we will come to next, will ensure that that happens. We have identified some flaws in government amendment No. 14, and that is a major one. I signal now that we will be moving amendment No. 20 during the course of this debate.

Amendment agreed to.

The TEMPORARY CHAIRMAN (Senator George Campbell) — Senator Bartlett, do you wish to proceed with amendments Nos 4 and 5 on sheet 2110?

Senator BARTLETT (Queensland) (11.58 a.m.)—No, I think not. As I understand it, Senator Bolkus’s amendments that were passed earlier have the same intent, so I am pleased that the Senate has accepted them.

The TEMPORARY CHAIRMAN — The question is that House amendment No. 13, as amended, be agreed to.

Question resolved in the affirmative.

Motion (by Senator Hill) proposed:

That the committee agrees to amendment No. 14 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (11.58 a.m.)—I move opposition amendment (20) on sheet 2109:

(20) Amendment (14), clause 67, at the end of the clause, add:

(5) The Minister must ensure that all Trust land is transferred to New South Wales before the repeal time.

We had this discussion earlier. This is a debate that goes to the core of the government’s commitment and to the way that this land is to be handled. It is interesting that, in an earlier debate with respect to land—under the broader debate of native title—it was the government’s long and consistently stated position that land management was in the province of the states. That is an argument they used there. But, when it comes to this particular bundle of land, despite a commitment by the Prime Minister before the last election and despite explicit statements that land management is very much in the province of the states, not only is there no commitment to transfer the trust land at the termination of the trust but also—as we find in government House of Representatives amendment No. 15, which we will come to in due course—there is no commitment by the government to ensure that state environment and planning legislation will operate with respect to this land.

For a long time, and consistently, we heard the rhetoric from the government—from this minister, from Senator Minchin and from the Prime Minister—that land management is a responsibility of the states. When it comes to this particular land—despite what we believed to be a core commitment—this legislation falls very far short of meeting that commitment and of meeting the government’s rhetoric on the dissection of powers—state and Commonwealth—in this Federation. I make those points now and indicate that opposition amendment No. 20 to House of Representatives amendment No. 14 will ensure that the land is transferred to New South Wales.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.00 p.m.)—I do not want to waste time, because I said it earlier, but I will repeat my comments as we are on this specific issue. We have accepted the obligation of public ownership but, without the proper planning taking place
and all considerations being given as to which level of public ownership is most appropriate in all circumstances in relation to each property, we think it would be wrong to limit it in the way that Senator Bolkus wishes. I think there will be a fair chance that all the land will ultimately be found to be most appropriately held by New South Wales. I am not quite as confident that that will be the view of the New South Wales government. This is something that will evolve in the years ahead, but to seek to limit us in the way that Senator Bolkus is doing at this time would be most unwise.

Amendment not agreed to.

The TEMPORARY CHAIRMAN—The question is that House amendment No. 14 be agreed to.

Question resolved in the affirmative.

Motion (by Senator Hill) proposed:

That the committee agrees to amendment No. 15 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (12.02 p.m.)—House amendment No. 15 triggers opposition amendment No. 21 on sheet 2109. Therefore, I move:

(21) Amendment (15), clause 71, question to be divided in respect of clause 71 to enable the House of Representatives amendment in respect of clause 71 to be rejected and clause 71, as originally passed by the Senate, to stand.

We find it unacceptable that the government’s legislation ensures that these sites will not be subject to state environmental protection and planning legislation. We believe that there might be a role for the Commonwealth to place additional requirements on the management of the land. Given the behaviour and nature of state governments, that is probably something that needs to be addressed. These conditions would need to be over and above the state regime and would need to ensure ongoing protection of the land that we are talking about.

We do believe that the state planning framework should be followed as a minimum requirement. Exemption from state legislation, curiously enough, is in direct conflict with attachment 3 of the 1997 Heads of Agreement on Commonwealth-State Roles and Responsibilities for the Environment. This legislation has no embodiment—no reflection—of state environmental and planning legislation. In taking this approach, the government is in direct conflict with the agreement on the environment that it signed up to with the states in 1997. We believe that management plans developed by the trust should be consistent with SEPP 56, state regional planning and Sydney Harbour National Park management practices to ensure a smooth transition in ownership. We find that that has not been picked up either.

This land will be subject to state law once it has been transferred to New South Wales. In the lead-up to that, we believe it is essential that future management development plans be consistent with state planning provisions. The government has probably done what it does best—that is, it has avoided making decisions. In avoiding the making of decisions, it has left an enormous gap in terms of the state’s capacity to protect the land and to make it subject to environmental and planning regimes. It has also left an enormous gap by not meeting the requirements of SEPP 56. It is inadequate legislation. Opposition amendment No. 21 seeks to address one of the inadequacies.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.04 p.m.)—I was surprised to hear Senator Bolkus describe it as avoiding taking a decision because I thought his argument was that he objected to the decision that we have taken, which is that the trust should not be limited by state planning laws in the same way that the Commonwealth is not limited. This is Commonwealth land. The Commonwealth is not limited by state planning laws. The trust will hold this land for the Commonwealth while it carries out a planning process that is in the best interests of the people of Australia as a whole. To be held to ransom by the New South Wales government—particularly a New South Wales government that has been so unhelpful in relation to this project—would be foolish in the extreme.
I think there are very few—apart from the ALP, for obvious reasons—advocating that the trust should be beholden to Mr Carr and his state government. Looking at the record of that Labor government in New South Wales in relation to important foreshore lands, one can understand why the public would be most concerned to give back to New South Wales a power to obstruct this trust in taking decisions that are in the best interests of all Australians. So the government very strongly opposes the Labor Party’s attempt to limit the freedom of the trust in this way—in effect, to pass control during the interim period, the 10-year period, to the New South Wales government—and argues that, in the same way as the Commonwealth is not bound by state planning laws now, neither should the trust which is holding the land on behalf of the Commonwealth.

Senator BROWN (Tasmania) (12.07 p.m.)—Could the minister tell the committee in what ways the future management of these lands would be compromised by adherence to New South Wales planning and environment laws? I am particularly interested in the natural values, the environmental values, of these lands and in what way abiding by New South Wales laws in these matters is going to compromise the ability of the trust to ensure that those values are upheld.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.09 p.m.)—I move:

(15) House of Representatives amendment (16) (the heading to column 3 of the table in Schedule 1), omit the heading, substitute “Site description in plan lodged under the Conveyancing Act 1919 of New South Wales”.

(16) House of Representatives amendment (16) (column 3 of item 1 of the table in Schedule 1), omit “Lot 1 in Deposited Plan 831153;”.

(17) House of Representatives amendment (16) (column 3 of item 1 of the table in Schedule 1), omit “Lot 2 in Deposited Plan 831153”, substitute “Deposited Plan 1022020”.

(18) House of Representatives amendment (16) (item 3 of the table in Schedule 1), omit the item, substitute:

3 Cockatoo Island Lot 1 in Deposited Plan 549630
Senator BOLKUS (South Australia) (12.09 p.m.)—I suppose this goes to the heart of the government’s capacity to sell land.

The TEMPORARY CHAIRMAN—Senator Bolkus, are you debating government amendments (15) to (18) or moving your amendments?

Senator BOLKUS—Mr Temporary Chairman, I was about to signal where we think there are deficiencies in the government’s amendments and to indicate that our amendments—as you quite rightly indicated—will be moved very soon in an attempt to fix this particular problem. Government amendments (16) and (17) go very much to the heart of setting up a mechanism to facilitate and allow for the sale of land. It is not just Markham Close; you have a structure being set up which incorporates two schedules—schedules 1 and 2—and later on schedule 2 will be able to be sold. Our amendments (22), (23) and (24) move the contents of schedule 2 into schedule 1 and delete schedule 2. Basically, by our amendments to the government’s amendments, we will be seeking to delete that mechanism to allow for the private sale of land. It is a part of the debate that we had last night and again most of this morning. There is no need to talk about it at length, but I signal that this is the mechanism through which the government wants to sell and this is the mechanism that we are opposing.

Senator BROWN (Tasmania) (12.11 p.m.)—I ask the minister if he could explain Senator Bartlett’s position—which is that, under this list of Defence lands to be invested in the trust and to remain in public ownership but with there being provision for those lands to be transferred, for example, to local government management or ownership and control further down the line, there is not the potential either through that mechanism or through transfer to schedule 2 for any private sale of these lands in the future.

Senator BOLKUS—Mr Temporary Chairman, I was about to signal where we think there are deficiencies in the government’s amendments and to indicate that our amendments—as you quite rightly indicated—will be moved very soon in an attempt to fix this particular problem. Government amendments (16) and (17) go very much to the heart of setting up a mechanism to facilitate and allow for the sale of land. It is not just Markham Close; you have a structure being set up which incorporates two schedules—schedules 1 and 2—and later on schedule 2 will be able to be sold. Our amendments (22), (23) and (24) move the contents of schedule 2 into schedule 1 and delete schedule 2. Basically, by our amendments to the government’s amendments, we will be seeking to delete that mechanism to allow for the private sale of land. It is a part of the debate that we had last night and again most of this morning. There is no need to talk about it at length, but I signal that this is the mechanism through which the government wants to sell and this is the mechanism that we are opposing.

Senator BROWN (Tasmania) (12.12 p.m.)—Will that be done through covenanting or through state or federal enactment? What is going to be the guarantee that the transfer of land will have a binding stipulation that the land stay in public ownership?

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.13 p.m.)—Some of us would like to think that when a government takes land on a specific condition it would abide by that condition. For those who are particularly suspicious, there are other mechanisms to further guarantee that. I do not know that they have been developed in relation to this particular instance. I am no expert on New South Wales property law, but Senator Bolkus would tell you that under South Australian property law you could do it by a caveat.

Senator BROWN (Tasmania) (12.13 p.m.)—I am very interested in that because I have seen cases in states where land that has been, for example, willed to the people by private benefactors in the past under law—under state acts—has simply reverted to public ownership through a consequent action. I am reasonable enough to know that you cannot bind future parliaments in what they do. The Greens are in favour of this land being kept together and transferred down the line in toto into the greater Sydney Harbour National Park. But, that not being the case, there is under this plan the potential for this land either to revert to Commonwealth ownership or to go to local government ownership. If that is going to happen, the stipulations for it remaining in the public domain need to be maximised.

I ask the minister: is it possible for lands which are on schedule 1—that is the majority of these lands; well, it is all of them except for those at Middle Head and Georges Heights—to end up on schedule 2? Is there a mechanism for transfer of lands on schedule 1 which are to remain in public ownership to be transferred across at some future
time under the direction of the trust and with ministerial acquiescence, or, if not permission, promotion, to schedule 2, and therefore to become available for public sale?

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.15 p.m.)—As I understand it, there is not the capacity to do that. That is certainly not the object. If that was the desire, it would require legislative change. We are of course planning to include additional pieces of land, and we have made announcements, subsequent to the primary announcement by the Prime Minister, to include the Macquarie Lightstation and also Snapper Island. So decisions in the years ahead—and we have our eye on some other land in the vicinity as well—will have to be made at that time as to which schedule new pieces of land are put on, but, in relation to the land that this act applies to now, the trust cannot simply transfer it from one schedule to another.

Senator BARTLETT (Queensland) (12.17 p.m.)—I am speaking probably as much to Senator Bolkus’s foreshadowed amendments (22) and (23)—they are basically what the debate has been about. Firstly, just to clarify, I presume, in relation to amendment (23), it is the Markham Close houses that are being proposed to transfer to schedule 1. I think, again, we have traversed this a fair bit already in the debate, but it is important to emphasise that the Democrats’ preferred option is for this area to remain in public ownership, but it is very much a hundred times more—our preferred option that the legislative opportunity to lock in permanent public ownership of the very significant lands that are now listed on schedule 1 is an opportunity that should not be lost and would be lost if the Senate insisted on these bits of suburban housing being put in schedule 1, as is proposed.

Amendments agreed to.

Senator BOLKUS (South Australia) (12.20 p.m.)—by leave—I move amendments Nos 22 and 23 on sheet 2109 as spoken to earlier in the debate:

(22) Amendment (16), Heading to Schedule 1, omit “Defence land”, substitute “Land”.
(23) Amendment (16), Schedule 1, at the end of the Schedule, add:

| 4 Middle Head and Georges Heights in the Parish of Willoughby, County of Cumberland Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 in Deposited Plan 233157 |

Amendments not agreed to.

The TEMPORARY CHAIRMAN—The question is that House amendment (16), as amended, be agreed to.
Question resolved in the affirmative.

Motion (by Senator Hill) proposed:
That the committee agrees to amendment No. 17 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (12.21 p.m.)—I oppose House amendment (17). Basically we are talking about the same debate again—the schedules—and there is no need to canvass it further.

Senator BROWN (Tasmania) (12.21 p.m.)—I oppose this motion, because this is the amendment which allows the transfer of the Markham Close component of these lands potentially into private hands. The Greens are opposed to that, so we will be opposing this government amendment.

Question resolved in the affirmative.

Amendments (by Senator Hill)—by leave—agreed to:
(19) House of Representatives amendment (17) (the heading to column 3 of the table in Schedule 2), omit the heading, substitute “Site description in plan lodged under the Conveyancing Act 1919 of New South Wales”.
(20) House of Representatives amendment (17) (column 3 of item 1 of the table in Schedule 2), add at the end “; Lot 1 in Deposited Plan 831153”.

The TEMPORARY CHAIRMAN—The question is that House amendment (17), as amended, be agreed to.

Question resolved in the affirmative.

Senator BOLKUS (South Australia) (12.23 p.m.)—I think that, given the fact that amendments (22) and (24) have been defeated, amendments (25) to (27) become somewhat superfluous.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.23 p.m.)—So we go back to House amendment No. 3. I move:
That the committee agrees to amendment No. 3 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (12.23 p.m.)—I think this is consequential on previous amendments that were passed. Though we opposed what the government were doing in terms of composition, they were successful in getting their composition of the trust up. This is consequential to that.

Question resolved in the affirmative.

Motion (by Senator Hill) proposed:
That the committee agrees to amendment No. 6 made by the House of Representatives to the bill.

Senator BOLKUS (South Australia) (12.24 p.m.)—Amendment No. 6 basically reflects the tardy manner in which the government have approached this issue. Not only have they got it wrong but they are still dragging their feet.

Senator Hill—What!

Senator BOLKUS—Minister, what you are trying to do through House of Representatives amendment No. 6 is to give yourselves four years during which to decide when the Department of Defence is to transfer the land to the trust—not four years during which the land is transferred to the trust, but four years during which you make a decision. You are giving yourselves four years to decide what to do with this land and when to hand it over. I would have thought that, no matter how slow moving your government was and no matter how hard you found it to make decisions, you would be able to make a decision pretty quickly as to the timetable. I would not have thought that even you, Minister, with the gridlock you find yourself in with all your other ministerial colleagues, would need four years to issue schedules as to when the land would be vested. We are trying to help you a bit with our amendment No. 9. Our amendment No. 9 basically says that the land should be handed over from Defence to the trust within a four-year period. That is the distinction here. I move opposition amendment No. 9 to House of Representatives amendment No. 6:

(9) Amendment (6), clause 21, omit subclause (1), substitute:
(1) The Minister administering the Naval Defence Act 1910 must, by notice or notices published in the Gazette, specify that each Trust land site mentioned in Schedules 1 and 2 that is a Com-
monwealth place is to vest in the Trust in accordance with section 22 on a specified day that is within 4 years of this Act commencing. A notice may deal with a part only of a Trust land site.

Senator BARTLETT (Queensland) (12.25 p.m.)—On the arguments put forward to date by the minister and Senator Bolkus, I do not foresee a problem with Senator Bolkus’s amendment. It just provides a bit more certainty to ensure the land does get placed in the hands of the trust. It still has the four-year time frame but, as I read it, it just requires a specified day within that four years rather than four years to decide when it will be handed over, which could then be in another four years. Given that we are looking at setting up the trust now—and the trust will be operating for a while yet in an interim capacity—four years is long enough for all the lands to be transferred, unless the minister has other cogent arguments as to why that is a problem.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.26 p.m.)—Some land has been vacated, other land has not been vacated and some is still needed for various defence purposes. This provides some flexibility in relation to the actual time of transfer. It means that they have to make the decision on the transfer within four years. We are hopeful that, within the four years, the land will all have been transferred. It just provides the flexibility they desire. I cannot see any downside to it. It also is consistent with the spirit in which the original arrangement was made with Defence, which was basically that the land would be gradually taken over by the trust as it was found to be no longer necessary for defence purposes. It is unwise for the parliament to now impose something more prescriptive than that. I think it may well lead to a debate on when the new act should be brought into effect, which is something I do not particularly want to have. I prefer to have this extra small bit of flexibility written in, in the terms we have included in these amendments.

Senator BARTLETT (Queensland) (12.29 p.m.)—I have two responses to that. I can see a downside. The downside I can see is that the Department of Defence—and I presume the defence minister is likely to be the minister administering the Naval Defence Act—can, in four years time, specify that the site may be vested in the trust for four years later again. That is a decision that will be in the hands of the defence minister rather than the trust or the environment minister. That seems to me to be a downside, unless I am misreading the amendment as it stands. We are leaving it potentially in the hands of future defence ministers to hang on to the juicy bits. There are some nice bits there; there are one or two bits that Defence are a bit sad they might have to move out of. I think leaving the defence minister with the discretion to hang on to one or two juicy bits would not help the operation of the trust in the long term, unless I am misreading the clause 21(1) as it now stands.

The other concern I have with the minister’s comments is his suggestion that, were this amendment to go through, there would then be some struggle within the government that might delay the act’s passage. He seemed to be inferring that the operation of the trust in a fully-fledged way may be delayed because the four-year clock would start ticking as soon as the act came into force. I just want to clarify that he was actually saying that this amendment may cause a potentially significant delay—as opposed to maybe one of a month or two—due to arm wrestling within the government about when the act would come into force.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.30 p.m.)—The answer is that I am not sure. We have brought in here a provision which we think is consistent with the spirit of what was agreed with Defence sometime ago. If the Senate decides to enact a provision today that provides an obligation on them to have actually transferred within four years then I am going to have to go back and discuss that with the relevant parties to see whether the government is prepared to agree to it. It is not the government’s desired position. I am
Amendment agreed to.

Amendment (by Senator Hill) agreed to:

(6) House of Representatives amendment (6) (proposed new subclause 24(1)), omit the subclause, substitute:

(1) The Trust must not sell or otherwise transfer the freehold interest in:

(a) any land mentioned in Schedule 1; or

(b) land identified in a plan as having significant environmental or heritage values;

unless:

(c) the sale or transfer is to the Commonwealth, New South Wales or an affected council; and

(d) the instrument under which the sale or transfer occurs includes a condition that the land not be sold or otherwise transferred other than to the Commonwealth, New South Wales or an affected council.

(1A) A purported sale or transfer of a freehold interest by an instrument that does not comply with paragraph (1)(c) or (d) is not effective.

Senator BOLKUS (South Australia) (12.32 p.m.)—I move amendment No. 10 standing in my name:

(10) Amendment (6), clause 24, omit the clause, substitute:

24 Transfer of Trust land

(1) The Trust must not sell or otherwise transfer the freehold interest of any Trust land other than to New South Wales and on the condition that the land remain in public ownership.

(2) If the Trust agrees to transfer the freehold interest of any Trust land to New South Wales, then the Trust must seek the Minister’s approval, in writing, of the terms and conditions of the agreement.

This goes to the previously canvassed issue of what happens to the land. There was a prime ministerial commitment before the last election. The Prime Minister personally promised that the sites would be handed back to the New South Wales government for inclusion in the national parks and reserves system. We believe that this legislation should reflect that. The government is seeking to allow for itself the flexibility of transferring lands not only to the New South Wales government but also to the Commonwealth or to local government. It is not his commitment; it is not the best way to handle the land. As we canvassed earlier in this debate today, we believe that the Prime Minister’s commitment should be met and, as a consequence, our amendment No. 10 reflects that. It is a challenge for Senator Hill to stand by his Prime Minister.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.33 p.m.)—Senator Bolkus has misrepresented the Prime Minister on this matter a number of times today. The commitment was that the land would be held for the people of Australia in perpetuity. As I said earlier in the debate, the most appropriate party to hold the land with that objective is yet to be determined. In all likelihood, most of the land, if not all, will ultimately end up with the state government of New South Wales but it is premature to prejudge the planning process that still lies ahead in the form that Senator Bolkus is requiring.

Senator BROWN (Tasmania) (12.34 p.m.)—That leaves it up in the air—that is the problem—and that is why I support Senator Bolkus’s amendment. I would have thought that the government would want to make it clear, notwithstanding its difficulties with the New South Wales government—and no doubt there is politics in that on both sides. But I would have thought that the government would want it on the record that these lands are going to be part of the Greater Sydney Harbour National Park. That is what rings true.

Senator Hill—Woolwich?

Senator BROWN—Yes. There is not a clear demarcation in national parks between the natural and the built. We have blurred those demarcations in the past. The best way
to ensure that all these lands are used in an integrated fashion is to ensure that they go into the Greater Sydney Harbour National Park. The word ‘enhancing’ is now in here because of the government and I would think that the enhancement process we should be aiming for is, wherever possible, some return to naturalness as a public amenity even to the most damaged parts of these very precious lands. But even if there are exceptions the intent of the government to have the lands it has in mind going into the Greater Sydney Harbour National Park ought to be spelled out in this legislation. Unless the Commonwealth has it in mind that this would be a Commonwealth national park, as distinct from a national park under the aegis of the New South Wales government, then I think it should support this amendment. Clearly, that is the way it is going; that is the way people will want it to be. There will be a very heavy onus on the New South Wales government of the day when it arrives there to preserve and protect this land as a national park and we should have that ethos written into this legislation.

Amendment not agreed to.

Senator BARTLETT (Queensland) (12.37 p.m.)—I move Democrats amendment No. 1:

(1) Amendment (6), clause 24, after subclause (1), insert:

(1A) The Trust must not sell or otherwise transfer the freehold interest of any land mentioned in Schedule 2 without the written approval of the Minister.

I will not proceed with Democrats amendment No. 2. I think it is redundant based on government amendments that have already been passed. Amendment No. 1 is fairly self-evident. It relates to the requirement for the written approval of the minister in relation to schedule 2.

Amendment agreed to.

The TEMPORARY CHAIRMAN (Senator McKiernan) — The question is that House of Representatives amendment No. 6, as amended, be agreed to. Question resolved in the affirmative.

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.38 p.m.)—I move:

That the committee agrees to amendment No. 7 made by the House of Representatives to the bill.

I seek leave to move together amendments Nos 7 to 9 on sheet EB246 to House of Representatives amendment No. 7.

Leave granted.

Senator HILL—I move:

(7) House of Representatives amendment (7) (proposed new clause 36A), at the end of the clause, add:

(2) However, the Trust is not required to make a submission publicly available if, in the Trust’s opinion, it would significantly damage the environmental or heritage values of Trust land.

(3) No action or proceeding, whether civil or criminal, lies against a member of the Trust in respect of making a submission publicly available under this section.

(8) House of Representatives amendment (7) (proposed new subclause 38A(1)), at the end of the subclause, add:

; and (t) carry out other work that will only have a temporary impact on the area.

(9) House of Representatives amendment (7) (proposed new subclause 38A(2)), omit “and (e), substitute “, (e) and (f)”, substitute “, (e) and (f)”.

Senator BROWN (Tasmania) (12.38 p.m.)—Would the minister tell the committee what is meant by ‘ecologically sustainable development’?

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.39 p.m.)—Developments that I approve are ecologically sustainable.

Senator BROWN (Tasmania) (12.39 p.m.)—There you have it. Have there been any three words more abused in recent times? You just popped in there that the plans have to accord with the principles of ecologically sustainable development, and it means nothing. You would find no development going forward on the planet which the developer does not believe is ecologically
sustainable, but we should not treat these words lightly in legislation. There should be a definition. I ask the minister why there is no definition. Does the government have a definition of ‘ecologically sustainable development’? Why is it using this terminology if it does not?

Senator HILL (South Australia—Minister for the Environment and Heritage) (12.40 p.m.)—I was being a little flippant. I should know better with Senator Brown. He knows as well as I do that there are many definitions of ESD. We believe the definitions that we included in our protection of biodiversity and conservation legislation best express the aspirations of ESD in contemporary terms and are significant improvements on previous definitions that the Commonwealth has used.

Senator BROWN (Tasmania) (12.40 p.m.)—This debate will not get anywhere, but let me point out, because it is this minister dealing with it, that the current logging—

which involves the destruction of the world’s tallest hardwood forests, their ecosystems and wildlife through logging, firebombing and poisoning with 1080—is classified as ecologically sustainable development under the Howard government. The same applies to the logging of the forests in Western Australia and, indeed, in certain circumstances, the clearing of native vegetation, such as that which we are seeing in Queensland.

It is an appalling abuse of language. It ought not to be put into legislation unless there is a very tight definition of it. It is dishonest to use this terminology with such an appalling outcome possible. I have no doubt that, as far as the Sydney Harbour foreshores are concerned, the intent is that the ecology be looked after at this point. But the government should have a very tight definition of ‘ecologically sustainable’. That means ‘not damaging to the environment’. Earlier in this debate, when ‘preserving’ these values was changed to ‘enhancing’ them, the alarm bells started ringing. I do not know what the trust’s advice to the minister has been on this, but it is all about having room to move, should there be some part of the management further down the line that is inimical to the natural values of what is left of the Sydney Harbour foreshore lands.

I object to the use of this terminology when it does not mean anything and when, as the minister says, there are a number of definitions of it and essentially you can take your pick. It ought to be spelled out in the legislation. There ought to be a definition up-front. I thought the Minister for the Environment and Heritage, of all people, would have ensured that that was the case in an important piece of legislation like this, where you dealing with the potential transfer of ownership in the future and you are establishing a trust, which has a very important duty, to look after the natural values of the Sydney foreshores. Under these specific amendments, the trust is being asked to ensure that the plans accord with the principles of ecologically sustainable development, but it gets no direction from the government, the writers of this legislation, as to what that term means.

Amendments agreed to.

Senator BOLKUS (South Australia) (12.44 p.m.)—by leave—I move opposition amendments Nos 11 to 13 together:

(11) Amendment (7), clause 26, at the end of subclause (3), add

“provided that the Trust has by public notice informed the public about the application and the reason for the extension of time.”

(12) Amendment (7), clause 28, after paragraph 28(3)(h), insert:

(ha) a timetable for the implementation of the plan;

(hb) a timetable for the transfer of the site to New South Wales;

(13) Amendment (7), after clause 37, insert:

37A Plans to be disallowable

A plan (including an amendment to a plan) prepared under this Part is a disallowable instrument for the purposes of section 46A of the Acts Interpretation Act 1901.

There have been some improvements in the legislation in terms of management plans and the development and consultation process. Our amendments will ensure that, if an extension of time is required, there are reasons
given as to why it is required; that there are timetables for implementation and land transferral; and that the plans should be disallowable instruments. Once again, we canvassed these issues during the morning.

Progress reported.

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

Human Cloning

Senator HARRADINE (Tasmania) (12.45 p.m.)—I wish to speak about a most important issue that has come before this parliament. This is the issue that strikes at the heart of humankind, and I refer to the cloning of human beings. Honourable senators recall the debate on the Gene Technology Bill that occurred in this chamber in November-December last year. I do not want to reflect on that particular debate but I do want to indicate that documents which were tabled from the National Health and Medical Research Council should not have been taken, as they were, on face value. One of the problems the government faced was that its advising organisation the National Health and Medical Research Council had incorrectly stated the view of the Australian Health Ethics Committee, a view which the National Health and Medical Research Council must observe under the statute.

In a document tabled in this place during that debate was a briefing note by Dr Clive Morris of the Centre for Health Advice, Policy and Ethics, Office of the National Health and Medical Research Council that was dated 1 November 2000. It included background information on the decision by health ministers to ban the cloning of ‘whole’ human beings. The background information includes a report about the Australian Health Ethics Committee 1998 advice to the Minister for Health and Aged Care on human cloning. Dr Morris’s report states that the Australian Health Ethics Committee identified a distinction between the cloning of whole human beings and therapeutic cloning.

I have in my hand a document which I obtained through the Australian Parliamentary Library entitled Australian Health Ethics Committee—National Health and Medical Research Council: position on cloning and related technologies and dated 15 December 2000. I seek leave to have that document incorporated in Hansard.

Leave granted.

The document read as follows—

Australian Health Ethics Committee National Health and Medical Research Council:

Position on Cloning and Related Technologies 15 December 2000

1 Clarity

The NHRMC’s position on the use of cloning and stem cell technologies was inadvertently misstated in Appendix 1 (Background Information) of the invitation from the NHMRC to the Head of each State and Territory Health Authority, dated 1 November 2000, to the 15 December 2000 meeting to be held in Melbourne. That appendix incorrectly stated that, in its report entitled Scientific, Ethical and Regulatory Considerations Relevant to Cloning of Human Beings (1998) (Cloning Report), AHEC had identified a number of key issues which included the need to draw a basic distinction between the cloning of whole human beings and therapeutic cloning. In fact, in the Cloning Report AHEC specifically rejected the distinction between so-called ‘therapeutic’ and so-called ‘reproductive’ cloning.

At 3.3 of the Cloning Report, AHEC pointed out that, although the objective for the sake of which cloning is conducted is ethically significant, other things (including whether or not cloning technologies would involve destructive research on human embryos) are also ethically significant. At 3.22 - 3.27 these points are elaborated. AHEC’s Cloning Paper restated its position on experimentation on human embryos as set out in the NHRMC Ethical Guidelines on Assisted Reproductive Technology (1996) (Ethical Guidelines). In so doing it rejected the position subsequently advanced by the Australian Academy of Science in its Position Statement of February 1999 (which employed the distinction between so-called therapeutic and so-called reproductive cloning).

2 Re-statement
The NHMRC policy on cloning and related technologies is summarized in the following extracts from the Ethical Guidelines:

Section 6 Research on embryos

6.1 Research on human embryos must take place within the limits prescribed by the law. In those States and Territories where there is no relevant legislation such research may only take place according to these Guidelines (see also Guideline 1.2).

6.2 Embryo experimentation should normally be limited to therapeutic procedures which leave the embryo, or embryos, with an expectation of implantation and development.

6.3 Non-therapeutic research which does not harm the embryo may be approved by an IEC.

6.4 Non-therapeutic research which involves the destruction of the embryo, or which may otherwise not leave it in an implantable condition, should only be approved by an IEC in exceptional circumstances. Approval requires:
- a likelihood of significant advance in knowledge or improvement in technologies for treatment as a result of the proposed research;
- that the research involves a restricted number of embryos; and
- the gamete providers, and their spouses or partners, to have consented to the specific form of research (see Guideline 3.2.5).

6.5 Protocols for ART in any clinic should take account of the success rates of fertilization typically achieved in that clinic and, on that basis, seek to avoid the likelihood of production of embryos in excess of the needs of the couple. Techniques and procedures which create embryos surplus to the needs of the infertility treatment should be discouraged.

Section 11 Prohibited/unacceptable practices:

11.1 Developing embryos for purposes other than for their use in an approved ART treatment program.

11.2 Culturing of an embryo in vitro for more than 14 days.

11.3 Experimentation with the intent to produce two or more genetically identical individuals, including development of human embryonal stem cell lines with the aim of producing a clone of individuals.

11.4 Using fetal games for fertilisation.

11.5 Mixing of human and animal gametes to produce hybrid embryos.

11.6 Mixing of gametes or embryos of different parental origin so as to confuse the biological parentage of the conceptus.

11.6 Placing an embryo in a body cavity other than in the human female reproductive tract.

11.8 Embryo flushing.

11.9 Commercial trading in gametes or embryos.

11.10 Paying donors of gametes or embryos beyond reasonable expenses.

11.11 The use in ART treatment programs of gametes or embryos harvested from cadavers.

3 Explanation

In Appendix 1 to the invitation from the NHMRC to State and Territory Health Authorities, the term “therapeutic cloning” was used mistakenly in summarising AHEC’s policy.

The origin of this mis-statement follows: In the Ethical Guidelines, AHEC reaffirmed and applied the well-accepted distinction between (a) therapeutic research and (b) non-therapeutic research. Therapeutic interventions are interventions directed towards the wellbeing of the individual embryo involved and non-therapeutic interventions are interventions that are not directed towards the benefit of the individual embryo but rather towards improving scientific knowledge or technical application. Non-therapeutic experimentation includes both non-destructive procedures (which include observation) and destructive procedures.

The Ethical Guidelines, and in particular the section on research on embryos (section 6) and the list of prohibited/unacceptable practices (section 11), rely upon and apply this distinction between therapeutic and non-therapeutic research. The more-recently-coined term ‘therapeutic cloning’ collapses both (a) the distinction between therapeutic and non-therapeutic research on embryos and (b) the distinction between destructive and non-destructive experimentation on embryos. The more-recently-coined term ‘therapeutic cloning’ collapses both (a) the distinction between therapeutic and non-therapeutic research on embryos and (b) the distinction between destructive and non-destructive experimentation on embryos. The creation of embryos specifically for research purposes, experimentation on those embryos and their subsequent destruction, etc. all fall under this term. It was because of the lack of transparency of the term ‘therapeutic cloning’, because the term concealed rather than revealed these ethically-significant differences, that AHEC rejected its use. AHEC said that, in the matter of cloning and related technologies, the fundamental distinction was between the production by cloning of whole human entities (such as human embryos) and the production by cloning of the component parts of those entities (such as cells, DNA,
AHEC held that, whereas the latter has been an accepted part of medical and scientific research for over fifty years, the former should take place only in exceptional circumstances.

The Commonwealth Minister for Health referred AHEC’s Cloning Report to the House of Representatives Standing Committee on Legal and Constitutional Affairs. The Standing Committee is currently conducting its enquiry into the matters raised in the Cloning Report. At its meeting of 11th and 12th September, 2000, AHEC decided to await the report of this Committee before undertaking any further work on this subject.

However, a working party of AHEC is now undertaking, on behalf of the NHMRC, the necessary follow up of the enactment of the Gene Technology Bill 2000 and the 15 December meeting to develop a national ban on the cloning of human beings.

Dr Kerry Breen
Chairperson
Australian Health Ethics Committee
15 December 2000

Senator HARRADINE—That document—and I will quote only briefly from it—makes this clarification:

I might also quote from page 3 of the document from the Australian Health Ethics Committee:

The more-recently-coined term ‘therapeutic cloning’ collapses both (a) the distinction between therapeutic and non-therapeutic research on embryos and (b) the distinction between destructive and non-destructive experimentation on embryos. The creation of embryos specifically for research purposes, experimentation on those embryos and their subsequent destruction, etc. all fall under this term. It was because of the lack of transparency of the term ‘therapeutic cloning’, because the term concealed rather than revealed these ethically-significant differences, that AHEC rejected its use. AHEC said that, in the matter of cloning and related technologies, the fundamental distinction was between the production by cloning of whole human entities (such as human embryos) and the production by cloning of the component parts of those entities (such as cells, DNA, etc.).

The latter document goes on to say:

In 1998, the chairman of the Australian Health Ethics Committee, Professor Don Chalmers, advised the minister in a letter as follows:

Responding to your request AHEC advises that a distinction must be drawn between the cloning of human beings, which is ethically unacceptable and legally prohibited in three states, and the cloning of such parts as DNA and cells. Cloning of DNA and cells is currently undertaken as part of routine laboratory research.

This report—

that is, the Australian Health Ethics Committee report—

recommends that you urge remaining States and Territories ... which have not legislated in this area to introduce legislation prohibiting the application of techniques to clone a new human individual. This legislation should not, however, interfere with those cloning techniques which do not involve human embryos.

It is very clear, yet I am afraid that the officers of the various states have been misled by the National Health and Medical Research Council. That has been made perfectly clear now by this document from the Australian Health Ethics Committee. I re-
mind the Senate that the National Health and Medical Research Council is obliged, under the law that we passed through this parliament, to observe the ethical guidelines set down by the Australian Health Ethics Committee. Unless it does, as a very minimum—and I think the Australian Health Ethics Committee guidelines are the very minimum—we are going to come back here later and find a disgraceful situation whereby human beings are cloned in Australia.

As honourable senators will recall, this parliament at least amended the legislation, not in the way that I would have liked but in a way that the government thought was appropriate, to ban the cloning of whole human beings. In the debate, I was trying to find out what was meant by 'whole human being'. I had considerable concerns about that. I think it is important for the minister to observe, and to alert the National Health and Medical Research Council and any other organisations involved, what Dr Peter McCullagh MD, DPhil, MRCP of the Developmental Physiology Group, Division of Molecular Medicine from ANU's John Curtin School of Medical Research said:

Reference is made to several points in the Senate Hansard of Monday, 4 December 2000 to a "whole human being". It appears that the intent of the Bill before the chamber is to use this term in an exclusion sense, namely that the procedure under discussion (cloning) shall not be undertaken to produce a "whole human being" but may be undertaken to produce other entities that cannot be so described.

In the absence of any definition of what is intended by a "whole human being" the reasonable, and I believe the only semantically logical construction, that can be placed on the phrase is that permissibility may extend to parts (of a human being) but that production of the whole is prescribed. This interpretation would be consistent with the terminology adopted in the AHEC report of 16 December, 1998. The distinction was drawn in the opening paragraph (1.1) of that report as follows: "There is an international consensus that a distinction should be drawn between two categories of cloning: cloning of a human being and copying (cloning) of human component parts ... such as DNA and cells" ...

When the issue before the chamber is presented as a definition of what may be permissible rather than that of what is prohibited, the answer must be procedures undertaken on parts, the semantic distinction intended by AHEC. As "whole" and "part" are antonyms, there is no scope for having entities which are in between, or neither whole nor part. It will be ridiculous, both semantically and biologically to classify an embryo, irrespective of whether it is a single cell zygote or late blastocyst of hundreds of cells, as a part.

If clarity is sought in the drafting of this legislation, it is necessary to acknowledge that the meaning of "whole human being" is in accord with the international consensus referred to by AHEC rather than having some idiosyncratic meaning peculiar to this legislation.

Because of the very important nature of this issue, which goes to the heart of individual human beings and our society as a whole, I believe it is incumbent upon the minister for health to acknowledge what has been stated by AHEC in the document that I have incorporated and also in the comments I have made on this matter, and to follow the urgings of the Australian Health Ethics Committee to get the states to act, because in New South Wales anything goes. There are three states in that situation, and there are three that are not. I think it is incumbent upon the minister, supported by this parliament, to get all the states to act on the basis I have outlined.

**Electoral Matters: Fraud Allegations**

**Senator BRANDIS (Queensland) (1.00 p.m.)**—On 15 August last year I first raised before the Senate the serious electoral malpractice by senior ALP figures in Townsville. I said among other things that 'the leadership of the Australian Labor Party in Townsville is shot through with illegality and corruption.' What has been revealed in the intervening six months is now part of history. As the evidence by Labor Party whistleblowers both before the Shephrdson inquiry and the Joint Standing Committee on Electoral Matters has revealed, a culture of corruption and electoral fraud exists and has for many years existed within the Queensland branch of the ALP which extends far beyond a few episodes in Townsville but stretches throughout the state and reaches the highest levels of the party.
On 11 October, I alleged in this place that the former ALP State Secretary, Mr Mike Kaiser, knew all about that fraud and corruption. My allegations provoked furious denials and vehement protestations of innocence by and on behalf of Mr Kaiser, not to mention savage personal attacks upon me both in this parliament and in the Queensland parliament. One of the most savage of those attacks came from a man called Grant Musgrove, the Labor member for Springwood. It is a matter of record that everything I alleged against Mr Kaiser proved ultimately—upon his own admission—to be true. It is also a matter of record that Mr Musgrove has himself been revealed to be a fraudster and a rorter; a person of absolutely no personal integrity. They, among many others, have been revealed to have been at the heart of the Queensland Labor Party’s culture of corruption.

Mr Kaiser was, of course, a former State Secretary of the ALP and, in that capacity, its state campaign director. Today, I want to draw to the attention of the Senate the conduct of another ALP State Secretary and campaign director, Mr Cameron Milner. Unlike Mr Kaiser, who has faced the ultimate humiliation of being driven out of parliament before his parliamentary career had barely begun, Mr Cameron Milner has faced no such sanction. Far from it—Mr Milner is presently the person in charge of running the Labor Party’s Queensland election campaign. If the Premier of Queensland, Mr Beattie, were consistent—if he were engaged in anything more than an exercise in covering his tracks by offering up Kaiser and Musgrove as token sacrifices—we could feel confident that he would not place a rorter and a fraudster in charge of his own election campaign. On the other hand, if Mr Beattie has placed a rorter and a fraudster in charge of his election campaign, that is pretty clear evidence of just how fake and disingenuous Mr Beattie is when he claims to be serious about clearing up electoral fraud.

Mr Cameron Milner is himself a rorter and a fraudster. The person Mr Beattie has put in charge of the ALP campaign himself stands accused, by credible testimony, of being involved in conduct no less serious than that which cost Kaiser and Musgrove their seats in parliament—and Mr Beattie knows it. The evidence of fraud against Mr Milner comes from the testimony before the Joint Standing Committee on Electoral Matters by Mr Lee Bermingham, the Labor Party’s chief whistleblower, whose evidence before the Shepherdson inquiry was crucial in exposing the fraud of Kaiser and Musgrove.

On 30 January, in evidence before the joint standing committee, Mr Bermingham said this in answer to questions from the committee chairman, Mr Pyne—and I quote from the transcript at page 409. Question from the chair:

You mentioned earlier Cameron Milner, Warwick Powell and electoral rorting. Are you personally aware of whether Mr Milner signed an enrolment form for Mr Powell which contained details of Mr Powell’s former false address?

Answer:
Yes, that’s true.

Question:
How do you know that?

Answer:
I saw it in the Shepherdson inquiry.

Question:
What was Mr Milner at the time?

Answer:
At the time I think he worked for the ALP as their computer person. Basically he was in charge of direct mails and organising all the data basis and stuff like that. He looked after the computers. Then he went on to work for Bill Ludwig on his re-election campaign. After that he came back to work for the ALP as an organiser. The story is that it was partly Ludwig shifting his own people. Ludwig was not particularly fond of Kaiser and certainly was not fond of me. He wanted to get his own people who were directly loyal to him into those positions, so Cameron Milner was sent over to be organiser and then state secretary to replace Mike Kaiser.

Chair:
And now he is state secretary?

Answer:
Yes.
The enrolment form to which Mr Bermingham referred in his evidence was an electoral enrolment form dated 31 January 1994 for Mr Warwick Powell, another Labor Party officer who confessed to fraud before the Shepherdson inquiry. That document, which falsely recorded Mr Powell’s address as 49 Heath Street East Brisbane, was witnessed by Mr Cameron Milner, knowing that information to be false. This was part of the orchestration of false enrolments during the East Brisbane plebiscite.

In his evidence to the joint standing committee, Mr Bermingham said—and I quote from his evidence in the transcript on page 355:

... there was a culture within the Australian Workers Union faction of the Labor Party which encouraged this sort of behaviour. It has existed for a long time which I think has been demonstrated by the Shepherdson inquiry, and it still exists. It has extended from a long time back which I think the Shepherdson inquiry has demonstrated and it still exists ... Even the current state secretary of the Labor Party, Mr Milner, was actually named in the Shepherdson inquiry for witnessing a false enrolment.

When he was examined by Senator Faulkner before the Joint Standing Committee on Electoral Matters, Mr Bermingham’s evidence—-and I quote from page 368 of the transcript—was this. Question from Senator Faulkner:

But, you see, you have outlined this process. Did you express any of those concerns to the key Labor Party officials at that point?

Answer by Mr Bermingham:

I tried to. Indeed Cameron Milner would not return my phone calls. And my sister actually phoned him and raised them with him as well. Mr Bermingham’s evidence has the ring of truth. It was treated as credible and reliable by counsel assisting the Shepherdson inquiry, Mr Russell Hanson QC. If Bermingham’s evidence was not credible, why did Kaiser and Musgrove, two of the Labor Party’s rising stars, lose their political careers because of it?

Mr Cameron Milner’s fraud, witnessing false electoral enrolment documents, was the very fraud for which Kaiser and Musgrove were sacrificed. But rather than being punished for that fraud, he has been rewarded. Indeed, he has been placed in charge of orchestrating an even greater fraud—the fraud being perpetrated on the people of Queensland to cover Peter Beattie’s tracks.

I say once again: since Milner stands accused by the same witness who exposed Kaiser and Musgrove of the very same fraud which cost them their political careers, why has he not been stood down as State Secretary? Why has he been put in charge of the ALP’s Queensland election campaign—the person who decides the strategy, the person who authors every advertisement, Mr Beattie’s right-hand man. When, each evening, the people of Queensland hear those words ‘Authorised by Cameron Milner on behalf of the Labor Party’ at the end of ALP commercials, they should know that the Labor Party’s message is a message brought to them by a rorter and a fraudster. They can form their own conclusion about the credibility of those messages and they can form their own conclusions about the sincerity of Peter Beattie when he claims to be cleaning up corruption.

Joint Standing Committee on Electoral Matters

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (1.09 p.m.)—I also, having heard that speech, would like to talk about some matters going to the operation of the Joint Standing Committee on Electoral Matters. Like all parliamentary committees, this committee has a number of important responsibilities—among them, to inquire into and report on the conduct of elections, and to recommend reform to electoral laws. Members of parliament understand that the committee has an important and politically sensitive brief. Historically, the committee has handled that brief well and has not allowed political differences to corrupt the fair processes of the committee. Traditionally, controversial references to committees come by way of a reference from both chambers, with non-controversial references coming from the minister. However, with the reference to
JSCEM regarding the integrity of the electoral rolls, this important convention has been turned on its head. Motivated by rank opportunism, Minister Ellison abused his position of trust as a minister by making this partisan reference to JSCEM himself.

Of course we have had our differences on the committee. Of course we have had majority and minority reports. That is the bread and butter of committee work, and it is to be expected in a committee dealing with electoral law. But the focus of JSCEM has always been to propose substantive recommendations to improve the Electoral Act. Not any more. Now, with this sleazy and opportunistic reference from the minister and the blatantly partisan chairmanship of Mr Christopher Pyne, the committee has been turned into a star chamber to attack the Labor Party.

The Prime Minister slotted Mr Pyne into the chairmanship of the committee on 6 November 2000. He was Mr Howard’s man for the job. The government obviously felt that the former chairman, Mr Gary Nairn, was not up to the job. Mr Nairn’s excuse was that he wanted to spend more time campaigning in his electorate. I suspect he was dumped because he was a traditional parliamentary committee chairman and had behaved accordingly. So the government chose Mr Pyne, and it did not take the new chair of the joint committee long to show his partisan colours: at his very first meeting on 7 November 2000 JSCEM’s inquiry into the highly important area of funding and disclosure was junked and put on ice for six months. Instead, a witch-hunt into the Labor Party became the committee’s sole focus.

Even though the Special Minister of State had referred the funding and disclosure issues to the committee in June 2000, and even though the committee had received an extensive submission from the AEC with a range of recommendations, Mr Pyne stepped in and used his casting vote to stop that inquiry. Why? Simple. It was not in the Liberal Party’s interests for the rules on disclosure of donations to parties to be tightened. By contrast, both the Labor Party and the Democrats wanted funding and disclosure laws examined, and the committee had advertised for submissions in early September 2000.

Enter Mr Pyne with his brief from the Prime Minister. The very day after his appointment, he used his casting vote to put the inquiry into funding and disclosure on hold. Since that inauspicious start, things have got worse on JSCEM. The committee now operates in an overtly biased and partisan way. The chairman’s casting vote has been used to ensure that a Liberal Party MP who has allegedly been involved in rorting the electoral roll will not be invited to appear before the committee. Labor Party witnesses have been dragged before the committee willy-nilly and faced the threat of a summons if they did not attend. But Liberal Party members, such as the Leader of the Queensland Liberal Party, Dr Watson, who ducked the committee’s public hearing in Brisbane, are merely excused for non-attendance.

Mr Pyne’s response to last week’s revelation that the member for Longman, Mr Brough, was told about the deliberate false enrolment of his staff members was instructive. He simply declared Mr Brough to be ‘entirely innocent’—before the police and the AEC had even finished investigating the matter. As a result, Mr Pyne and the committee’s behaviour drew highly critical editorials from the Sydney Morning Herald, the Age, the Courier-Mail and the Australian newspapers.

Mr Pyne’s high sounding words about the need for the joint committee to ‘investigate rorting wherever it may be found’ were again shown to be hollow and hypocritical. The committee has gone to extraordinary lengths to protect Liberal MP Miss Jackie Kelly from appearing before it. Mr Pyne has twice used his casting vote to veto Miss Kelly’s appearance, to stop her being scrutinised by the joint committee—firstly on 5 December 2000, and then on 9 January 2001. On 18 January, as well, the committee minutes rec-
There are important questions for Minister Kelly to answer. It is not unreasonable to expect Minister Kelly to appear and respond to serious allegations that she and two of her staff members were involved in electoral enrolment fraud and other potentially criminal conduct in relation to local government elections in Penrith. We are entitled to expect Minister Kelly to provide answers to our questions, and entitled to ask why the committee has gone to such extraordinary lengths to protect her. Perhaps it is because the case against Minister Kelly is so strong.

At the recent committee hearing in Sydney, Nicolas Berman, a staff member of Minister Kelly’s from December 1996 to early 2000, stated that he had ‘been accused of false enrolling in the electorate of Lindsay’ and that ‘this was not true’. He then said that Minister Kelly offered him a place in her home in Penrith in early 1998 and that ‘up until October 1998 my principal place of residence was within the Lindsay electorate’. This statement was drafted and presented with the assistance of Mr Alex Howen, a barrister and the Vice-President of the NSW Liberal Party.

Well, Mr Berman and his former boss certainly have not got their lines right. The Western Weekender on Friday 8 December 2000 reports Minister Kelly as being:

... surprised and disappointed to learn that former member of her staff, Mr Nick Berman, had remained on the Lindsay electoral rolls months after he moved away from the electorate early in 1998. It goes on to directly quote her:

‘Nick should have known better … It happened, but there are no excuses. Naturally I’m disappointed.’

Minister Kelly’s statement to her local paper correlates with her statements to the House; but, like most cover-ups, when they start to get exposed the lies start to show up. There is a case to answer. With at least one person definitely fraudulently enrolled at her own home, and with possibly more fraudulent enrolments at her addresses in Lapstone and Penrith, it beggars belief that she had no knowledge of these activities. Minister Kelly’s homes have become a Hotel California of itinerant conservatives, with young Liberal Party apparatchiks being placed on the electoral roll in exchange for political advantage. Again I ask: why wasn’t Minister Kelly invited to attend the committee? Why did Mr Pyne veto her appearance?

Minister Kelly was president of the Liberal Party’s local government committee in Penrith. Reliable Liberal Party sources have told us that she actually chaired the local government campaign committee meetings in her office where the strategy was hatched to create bogus micro parties for the 1999 Penrith Council election. The bogus micro parties were created to give their preferences to the Liberal Party. She knew about the scams. Minister Kelly needs to front up and answer questions about the fraudulent enrolments associated with those bogus micro parties.

The candidates for two of those bogus micro parties—Adam Brown for the No Badgerys Creek Airport Party and Paul and Josip Matosin for the Marijuana Smokers Rights Party—were fraudulently enrolled at 15 Avon Place, St Clair. We are confident that they never lived at that address. Minister Kelly knows the story. She was a very key player in the campaign, but Mr Pyne is shielding Minister Kelly from questions. What has Minister Kelly got to hide?

We know that the house at 15 Avon Place, St Clair is owned by the niece of Councillor Steve Simat. Steve Simat was No. 1 on the Liberal Party ticket for the elections and—surprise, surprise!—was on Minister Kelly’s staff. He has since been removed from Minister Kelly’s staff. Steve Simat gave evidence to the committee on 30 January that he advised the micro party candidates of the residency requirements for their nominations and that they would have to be on the roll in Penrith. He then organised his niece’s empty house for them to claim residency, enrol to vote and stand for public office.

Two of Minister Kelly’s staff members, Nicolas Berman and Steve Simat, were up to their eyes in the fraudulent enrolments and
operations surrounding the bogus micro parties in Penrith. And now a Liberal Party insider has leaked the fact that Miss Kelly overrode the concerns of others on the campaign committee about the bogus parties and how those would be organised. Apparently she ‘thought it would be a lot of fun’. She, Minister Kelly, was the chair of the campaign committee and the local federal member. Her judgment carried a lot of weight.

After the pounding Mr Pyne’s activities took in the media, you would think that some lessons would be learned. But no: at yesterday’s committee meeting, Mr Pyne moved that Labor MPs Kevin Rudd and Craig Emerson, and Senator Stephen Conroy, be invited to appear before the committee—while again, for the fourth time, refusing to invite Minister Kelly to give evidence. Lee Birmingham, a self-confessed electoral rorter and the witness who mentioned the names of Kevin Rudd and Craig Emerson, made it quite explicit at the recent Sydney hearing that Mr Rudd and Mr Emerson knew nothing about enrolment fraud nor were involved in any such activities. As for Senator Conroy, he has categorically denied the accusation levelled at him—not an allegation regarding the integrity of the electoral roll but a hearsay allegation related to fundraising. Regardless, all of these Labor parliamentarians have been invited to appear before the committee—one rule for the Labor Party, but a very different rule for the Liberal Party, as far as the Joint Standing Committee on Electoral Matters and its chairman, Mr Pyne, are concerned.

Regrettably, the electoral matters committee is now more intent on pursuing a witch-hunt into the Labor Party than on investigating and properly assessing risks to the integrity of the electoral roll. The proof of this is there for all to see, both in this parliament and outside. The joint committee has become a biased and corrupted forum whose choice of witnesses and proceedings are governed by the short-term political interests of the Liberal Party.

Senator Ian Campbell—Mr Acting Deputy President, I raise a point of order. I was hoping earlier that, when the Leader of the Opposition in the Senate referred to Minister Kelly in terms of a cover-up and then in terms of lying, it would be drawn to his attention and, in fact, he would be asked to withdraw, because that language is clearly unparliamentary. I would ask him to do that in retrospect. But, when the Leader of the Opposition in the Senate impugns the integrity of a committee of this parliament and calls it biased and corrupt, that is clearly in breach of standing orders and, Mr Acting Deputy President, I would ask you to ask him to withdraw.

The ACTING DEPUTY PRESIDENT (Senator McKiernan)—I will take advice on whether or not the reference to a parliamentary committee would be in breach of the standing orders. I will quickly go through the relevant standing order. I have consulted with the standing order and I think, for reasons of the ruling I intend to make, I will read the relevant portion of the standing order, which is subparagraph 3. It states:

A senator shall not use offensive words against either House of Parliament or of a House of a state or territory parliament, or any member of such House, or against a judicial officer, and all imputations of improper motives and all personal reflections on those Houses, members or officers shall be considered highly disorderly.

I have been advised also that it is deemed that the reference to ‘houses’ also includes references to committees of the parliament. In that sense, I would ask Senator Faulkner to withdraw the references. In regard to the matter raised firstly in your point of order of earlier references, they were not raised at the time and I would not ask for a withdrawal at this time.

Senator FAULKNER—I will withdraw those words and say that the chairman of the committee and Liberal Party members of the committee have ensured that its activities have been biased and corrupted and, of course, the choice of witnesses and proceedings are governed by the short-term political interests of the Liberal Party.

Senator Ian Campbell—Mr Acting Deputy President, on the point of order; you have given an absolutely accurate ruling in rela-
tation to a reflection under that standing order that you read so eloquently. The Leader of the Opposition in the Senate has not complied with your ruling. He has, in fact, flaunted it and then further gone on to compound his misdemeanour by again reflecting on the members of that committee, which of course is covered quite specifically in the standing order. The Leader of the Opposition in the Senate should quit while he is behind and make an uncategorical, unqualified withdrawal of his unparliamentary remarks, which are outside of the standing orders.

The ACTING DEPUTY PRESIDENT—In listening to the Leader of the Opposition after I had ruled on the point of order, I understood him to withdraw the remarks that he made against the committee. That is what I understood. You did however then, Senator Faulkner, go on and make further references to members of the committee. I think that you are bordering on being unparliamentary by using those words and, in turn, I would ask you to withdraw those remarks.

Senator FAULKNER—I will withdraw those and make it absolutely clear, Mr Acting Deputy President, that the processes of this committee have become biased and corrupted.

Senator Ian Campbell—Mr Acting Deputy President, I raise a point of order. This Leader of the Opposition in the Senate has now been warned twice not to transgress the standing order that relates to impugning the integrity of another or reflecting on the member of the other house of parliament. He has again chosen to do that in relation to Mr Pyne. I ask you to again ask him to withdraw any reflection on Mr Pyne. Saying that he has compromised his integrity, he has ruined his reputation and he has thoroughly humiliated himself.

The ACTING DEPUTY PRESIDENT—I would take the point of order and would rule that the words ‘compromising his integrity’ by a member of the other house would indeed be in breach of the standing orders. I would ask you, Senator Faulkner, to withdraw.

Senator FAULKNER—On the point of order: I do not agree with that ruling but I am happy to withdraw it, Mr Acting Deputy President. I just want to say this: Mr Pyne has ‘out-minchined’ Senator Minchin. How low can you go?

Australian Labor Party: Leadership
Voluntary Student Unionism

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (1.30 p.m.)—Before raising issues relating to voluntary student unionism, I would like to make some brief re-
marks on the contribution by the Leader of
the Opposition in the Senate. Senator Ron
Boswell, a National Party senator from
Queensland, remarked to me very pri-
vately—and I hope he will accept my apol-
gogy for giving away a private conservation—
a few minutes ago that this sort of contribu-
tion destroys the institution of parliament.
People listening to the Leader of the Opposi-
tion, all those thousands of people who are
tuned into the parliamentary network, would
have seen that contribution for what it was—
a denigration of people outside this parlia-
ment who do not have the opportunity to
defend themselves.

Not only has this so-called Leader of the
Opposition in the Senate chosen to raise
matters under privilege within the Senate,
which is of course a right and a privilege that
should only be used very carefully, but he
put in place a merciless attack on people in
the other house of parliament. You would
think that, if the Australian Labor Party had
any guts and certainly any integrity, they
would have at least raised it in the other
place, where those people could immediately
rise to their feet and defend themselves. It
does not surprise me because, when you look
at the opposition in the Senate and if you
look at the way that opposition has behaved
for last four-odd years in this place under the
leadership of Senator Faulkner, it does not
take much of an explanation. There has been
no leadership in terms of policy develop-
ment.

Senator Forshaw—You are a bald-faced
hypocrite.

The ACTING DEPUTY PRESIDENT
(Senator Ferguson)—Order! Senator For-
shaw, withdraw that, please.

Senator Forshaw—What—withdraw that
he is bald-faced?

The ACTING DEPUTY PRESIDENT—Senator Forshaw, you know
the contribution you made. I ask you to
withdraw.

Senator Forshaw—I will withdraw the
reference to the word ‘hypocrite’, as I under-
stand it is unparliamentary.

Senator Forshaw—Unfortunately—

The ACTING DEPUTY PRESIDENT—that is all that is required.
Thank you, Senator Forshaw.

Senator IAN CAMPBELL—It must be
very frustrating for Senator Forshaw, who, I
believe, would make a much greater leader
of the Labor Party in this place than the in-
cumbent. I say that quite genuinely. It is not
the old tactic of divide and rule. I do not
think it would work over there. Quite genu-
inely, I think Senator Forshaw has a number
of traits—including a taste for one of the
finest pizzas in Australia, if not the world—
and in a number of other respects he is, I be-
lieve, a man of much greater integrity than a
number of others.

But under Senator Faulkner, of course, the
leadership of the Australian Labor Party in
this place is one of the factors that the Aus-
tralian Labor Party need to come to grips
with. They have not been able to develop any
policy. They have not developed a coherent
strategy in question time or anywhere else.
All that this man can do is come into this
place and dig very low. Of course, Senator
Kemp calls him, quite accurately, the limbo
champion of the Senate. No person can go
lower. Senator Faulkner has got a reputation
for that. He seems to like that reputation. I
ask honourable senators, and people who
watch the performance of the Labor Party in
the Senate, particularly the performance of
the Leader of the Opposition in the Senate,
Senator Faulkner, these days, to compare his
performance with that of previous Labor
leaders in this place whom I have seen in my
time here. Senator Faulkner is certainly no
Gareth Evans and he is certainly no John
Button. Both of those characters made major
contributions to policy in this nation. He has
made no contribution in terms of policy. Both
of those people were very good parlia-
mentary fighters, very good performers, and
John Faulkner is not in their league. But that
is not what I came in here to talk about in
this matter of public interest debate today.
There is a very important decision to be made in Western Australia at the weekend—there is a state election. One of the issues in that state election is an issue that is in fact before this parliament, at item No. 38 on the Notice Paper, and that is the Higher Education Legislation Amendment Bill 1999. Debate was adjourned on that back in May 1999, I think it was, and that bill sits on the Notice Paper waiting for debate here—however, under the threat from Labor and Democrat senators that, if it is ever brought on, it will be an enormously long debate, which is code for a filibuster.

The Labor Party and, of course, the Australian Democrats have made it quite clear that they will never support a piece of legislation which enforces human rights on campus; that is, to ensure that students across Australia have the right to make their own choice, their own decision, as to whether or not they join a student union and are forced to pay a student tax, a student fee, a guild fee, a higher education fee. The legislation designed by David Kemp, the minister for education, would ensure that all students across Australia have the freedom to choose, just as the students in Western Australia in higher education institutions have at the moment—that right that only Western Australian students have and have been able to enjoy for six years because of the good government of Richard Court and his former Minister for Education, the Hon. Norman Moore, because of the legislation that was brought in in that state six years ago.

That right is under threat now because the Australian Labor Party, under the leadership of Dr Geoff Gallup, have committed—and he committed in writing on 18 January—that a Labor government, if elected, would reintroduce compulsory student fees, an up-front tax on all students in tertiary education. One of the frustrations that I have, as someone who has campaigned on this issue for probably 20 years, is that it is very hard to get the media to focus on this new tax.

I would like very much to ensure that the students of Western Australia know very well that on Saturday a vote for the Australian Labor Party in the Western Australian election will guarantee that a new $21 million tax will be imposed on them by Dr Gallup. The sad thing, of course, is that the Australian Democrats, it would seem—and I hope they come clean on this over the coming days—will support that new up-front student tax if it were to pass through the lower house under a future Labor government, if that were to come about on the weekend.

I did notice on the weekend some ray of hope—and this is one of the reasons I have raised it in the federal Senate today—and that is that the Australian Democrats member of the upper house, Helen Hodgson, has said that she is very concerned about the impost of compulsory amenities fees in secondary schools. She was, in fact, opposing some of the policies of the state Liberal government. She made the point that some children from poor families—to use her language—would not be able to finish high school because of the impact of these amenities fees on those students. I ask the Democrats: if they are so concerned about compulsory amenities fees that apply to high school students, could they please make it clear to the Western Australian electorate if they support the same fees—which were coincidentally called amenities and services fees, under the previous Labor government in Western Australia—falling on tertiary students?

Could the Democrats please explain how those very same poor families who struggle to pay the amenities fees at high school could miraculously become less poor over a summer vacation? It is in fact the same families who will be forced to find the potentially hundreds of dollars in up-front student taxes—the so-called Gallup student tax, as I like to call it—that will apply if Dr Gallup indeed becomes Premier and the Democrats support him in the upper house. I would like Helen Hodgson and, in fact, the Democrats in this place to explain their policy on amenities fees.

Western Australian students and their parents need to understand just what has happened to higher education guild fees or stu-
dent union fees in the six or seven years since Western Australia made them voluntary. The fees were in fact moving above three figures, well into the hundreds of dollars, when they were abolished in Western Australia; and only a very small percentage of people in Western Australia have joined guilds or unions since it was made voluntary. In the eastern states, as we call them in the west, around the rest of Australia, where compulsory union fees are legislated for in other states and territories, the highest fee that we have been able to find from my research is $389 a year—of course, an enormous impost on any family of any means and income, let alone on someone below average weekly earnings. The average for the whole of Australia is in fact $287 and that of course is the sort of fee you would have to expect if Labor was re-elected.

I believe that the Labor Party should be honest about this if they believe in it so fervently ideologically, which they certainly do here. I do not hold it against them. It is something they believe in. One of the few things they seem to continue to believe in is compelling young people to join a union whether they want to or not and being forced to pay a union fee against their will. It is something at least that the Australian Labor Party continue to believe in and one of the few things that Dr Gallop seems to actually believe in. I think that the Labor Party should say what the maximum fee is they will allow to be charged. Will they cap it? Will it be $287? Will it be $389? I think they need to be asked by a journalist who will ask the question because he certainly is not going to bother answering me. I understand 6PR offered the Labor Party to enter into a debate with the head of the University of Western Australia Liberal Party recently and Labor refused to come on and debate it. I think Dr Gallop, if he is going to impose $21 million of new taxes on students in Western Australia, should tell them how much the tax will be and just how much students will be forced to pay. Will the tax apply for this academic year? In other words, will they be forced to pay it for the academic year of 2001 if they bring the legislation in during the next term of government if they get elected? Will it be forced on students who are entering universities or continuing courses at universities or other tertiary institutions in this financial year or will it apply only to the second semester or will it come in in the year 2002? I think it is a very fair question. If you are going to introduce a new fee, a union due, a tax—whatever you want to call it—certainly from my point of view (and I am sure even Senator Michael Forshaw would not argue with this) $287 is a lot of money to find on top of what you are already finding with textbooks and so forth. In fact we equate $287 to—

Senator Forshaw—Up-front university fees.

Senator IAN CAMPBELL—It is very much. Senator Forshaw is quite right; it is an up-front university fee. Quite frankly, the Labor Party has shown a recent inclination to want people to move online and do education online and $287 will actually pay for an entire year’s Internet service provider fees. What a way to take money out of people’s pockets! You want to get them onto the Internet but you say, ‘I would rather force them to pay money to a student union than to pay it to get onto the Internet.’ It is a whole month’s Austudy payment.

Senator Forshaw—they pay that money for the services. You know that.

Senator IAN CAMPBELL—Senator Forshaw interjects that they pay it for the services. Of course, the reality on the campuses in Western Australia is that all the services are still being provided. There has been no diminution of services or service quality. All this will achieve is to pay money through force, through compulsion—in fact, as we call it, through effectively conscripting students—into an organisation that they do not want to join. It is conscription. There is no difference to that. Of course, it is to force people against their will to pay money to unions that are affiliated with the Australian Labor Party. It is in its own way a demonstration that the trade union movement and the student unions, of course, basically pull the strings of the Labor Party. I implore par-
particularly the media in Western Australia to raise these issues with Dr Gallop so students know that a vote for the Labor Party does in fact mean that they will be forced to pay somewhere of the order of $287 in fees they are not required to pay at the moment.

Pharmaceutical Benefits Advisory Committee

Senator SCHACHT (South Australia) (1.44 p.m.)—I wish to take this opportunity to put on record some comments made by Mr Martyn Goddard, who has declined the minister for health’s invitation to serve on the PBAC. Last Friday and over the weekend, he circulated to a number of people two emails which state the very principled position he has taken on why he has refused to serve as a member and be reappointed to the PBAC. Over the weekend he sent the following email, and I will read it to the Senate as his words express adequately why there is such outrage in the community. It says:

I sent an e-mail on Friday to my colleagues on the former PBAC with copies to the three consumer organisations which recently put my name forward for reappointment. Before I get to this, some general comments about Dr Wooldridge’s conduct. Why is Dr Wooldridge doing this? These points spring to mind:

1. The actions on PBAC membership, and particularly the appointment of Pat Clear, have been particularly destructive to Dr Wooldridge personally and in an election year must be inflicting damage on the government’s chances of re-election. It was quite predictable that his actions would have this effect. Normally Dr Wooldridge is incredibly energetic about re-election, paranoid about bad publicity and will not take any action which could have an adverse electoral effect. It is this perpetual concern about electoral performance that allowed him to continue winning his former marginal seat, Chisholm. To give you an example of how painstaking he is, he asked me during the 1996 campaign in Chisholm to write a letter to his gay and lesbian electors endorsing him. I did so, and organised a mailing list through a gay magazine I formerly edited. I received no benefit for this, but the Liberal Party paid for the mail-out and the list. It only went to fewer than 70 people, but for Dr Wooldridge that was enough. He asked me to keep all this quiet so he would not get into trouble with the local churches. So his current behaviour is politically bizarre.

2. As you know, three former members of his personal staff now work for Pfizer: Rachel David, his former pharmaceutical adviser; Bill Royce, his former media secretary; and Ken Smith, a longtime close friend and chief of staff. Smith now works for Pfizer in Hong Kong, the company’s regional office which has responsibility for Australia. The head of the Hong Kong office is Dudley Schleier, the former Pentagon man who until mid-1999 was Pfizer Australia’s managing director, based in Sydney, and chair of the APMA, the Australian Pharmaceutical Manufacturers’ Association.

3. The Minister of Health, including this one, rarely issues press releases boosting individual commercial pharmaceutical products. Wooldridge did it twice last year, both for Pfizer drugs. He issued a press release on 1 June 2000 boosting Celecoxib or the brand name of Celebrex, the anti-inflammatory, and on 21 December 2000 for Donepezil, that is the general name—the general name is Aricept, the Alzheimer’s drug. The wording of the actual June release was moderate, but his comments and follow-up interviews were not. This story was particularly well covered and he appeared prominently in all metropolitan dailies on television, making extraordinary and overblown claims for this drug. I recall particularly that he was quoted in the Hobart Mercury as saying, ‘The listing of Celebrex was the most important decision in the 50-year history of the PBS.’ The minister’s ringing and widely publicised endorsement has been a significant part of a highly successful and aggressive marketing campaign.

There was no mention in his release or in the reports of his interviews that this drug had already been the subject of about 1,000 adverse event reports to the TGA—more than twice as many as any other drug in the TGA’s history—and that some deaths have been attributed to the drug. As a result of the marketing
campaign which, like Dr Wooldridge’s interviews, stresses benefits and tends to ignore risks, there has been a great deal of over-enthusiastic use of this drug and consequently a major public health problem has developed around it. Nor was there any mention that other drugs in the same class were already on the market overseas and were expected in Australia shortly. In fact, from memory, one of these, Merck’s Vioxx or Rofecoxib may have already gone through the PBAC by the time this release was issued, though that would have to be checked, and it was certainly pending. The December release of Donepezil mentioned the rival drug Rivestemine which was approved by the PBAC at the same time. Many other important drugs by other manufacturers received approval last year, including an important treatment for hepatitis C and drugs for heart diseases and many cancers. Why are only the two Pfizer drugs given a public, commercial boost by the minister?

4. According to the Age on Friday, 2 February 2001, the PBAC’s advice on the conditions of listing for Celecoxib were overridden, a decision which has already benefited Pfizer by many millions of dollars, to the detriment of the Australian health budget.

At the end of this email from Mr Goddard, he makes some comment where he speculates about the motives of the minister in promoting this drug, but I think at this stage it is best not to put that on the record because it is only speculation.

I now turn to an email that Mr Goddard sent out on last Friday, 2 February, to a number of his colleagues. It goes as follows:

As many of you will already know this morning, I emailed my resignation from the PBAC to the minister. My reasons are not dissimilar to those of you who are a little more insightful than I who had already gone but with the added complication that I was quite cynically used by him—

that is the minister—

during the transition negotiation process in December. It is not credible that he did not know about the Clear appointment at that stage or that he did not realise how provocative and destructive it would be. That information was obviously germane to what I was involved in but there was no hint of it. There are times when the failure to disclose information becomes effectively lying and that is what happened to me and through me to you. I must be a slow learner. After 25 years in journalism and 10 years around the health policy traps I trusted a politician. It won’t happen again. The more general reasons can be summed up this way: I put these specifically to Dr Wooldridge yesterday, both by email and personally by phone. Obviously I got nowhere. One, the PBAC is in effect the key government purchasing authority for ongoing spending commitments amount to almost $4 billion worth of goods a year. While it is reasonable to have an industry person for the horse trading stage later in the process, and that is the PBPA, it is not appropriate to have such a person taking part in the main decision process. The reason is that the PBAC is and always will be in fundamental conflict with the industry. Our job is to maximise value for money from the Australian taxpayer. Thiers is to maximise repatriated return to mostly overseas parent companies and shareholders. This consideration outweighs the stakeholder representation argument. Two, conflict of interest is not restricted to personal financial benefit. Most people like Pat—

I think that is Pat Clear—

but he has been leading the industry charge against the PBAC for years. It is not a salable proposition that he can suddenly switch sides and there is no escaping the fact that it is and will remain a matter of sides no matter who is involved. Three, we had a review, the Tambling review—

that is Senator Tambling of this chamber and the parliamentary secretary to the minister for health—

only 18 months ago at which this was discussed and rejected. On two critical matters—that review, the Tambling review, has been ignored. The minister has every right to make the decisions as he sees them but in that case, why have a review? Four, the PBAC is bound to be sued again in the future over particular decisions. What will be in every member’s mind is: which way will the industry person jump? If I thought there was even a chance of this happening, and quite obviously there now is, it would be mad for me to continue on the committee. Also, members have full access to all defence material including the informal comments of government lawyers, for any case or any legal issue. Can we be sure this will remain with us and will not find its way
back by some route to our opposition? There are personal risks to individual members as well as to the government. If anyone was successfully portrayed as having acted improperly, the government indemnity would cease and all members would be responsible for their own legal costs. I am not prepared to take those risks.

What will happen now is that the committee will have neither the expertise nor the sense of security to do its job. The result will be that tens and eventually hundreds of millions of dollars will flow out of the Australian health budget into the profit sheets of the international drug cartel. I cannot continue to stay around and pretend the process everybody worked so hard for, and which is so important, has not been fundamentally debauched. Regards and best wishes to you all. As they say, it has been nice to know you.

That is signed by Martyn Goddard.

Mr Acting Deputy President, I appreciate the Senate enabling me to read into the Senate record those two emails that Mr Martyn Goddard has sent to colleagues explaining why he has refused to accept the minister's invitation to continue as a member of the PBAC. We have an extraordinary case here where the minister, for some reason or other, has decided to put a person on the board of the PBAC who for a long period of time has openly been antagonistic towards the work of the PBAC because he has represented the pharmaceutical industry in this country. He is quite free to do that, but the pharmaceutical industry has always argued that the PBAC depresses the price of drugs that they wish to sell to the Australian consumer. The PBAC's job is to protect the Australian consumer, and above all else the Australian taxpayer, from being ripped off and to ensure that we have a decent availability of pharmaceuticals in this country for ordinary Australians.

This minister, Dr Wooldridge, seems to have a real problem in understanding the ethics of being in government and of public policy. We note that there was the issue of the magnetic resonance imaging equipment. One way or the other, somehow, people in the pathology industry got a tip-off—probably from a conversation they had with him, and accidentally it may have been—and there were mass orders of this equipment, running at $1 million-plus just prior to the budget, so that they could get them and use them and thus get a major advantage. Dr Wooldridge was shown to have been incompetent on that occasion, but he does not understand that he has cost the Australian taxpayer a lot of money. Again, from the way Mr Martyn Goddard has explained it, it comes to the fore that this minister does not understand that there is a conflict of interest in the way he has gone about appointing a new PBAC. As I understand it, of the 12 members, only two have had previous experience with the PBAC so the institutional memory and the skill and expertise of the PBAC in the past have now basically been wiped out. Although the new members in good faith will do their very best, not having that institutional memory carried through will weaken the role of the PBAC, particularly when a person like Mr Clear will be coming on board. He has a particular background with the pharmaceutical industry which has wanted to maximise profits for these basically overseas controlled companies. This is a disgraceful episode for this minister, Dr Wooldridge, and I believe that the debate on his role in this matter is just beginning. I have to say that I suspect before long large numbers of people in the Australian health community will demand his resignation.

QUESTIONS WITHOUT NOTICE
Legionella Bacteria: Department of Health and Aged Care

Senator Lundy (2.00 p.m.)—My question is to Senator Vanstone, representing the Minister for Health and Aged Care. Can the minister inform the Senate of the circumstances surrounding the discovery of high levels of legionella bacteria in the cooling towers of the Commonwealth Department of Health and Aged Care offices in Woden, ACT? Can the minister confirm that, in addition to original high levels in December, high levels of legionella were again found just yesterday, despite building management assurances that full cleaning of the towers had taken place? Is the minister aware that the department proposes replacing the cooling towers entirely? Have the delays in
communicating this potentially serious health issue to staff arisen because the ownership and management of these buildings no longer lies with the federal government itself and don’t these most recent legionella scares mean that the Howard government should rethink its proposed watering down of statutory occupational health and safety protections for its own staff?

Senator VANSTONE—I thank the senator for her question. I have checked the index of briefs and I do not appear to have any advice with respect to that matter. I will do two things. I will give you a gold star for putting as many questions as you possibly could into one minute—you have to almost have the record in that respect. You did it without mumbling and with clear enunciation and I am sure somebody—perhaps a newsreader or somebody—would give you an award. I will also refer the matter to Dr Wooldridge and get you an answer as soon as I can.

Senator LUNDY—I do have a supplementary for the minister. Is the minister aware that the Acting Secretary to the Department of Health and Aged Care sent a message to all staff on 31 January stating “the incident was not reported earlier because we as tenants were not informed of the problem when it first occurred”? Can the minister now confirm—

Honourable senators interjecting—

The PRESIDENT—Order! Senator Lundy, I cannot hear you. Would senators cease interjecting and shouting. I need to hear the question and so does the minister.

Senator LUNDY—Can the minister now confirm that, contrary to this statement, the Department of Health and Aged Care received a fax on 2 January 2001 from their building maintenance firm advising the department of the high level of legionella bacteria in the cooling towers? Why then were the staff not advised until 31 January that the cooling towers had levels of legionella bacteria above the Australian limits? Why were 29 days allowed to pass before staff were urged to seek immediate medical attention if they experienced any symptoms of the potentially fatal legionnaire’s disease?

Senator VANSTONE—Senator, without wishing to be patronising any particular way, I can assure you—

Opposition senators interjecting—

Senator VANSTONE—Bear with me before you misjudge what I am going to say. In some 12 or 13 years in opposition, we were given by your then government a lot of experience at asking questions and I can assure you that there is one thing that you learn—that is, if you want to ask about a specific small area you either give notice in advance or you run the risk that, with a huge portfolio like this, there is not a brief. I have told you that there is not a brief on this matter. I will get the answers for you and I will get back to you as soon as I can.

Senator Lundy—There should be.

Senator VANSTONE—Senator, I notice you remonstrating and saying that there should be a brief. It would not be possible in the health department to have a brief on every single issue. I will get you your answers, such that Dr Wooldridge can provide, and I will give them to you as soon as possible.

Interest Rates: Levels

Senator GIBSON (2.03 p.m.)—My question without notice is to the Assistant Treasurer. Minister, will you inform the Senate of what today’s interest rate cut will mean for Australian business and families? Also, will you advise the Senate of other recent figures which confirm the strong performance of the Australian economy under the Howard government? Are you aware of any alternative policies and what effect these would have on the Australian economy?

Opposition senators interjecting—

The PRESIDENT—Your behaviour is unacceptable.

Senator KEMP—Thank you, Senator Gibson, for that very important and indeed perceptive question—a question which I believe is of great interest to the Australian public. Let me just say that today’s decision by the Reserve Bank board to officially cut interest rates by 50 basis points is excellent news for home owners and small business. I...
was a bit surprised that while the question was being asked there was some abuse from the Labor side. One would have thought that this was good news for home owners, good news for small business and indeed would be welcome. But it just goes to show that the one thing that the Labor Party really hate is good news on the economy. That is one thing that the Labor Party senators really do not like. That is why, Senator Gibson, it was such a good question—because you are not going to get that sort of question from the Labor Party. But this is an issue which affects many people in small business and many people on mortgages. Let me just give some indication of the impact of this on the average mortgage. The interest rate cut, if fully passed on—which we expect and hope to happen as quickly as possible—represents an interest saving of some $42 a month. This is an important figure and a figure which will certainly be welcomed.

It is not surprising that the Labor Party is sensitive on interest rates. When we came into office the home loan mortgage rates were close to 11 per cent and of course we can remember—

Senator Mackay—Up four times in the last 12 months.

Senator KEMP—Senator Mackay, you make a comment. Senator Mackay, under the Labor Party there was a stage, if I remember correctly, when rates were close to 17 per cent and heading north. The Labor Party is essentially, as we can see because of the interjections coming from the other side, a party that has a long and undistinguished record on delivering high interest rates. You are a high taxing party, a high borrowing party and a high interest rate party.

To reiterate the point I made, Australian families with an average mortgage home loan will be saving some $245 a month due to the interest rate cut under the Howard government. This interest rate cut comes on the back of some good news in the economy. Firstly, the Howard government has delivered some $12 billion in tax cuts, arguably the largest tax cuts in Australian history. Inflation remains low and the CPI growth of just under 0.3 per cent in the December quarter was low and of course shows how effectively we are at keeping the pressure on inflation. And we received some news today that new car sales are at record levels. Australia’s export performance—and this would be of great interest to Senator Cook—is good. Of course, that is widely welcomed as well, Senator Conroy.

This government has delivered management of the economy which helps keep the downward pressure on interest rates. We have created a more competitive economy. We are running a budget surplus, in contrast to the Labor Party. Madam President, you can recall that, when we came into office, Mr Beazley, as finance minister, left the incoming government with a budget deficit in the order of $10 billion. (Time expired)

Pharmaceutical Benefits Advisory Committee

Senator SCHACHT (2.08 p.m.)—My question is to Senator Vastone, representing the Minister for Health and Aged Care. Can the minister confirm that the review into the Pharmaceutical Benefits Advisory Committee conducted by her colleague Senator Tambling stated that industry representation on the committee ‘could result in an untenable conflict of interest situation’? Why, then, has been minister for health appointed a person whose only background is in the pharmaceutical industry? In fact, isn’t it the case that this appointee’s most recent experience in the field is as the pharmaceutical industry’s chief lobbyist? Will the Howard government restore the PBAC’s independence by withdrawing Mr Clear’s appointment?

Senator VANSTONE—I do have some advice from Minister Wooldridge in relation to this matter. He wants to make it very clear that the Pharmaceutical Benefits Advisory Committee retains its charter to advise the government on the listing of medicines in the Pharmaceutical Benefits Scheme on exactly the same basis as before and as set out in the act. There is no hidden agenda, as apparently is imagined by some and reported by others. But Dr Wooldridge makes the point that it makes good copy and probably gets someone
a run in a press release if they want to be alarmist.

The appointment of Mr Pat Clear as an ex-industry representative on the PBAC has been portrayed by some as the government capitulating to industry influence. Nothing, I am told, can be further from the truth.

Senator Conroy—Why have others resigned?

Senator VANSTONE—He is only one of 12 members, Senator. He has a highly relevant background and has, as I am advised, no conflicts of interest with the works of the committee. The question that you should ask yourself, Senator, is: is it suggested that his appointment is the beginning of a slide to higher prices sought by the industry? Is that what you are saying?

Opposition senators interjecting—

Senator VANSTONE—You say that if you want.

Senator Carr—Tell us the next line of your brief.

The PRESIDENT—Order!

Senator VANSTONE—Dr Woodruff of the Doctors Reform Society asked rhetorically: why would the government want to pay higher prices.

Senator Carr interjecting—

The PRESIDENT—Order! Senator Carr, I have already called you to order.

Senator VANSTONE—Madam President, I think I have answered the question that the senator asked. It does not occur to me that they are really very interested. It seems to me this is a little campaign that they have: let’s ask one person today, one another. If there is anything more out of what was quite a long brief, Senator, that I want to add, I will.

Senator SCHACHT—Minister, it is clear that you have no confidence in the brief you have been given by the minister. You have refused to even read it out. You have trashed your own brief.

The PRESIDENT—Senator Schacht, your question?

Senator SCHACHT—My supplementary question to the minister is: can the minister confirm that the Tambling review recommended that proper transitional arrangements between the old and the new committee be established to ensure continuity of expertise in this highly technical field? Why then are there only two previous PBAC members on the new committee, each having served less than 12 months, making them too inexperienced to provide continuity between the old and new committees? Is it because the other members refused to serve on a committee with an industry lobbyist?

Senator VANSTONE—Senator, I do not have any advice with respect to that.

Senator Schacht—You said you had a long brief there.

Senator VANSTONE—I do, but I have just had a quick look through it and I can assure you it does not relate to the point that you made. The question you wanted to ask—

The PRESIDENT—Order!

Senator VANSTONE—I am sorry, Madam President. The question the senator related to continuity, to the continuation of a limited number of members, in his view, compared to new people. He asked: is the reason the other people are not there because they did not want to serve with an industry lobbyist? I have simply told him that matter is not addressed in my brief.

Opposition senators interjecting—

The PRESIDENT—Order! I need to be able to hear the next question.

Innovation Statement: Backing Australia’s Ability

Senator CRANE (2.12 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister advise of the benefits for regional Australia from the Howard government’s $2.9 billion innovation plan announced last week? What opportunities will be available for regional based companies and educational research institutions from this important initiative?

Opposition senators interjecting—
Senator CRANE—Madam President, how can anybody hear anything in this place with the racket that is going on over there?

The PRESIDENT—That is a very good question, Senator. Order!

Senator CRANE—Are there other examples of government initiatives which assist regional Australians? And is the minister aware of any alternative policies?

Senator IAN MACDONALD—Madam President, I was able to hear Senator Crane’s question over the cat-calling from the opposition. What it shows is that Senator Crane is interested in these issues because they impact upon regional Australia. The opposition, by contrast, have no interest in regional Australia and just want to shout down anyone who demonstrates an interest in regional Australia.

Senator Crane will be very pleased to know, as I was, that the innovation statement means big things for rural and regional Australia. The New Industries Development Program, with some $22 million, will target agribusiness and technology in rural Australia and give those businesses in rural and regional Australia the skills and resources to successfully commercialise their business products, technologies and services. As I go around rural and regional Australia I see people with good ideas in rural areas; they just do not have the wherewithal to make them into commercial businesses. This program will allow that.

The $40 million Biotechnology Innovation Fund will also be great for rural and regional Australia. I am delighted with the $155 million major national research facilities program, which will allow for a lot of innovative research in rural and regional Australia. Regional universities like James Cook University, the University of Southern Queensland and Charles Sturt University, which all have good reputations in research, will now have additional resources to continue that research. I am also delighted with the 21,000 new university places that will become available, because this will allow kids from country and rural Australia to get into those regional universities and study in the fields of IT, maths and science.

This investment in knowledge infrastructure is very similar to this government’s investment into basic hard infrastructure like roads. I am delighted that our $1.2 billion Roads to Recovery Program is off and running. The first cheques for that program will be out later this month, perhaps early next month—not, as Senator Mackay seems to misunderstand, in the next financial year. Those cheques will be out within the next few weeks for those who have applied early. It is a great program for rural and regional Australia.

It is like when Dr Wooldridge announced our health initiatives yesterday, where we are setting up more clinical schools in Rockhampton, Toowoomba in Queensland and Burnie in Tasmania, for example: all the Labor Party can do is criticise. It is like our investment in Defence infrastructure, which has significant implications for rural and regional Australia.

Honourable senators interjecting—

The PRESIDENT—Order! There are far too many people interjecting.

Senator Robert Ray interjecting—

The PRESIDENT—Senator Ray, I am speaking. There are far too many people interjecting and shouting across the chamber, making it extremely difficult for people to hear.

Senator IAN MACDONALD—It proves again that the Labor Party are not interested in rural and regional Australia. When others want to talk about it, they are determined to shout them down. It is like the money we have put into Networking the Nation, getting public access to the Internet with Internet cafes into places like Collinsville, which Senator Mackay would not even know about. Small country towns now have this ability.

The policy-lazy opposition do not have any plan for rural and regional Australia. When they were asked about roads that we are putting into rural and regional Australia, all Mr Beazley could say was that it is a ‘boondoggle’—whatever that means. They
opposed Networking the Nation all the way through, at every opportunity. They opposed it in this chamber and they opposed it in the other chamber. When you talk about fuel, if Labor were in power today—and thank heavens they are not—(Time expired)

Pharmaceutical Benefits Advisory Committee

Senator FORSHA W (2.18 p.m)—My question is to Senator Vanstone, the Minister representing the Minister for Health and Aged Care. Could the minister confirm that Minister Wooldridge’s decision to appoint Mr Pat Clear to the PBAC has triggered the resignation of four members of the committee, including its chair, Professor Don Birkett? Is the minister aware of comments by the former consumer representative on the Pharmaceutical Benefits Advisory Committee, Mr Martyn Goddard, that Mr Clear ‘led the charge against the PBAC for years as head of the manufacturers association’ and that he ‘feared its members would be unable to talk openly about tactics and decisions in the presence of Mr Clear’?

Senator VANSTONE—I thank the senator for his question. In one sense, the short answer to the question is no. I am not aware of the comments to which he refers, and I do not know if Dr Wooldridge is either. I will ask him. But I have to say, Senator: I would not expect that, over the course of the time I represent Dr Wooldridge, he will always provide in question time briefs responses to what one commentator or another has chosen to say at any particular time. However, in relation to the question of resignations that you referred to, there is something that I will add—and I would have added it before if Senator Schacht had looked as if he was interested. Dr Wooldridge makes the point that, as of 1 January this year, there were no members of the PBAC until the government appointed a new committee. Some candidates decided not to accept an offer to become a member; they did not quit, as some people suggest. It is not possible to quit from something that you do not belong to.

Opposition senators interjecting—

The PRESIDENT—Order! There is an appropriate time to ask supplementary questions or debate issues. Shouting out questions during the minister’s answer is disorderly.

Senator VANSTONE—Thank you, Madam President. Furthermore, with the new nomination process, a number of the previous PBAC members were not eligible for appointment. I do not suppose you are concerned about that, Senator Forshaw, because your question was about people who you describe as having resigned. They were not eligible because they were not nominated, as provided for in the legislation. I repeat the point: as at 1 January 2001, there were no members of the PBAC until the government appointed a new committee. It is entirely up to the government to make those appointments. I think you will agree, Senator, that if, in the duration of your very lucky time in this place—you are still one of the luckiest people in the country to be here; I thought it might have been you who won the $30 million the other day; you are a very lucky man—your party is ever returned to government, just being generous with you, I am sure you will not let previous appointees to a body tell you who you should put in as their replacements.

Senator FORSHA W—Madam President, I ask a supplementary question. I note the minister’s answer, and I think it is a shame, given that this is such a serious and topical issue, that the minister does not have an appropriate brief from her minister, as she has just acknowledged. I point out that Mr Martyn Goddard is not a commentator; he was a member of the committee and was approached to continue to be a member of the committee. My supplementary question is: is the minister aware that the editor of the Medical Journal of Australia, Dr Martin Van Der Weyden, has also strenuously opposed a seat for industry on the PBAC, describing it as a ‘slippery slope towards losing the independence of the committee, because of the potential conflict of interest’? In view of that observation and the other comments, when will the Howard government restore the independence of this committee by withdrawing Mr Clear’s appointment?
Senator VANSTONE—Senator—otherwise known as ‘Lucky’—Forshaw, I simply make the point to you again: these appointments are made by the government. There was no PBAC in effect at 1 January this year. The minister has made appointments. Undoubtedly there will be people who comment and think it should have been done another way. Often they are close to people who wanted appointments. Often they are people who wanted appointments. It is very difficult to make appointments and have everybody happy. Those left out are often very unhappy. That is unfortunate. There is not a magic wand. I am sure Minister Wooldridge has made appointments to this committee that he believes to be appropriate. If you are simply telling the world that it is world-stopping news that some people have a different view, they are not in government, are they!

Australian Securities and Investment Commission: Kingstream

Senator MURRAY (2.23 p.m.)—My question is to the Assistant Treasurer. My question relates to ASIC and the Corporations Law. Is the minister aware that a Western Australian member of parliament Mr Bob Blofwitch failed to disclose publicly that he owned 84,000 shares in Kingstream, promoters of a large steel mill at Geraldton, even when he was lobbying the government to fund infrastructure for the program? Is the minister also aware that, in the last month, Mr Blofwitch has been telling the world that it is world-stopping news that some people have a different view, they are not in government, are they!

Australian Securities and Investment Commission: Kingstream

Senator MURRAY—Madam President, I ask a supplementary question. I thank the minister for his answer. The minister might not be aware that my question was prompted
by recent remarks by a former National Party minister, who was very disturbed by Mr Boffwitch’s behaviour. Is the minister aware that Kingstream provided $28,000 of funding to native title claims on unrelated land, prompting the Western Australian Premier to quite rightly claim that the affair proved native title laws were out of control? Will the minister ensure that any investigation by ASIC looks at the question of whether the directors of a public company fully and properly acted in the company’s commercial interests and in the shareholders’ interests and did not act in a political fashion?

Senator KEMP—Again, I think if Senator Murray had listened carefully to my earlier response he would have seen that the ambit of his questions was simply not relevant. I know that the Democrats in recent months have had some troubles politically. I know that issues have been raised about the propriety of certain actions that some of your colleagues—not you, Senator Murray—have taken. It is a bit unfortunate. I know there is a state election, and I am sorry to see Senator Murray using parliament to stand up and make comments and allegations. Because of my longstanding respect for you, Senator Murray, I will refer the information to Mr Joe Hockey, but it does strike me that you are less concerned with answers to this question than with playing politics. (Time expired)

Pharmaceutical Benefits Advisory Committee

Senator LUDWIG (2.29 p.m.)—My question is to Senator Vanstone, the Minister representing the Minister for Health and Aged Care. Is the minister aware that yesterday Minister Wooldridge described the criticism of his decision to place a former pharmaceutical industry lobbyist on the PBAC as ‘a few people who did not get their way. They have spat the dummy and they are trying to do as much damage as possible. They are of no consequence’? Does the minister agree with Minister Wooldridge’s view that the criticism of his decision from the International Union of Pharmacology is just a dummy spit from an organisation of no consequence? How can Minister Wooldridge retain a shred of credibility when he accuses the premier advisory body to the United Nations and the World Health Organisation as ‘trying to do as much damage as possible to Australia’s internationally respected system of evaluating pharmaceutical pricing’?

Senator VANSTONE—Senator Ludwig, thanks for the question. I do not follow Dr Wooldridge’s comments from moment to moment. He may well have said what you allege he did; he may not have. I do not attribute any bad faith to you; I simply do not know. But I think the gist of the comments reflects at least this—and this was the answer I gave to Senator Forshaw: that whenever appointments are made, whenever there are changes, there are some people who are happy with the way it is done and there are some people who are unhappy. Obviously people who might have liked appointment and were not offered it, were not nominated, might be unhappy. Some people who were offered appointment and did not take it obviously did not like something about the offer that was made to them and made their own decision not to accept. Senator, I think this is what you must expect in the democratic process. When governments make decisions, even when oppositions make decisions, some people are happy and some are not. Frankly, what I am amazed about is that you have wasted three questions on this issue.

Senator LUDWIG—Madam President, I ask a supplementary question. Does Minister Wooldridge also believe that the Deputy Editor of the prestigious Journal of the American Medical Association, Dr Drummond Rennie, is of no consequence when he describes the government’s changes as ‘a tremendous victory for a super rich industry that wants to become richer at the public ex-
pense’ and that ‘it is shameful on the part of politicians to allow this’? When will the rest of the Howard government recognise what the Australian public and the credible medical community already know: that is, the actions of Minister Wooldridge himself in gutting the PBAC and his ignorance of blatant conflicts of interest are fatally damaging the Pharmaceutical Benefits Scheme?

**Senator VANSTONE**—With respect, Senator, I think your question, given to you by someone—I always suggest you write your own; you should be a Marlboro man and roll your own questions—reveals quite a lot about the opposition. The proposition you put, Senator, is that, because a distinguished editor of an overseas journal says something, the Australian government should say, ‘Well, let’s just go along with what the distinguished editor of an overseas magazine says.’ Why would the opposition say we should do that? Because they have no ideas themselves, no capacity to govern, no ticker for the job, are policy lazy and cannot think for themselves. So when they want to figure out what to do, what do they do? They pop up to the library and look up an international journal. That is the best the Australian people can expect from the opposition. But, Senator, bear this in mind: if you want to talk about health, let us talk about what Dr Wooldridge has done for the health system in Australia. Let us talk about where you left it when you were in government, with Medicare splitting aside at the seams and the private sector falling apart. Look at what we have done to fix that.  

(Time expired)

**Environment: Global Warming**

**Senator BROWN** (2.33 p.m.)—My question is to the Minister for the Environment and Heritage. Minister, what is the government’s reaction to the report by the Intergovernmental Panel on Climate Change to a meeting in Shanghai last month which indicates that sea level rises could be up to 88 centimetres by the end of this century and that global warming is proceeding at a rate far faster than that which was previously predicted—indeed, that the last decade was the warmest for a thousand years? What has the government done beyond nothing in the past to meet this emergency for the coming century as far as the world population, its environment and economy are concerned? Where is the government’s action plan to respond to this terrifying set of circumstances that global warming is now presenting to the human population right round the planet?

**Senator HILL**—The IPCC scientific panel confirmed their previous advice of the previous two reports—that they believed that increases in temperature were resulting from an accumulation of carbon in the atmosphere, which has obviously been a human-induced event. I agree with Senator Brown: they recognise that the temperatures in the last decade are the highest that we know of—and we can now go back a long way through ice cores and in other ways. Where the advice differed from previous reports is that they now believe that the extent of the rise in temperature during the course of the next century could be greater than what they had previously believed and that it could be anything up to six per cent. That would lead to devastating consequences: about a one-metre rise in sea levels, which would wipe out large areas of Bangladesh, for example, and cause a great deal of devastation and economic and social loss as well.

What is Australia doing? Australia believes that it has to be part of an international movement to constrain the emissions of greenhouse gases. We agreed to a target in Kyoto of eight per cent over our 1990 levels, which would mean a change in our projected emissions from about plus 43 per cent down to eight per cent. We announced in November 1997 the first stage of a domestic program to bring about the structural changes in the Australian economy to achieve that goal and we put considerable funding behind it. Since then we have announced further domestic measures which we are implementing, and the total Commonwealth budget is now in the vicinity of $1 billion.

We expect something from every sector. In the motor vehicle industry, as you know, we are bringing in new vehicle emission
standards and new fuel quality standards to match them. In the building sector we are changing the Australian building code, which will have energy requirements for the first time in relation to both commercial and domestic buildings. We are putting substantial money towards the development of alternative energies in this country and, of course, we have passed a piece of legislation that will provide the greatest capital boost to the renewable energy industry in Australia in our history. I am pleased to say that the regulations under that act were made yesterday, and they are due to come into effect on 1 April of this year, and that will be a great boost in that regard. We have a highly successful program in place for local government, the Cities for Climate Change, in which Australia is now leading the world. So that sector is playing a significant part, which we appreciate. We launched a $400 million program to, in effect, buy back carbon over four tranches of $100 million. Within the next month we expect to be announcing the successful bidders for the first $100 million of that sum of money, which will, again, be a major financial inducement for doing business in a less carbon intensive way. I could go on, but the bottom line is that, contrary to what Senator Brown has just said, Australia has a comprehensive program that will make a significant difference.

**Senator HILL**—I do not think Senator Brown listened. What happened at Kyoto is that a calculation was made that required all developed countries to make a commitment to an equivalent effort in reduction. Australia accepted that. In Australia’s case, because we have an historically energy intensive economy, it worked out as plus eight. When you add the mutually agreed targets of all developed countries, it leads to minus five per cent—

**Senator Brown**—It needs to be minus 60.

**Senator HILL**—Listen, Senator Brown—minus five per cent off a 1990 base. So, for the first time, developed countries as a whole are committing to an outcome, which is a net reduction of greenhouse gases. That is our answer to future generations. The challenge now is to match the commitment in Kyoto with a domestic program that will bring about that change. That is what we are on about and we could do with some assistance from you. (Time expired)

**Pharmaceutical Benefits: Celebrex**

**Senator CROWLEY** (2.40 p.m.)—My question is to Minister Vanstone, the Minister representing the Minister for Health and Aged Care. Why did the Howard government ignore the pricing conditions, recommended by the Pharmaceutical Benefits Advisory Committee, for the arthritis drug Celebrex of $1 a day with a price volume agreement? Why instead did the government set the price at $1.20 a day with no cap on the number of scripts issued at the higher price? Is this the first time that the pricing authority has not agreed with the PBAC price recommendations? Is it also the first time that the Minister for Health and Aged Care has approved a drug for listing on the PBS at a higher price and with less stringent conditions than those recommended by the PBAC?

**Senator VANSTONE**—Senator Crowley, I was going to thank you for your question
but you seemed to deliver it in such a vitriolic way.

Senator Crowley interjecting—

Senator VANSTONE—I can sense a smile; you are your normal nice self. There is no point being touchy about it. Senator, before any medicine can be subsidised on the PBS, it has to be assessed by the committee as both medically effective and cost-effective; you know that. The Pharmaceutical Benefits Pricing Authority makes recommendations on price, taking into account the advice of the PBAC and other aspects such as the cost of manufacture, volume and sponsor submissions. The PBAC recommended that the drug be listed as a restricted benefit for the treatment of chronic arthropathies with an inflammatory component and provided advice on its cost-effectiveness. In recommending a price, the PBA took into account the advice of the PBAC and other issues, including the cost of manufacture. The price recommended was the lowest in the world and was considerably lower than that originally sought by the sponsor. As the drug was estimated to cost more than $10 million per annum, listing and pricing was approved by government as a whole. Senator, I think that is as much information as I have that relates particularly to what you asked. I will have a look at the question and if there are any other specifics that you asked for—that are not addressed by this, I will ask Dr Wooldridge if he wants to add anything.

Senator CROWLEY—Madam President, I ask a supplementary question. Being clear and vehement, Senator, is not vitriolic. I would like you to understand what the issue is. I noted that Senator Vanstone, in answer to a question by Senator Schacht, asked whether we were afraid that prices would increase under this new arrangement—yes.

The PRESIDENT—Order! What is your question, Senator?

Senator CROWLEY—Can the minister confirm that in the five months Celebrex has been on the PBS it has cost Australians a staggering $92 million and that, at this rate, the Celebrex budget over four years will be over $800 million—a $600 million PBS budget blow-out? Why did Minister Wooldridge ignore the advice of the PBAC which would have limited this cost blow-out to all Australian taxpayers?

Senator VANSTONE—Senator, as you know, there was a cost increase. I am not sure what you said for the first month, but I can say this: my brief tells me that, for the first five months to the end of December 2000, the cost was $76 million. I am not sure how many months you quoted it for at $90 million something. At that rate of $76 million, the cost for the first 12 months would be $182 million, compared with an estimated cost of $37 million. Two factors have led to the increase in costs to the PBS associated with the drug: firstly, the volume of prescriptions has been considerably higher than anticipated; and, secondly, a greater proportion of prescriptions than estimated has been for higher strength, which is double the price of the lower strength. The increased demand for the drug confirms that the government’s decision to list it on the PBS was the right decision to make. While this has led to increased costs in the short term, the government’s decision has meant that thousands of Australians who would not have been able to access the drug can now do so. (Time expired)

Australian Electoral Commission: Accountability Documents

Senator MASON (2.45 p.m.)—My question is to the Special Minister of State, Senator Eric Abetz.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Mason, I cannot hear you. Just wait a moment.

Senator MASON—Has the minister had the opportunity to examine any of the funding and disclosure documents published by the Australia Electoral Commission last week? And will the minister explain the importance of publishing these documents and the implication of their content?

Senator ABETZ—I thank Senator Mason for his question and acknowledge his interest in this issue as the Chair of the Senate’s Fi-
nance and Public Administration Legislation Committee. Last week the Australian Electoral Commission published the funding and disclosure returns for 1999-2000. I would like to commend the AEC for the use of the Internet as part of the public accountability process. The publication of these returns is designed for transparency and accountability.

The returns do make very interesting reading, especially the one from the Queensland ALP. The first thing that I noticed about the Queensland returns was the very large contribution from the Australian Workers Union. They bankrolled the ALP to a tune of $275,000. As we all know from the testimony at the Criminal Justice Commission, the AWU is the union that has been at the very heart of the electoral rorts scandal in Queensland—not just branch stacking but actually fraudulently enrolling people on the electoral roll.

Opposition senators interjecting—

The PRESIDENT—Order! On both sides of the chamber there is far too much noise. The behaviour is absolutely disorderly.

Senator ABETZ—Some Labor identities have already been convicted of electoral fraud. One wonders how many more will be flushed out. The Premier of Queensland, Mr Beattie, has been at pains to say that he is cutting back the influence of the Australian Workers Union, but you have to ask: so why does he accept their money? There is an old saying: whoever pays the piper calls the tune, and we know that the AWU has been calling the tune in the Queensland ALP for a very long time.

Honourable senators interjecting—

The PRESIDENT—Order! Senators are aware of the standing orders and the standards of behaviour which ought to apply.

Senator ABETZ—Thank you, Madam President. Indeed, Mr Beattie is only Premier because of the patronage of the Australian Workers Union. I acknowledge the presence of Senator Ludwig in this chamber as living proof of who really runs the Queensland ALP. It is not the rank and file members; it is big Bill Ludwig. Mr Beattie, the Premier, says that he wants to get rid of the high level of corruption in the ALP in Queensland, but, as one public commentator said, it is a bit like claiming to be the only virgin in the brothel. If Mr Beattie was sincere, let him declare just how much money the Australian Workers Union has put into the current state election in Queensland. And while he is at it, how about cutting out the corrupting influence of AWU by making a principled stand and refusing to accept even one dollar from them. I am not a gambling man, but, if I were, I would be willing to bet that Mr Beattie is taking AWU money and the AWU are still demanding favours. He will still have AWU officials working in polling booths on election day and being paid for it with the compulsory dues extracted from helpless union members.

It is also worth mentioning that the ALP paid out $3,000 to a consultancy company that, according to the Courier-Mail, has ties to self-confessed ALP rorter, Lee Bermingham. Obviously the Queensland ALP must have liked that sort of advice.

Honourable senators interjecting—

The PRESIDENT—Order! Senator Faulkner interjecting—

Senator Ian Macdonald interjecting—

The PRESIDENT—Order! Senator Faulkner! Senator Macdonald! You have both been shouting since I stood on my feet and your behaviour is unacceptable. The behaviour in the chamber is totally out of order and all of you are aware of the standing orders. Senators on both sides have been behaving in a disorderly fashion. We are down to question No. 10; we are doing very badly in that respect.

Senator ABETZ—Thank you, Madam President. As Richo told us, Labor will do whatever it takes. Under Mr Beazley, Labor’s new motto seems to be, ‘Let’s take whatever we can.’

Honourable senators interjecting—

The PRESIDENT—The Senate will come to order. This is supposed to be question time and there are senators who still wish to ask questions.
Pharmaceutical Benefits: Celebrex

Senator McLUCAS (2.51 p.m.)—My question is to Minister Vanstone, representing the Minister for Health and Aged Care. Does the minister agree that the main mechanism to determine initial prices for newly listed drugs on the Pharmaceutical Benefits Scheme is the advice of the Pharmaceutical Benefits Advisory Committee? Is the minister aware that the most recent annual report of the Pharmaceutical Benefits Pricing Authority states that the authority has increasingly recommended the use of price volume agreements? Aren’t price volume agreements becoming an increasingly important tool for the federal government on behalf of Australian taxpayers to keep a lid on the level of subsidy being paid to the multinational pharmaceutical companies? Why then in the case of the arthritis drug Celebrex was the PBAC advice ignored and a higher price, without a price volume agreement, approved?

Senator VANSTONE—I have already had a look at the brief in relation to this matter, in response to Senator Crowley’s question, and I can assure you that that matter is not addressed in there.

Senator Schacht interjecting—

Senator VANSTONE—Just bear with me, Senator, while I say something to give me time to have a look at whether another brief covers it. I think the answer is that it does not. I will check again and ask Dr Wooldridge if he wants to respond to the additional point that you have put.

Senator McLUCAS—Madam President, I ask a supplementary question. Minister, you may also wish to ask Minister Wooldridge these further questions if you do not have the information in the brief. Why did Minister Wooldridge forfeit the opportunity to control the spiralling cost of Celebrex when he ignored PBAC’s recommendation to adopt tight price and volume controls for the listing of the Celebrex equivalent drug Vioxx on the PBS? Did not the PBAC recommendations for listing Vioxx on the PBS go some way to bringing Celebrex back into line with the PBAC’s original recommendations for that product? Could not such a conditional listing have saved Australians hundreds of millions of dollars? Why didn’t Minister Wooldridge get the Celebrex budget under control when he had the chance—when he listed the equivalent drug Vioxx?

Senator VANSTONE—Senator, I do know that those matters are not addressed in the brief. You say I might like to ask Dr Wooldridge; I will put to him such questions as you want because it is your right to ask the questions and my job to get them answered whether I want to or not. So I will—not just for you, Senator, but that is the job and I am happy to do it. I will get the answers as soon as I can. You have a very nice smile today; much better than Senator Crowley, who has had some lemon juice for lunch.

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

Dairy Industry: Deregulation

Senator WOODLEY (2.54 p.m.)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry. Is the government aware that its estimate that the farm gate price for liquid milk would drop by 10c to 15c per litre after deregulation of the dairy industry has proven to be woefully inadequate? Is the government aware that, in parts of Western Australia, Queensland and New South Wales, the farm gate price of liquid milk has actually dropped by 30c a litre? Minister, now that we know that the government’s $1.7 billion restructure package is based on inadequate estimates, will the restructure package be doubled to fix the mistake and, for example, to compensate the dairy farmers in the electorate of Vasse in Western Australia who are facing ruin?

Senator ALSTON—Senator Woodley does not provide any evidence for those assertions and certainly his case for a doubling of compensation seems to be based on some very selective statistics which may or may not be accurate. In those circumstances, I cannot place a great deal of weight on them. If he is prepared to provide further details then clearly the government will give him a response. Certainly, as far as the government
is concerned, the extent of the fall in farm incomes does highlight the importance of the federal government’s decision to provide, at the dairy industry’s request—

Honourable senators interjecting—

The PRESIDENT—Order! Just a minute, Senator Alston. It is quite obvious that Senator Woodley can scarcely hear the answer and that is because senators near him are making so much noise.

Senator ALSTON—What Senator Woodley ignores, time and again, is that the dairy industry package was at the request of the industry itself. Senator Woodley acts as though somehow this is being imposed on them, they did not really want it and it is not in their best interests. In fact, they did request this. It is a massive $1.8 billion restructuring package which is well under way, with around 94 per cent of farmers having been informed of their entitlements by the Dairy Adjustment Authority and around two-thirds having already received payments. It is quite clear that, without the Commonwealth’s restructure package, farmers would have been much worse off when the effects of deregulation first hit.

I think we all understand that it was generally regarded as inevitable that that restructuring process would take effect irrespective and it was therefore necessary to have this sort of very significant assistance program in place. That is really the heart of Senator Woodley’s concern—he does not accept the premise that the industry wanted the package: he has been calling for it to be disowned but now he is calling for it to be doubled. He is clearly not satisfied with what the industry itself wants. ABARE has, of course, confirmed the importance of the federal government’s decision to make the package available and it has noted that consumers have benefited from deregulation. In the circumstances, I do not see any need to vary that.

Information Technology: Outsourcing

Senator COOK (2.59 p.m.)—My question is to Senator ‘Elmer Fudd’ Kemp, the Acting Minister for Finance and Administration.

The PRESIDENT—Senator, would you rephrase that and withdraw.

Senator COOK—I thought nicknames were permissible, after ‘Lucky’ Forshaw.

The PRESIDENT—Nicknames are not acceptable on either side.

Senator COOK—I withdraw. Senator Kemp, why were performance bonuses paid to 13 executives from the Office of Asset Sales and IT Outsourcing, OASITO, totalling almost $117,000—or approximately $9,000 each—when the government has accepted the recommendation of the Humphry review that OASITO be sacked for mismanaging the IT outsourcing program? What possible jus-
tification can there be for paying these performance bonuses, given that the Humphry review found:

... a major contribution to the delays of the—

IT outsourcing—

Initiative to date has been difficulties with the implementation and transition process—

when this process has been managed by OASITO?

Senator KEMP—My response to the question from Senator ‘Cook the Books’ is this—

The PRESIDENT—Senator Kemp, withdraw that.

Senator KEMP—I withdraw.

Senator Hill—I thought it was quite fair.

Senator KEMP—Yes, I thought it was done in a friendly and considerate fashion.

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

Senator KEMP—I appreciate the comment from Senator Lundy. We have a hearing this evening which Senator Campbell will chair, and there is a bit of an opportunity for Senator Lundy to ask a lot of questions on this issue. It has come to my attention that Senator Lundy is going to be frozen out by a number of other Labor senators who will be appearing at the committee hearing, including Senator Faulkner. I make a plea that Senator Lundy be given a chance to ask her questions—

The PRESIDENT—Senator Kemp!

Senator KEMP—and not be frozen out—

The PRESIDENT—Senator Kemp!

Senator KEMP—by Senator Faulkner and the like. This is an issue that Senator Lundy has been involved in—

The PRESIDENT—Senator Kemp, I have called you to order three times. The question was addressed to you by Senator Cook. You should not be addressing your remarks across the chamber to another senator.

Senator KEMP—I am sorry that I was unduly provoked by Senator Lundy. Senator Cook, the issue of performance pay is a matter which, I understand, is determined by departments. I will see whether there is any additional information I can provide to you. If we are going to attack public servants, I think we can also look at your performance, which has for a long time in this parliament been absolutely pathetic.

Senator COOK—Madam President, I ask a supplementary question. Can the minister confirm that, as a result of the Auditor-General’s report and the Humphry review, OASITO has effectively been sacked as the lead agency for Commonwealth IT outsourcing? Isn’t it true that OASITO’s role is being phased out over a six-month period and being taken over by a new unit in the Department of Finance and Administration? In these circumstances, how can the minister possibly justify the payment of performance bonuses to 13 OASITO executives?

Senator KEMP—Agency progress on this matter will now be monitored through annual assessments—this was a question of Senator Lundy’s that I answered yesterday—by the Secretary to the Department of Prime Minister and Cabinet and the Public Service
Commissioner. You have raised questions, so you are obviously concerned about a number of public servants—and you have chosen to use this chamber to attack these people. There will be a chance in the course of the evening for questions on this to be put to the department. I have nothing further to add at this stage.

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

ANSWERS TO QUESTIONS ON NOTICE

Question No. 3114

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.05 p.m.)—Pursuant to standing order 74(5), I ask the Minister representing the Treasurer for an explanation as to why an answer has not been provided to question on notice No. 3114, which I asked on 16 October 2000.

Senator KEMP (Victoria—Assistant Treasurer) (3.06 p.m.)—Senator Cook, I am not sure whether my office was advised that you were going to ask this question today. I will not complain. I shall make inquiries and provide you with an answer.

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (3.06 p.m.)—I move:

That the Senate take note of the minister’s response.

The minister begins by saying he does not know whether his office has been notified. Can I make it plain to the minister that I have extended to him exactly the same courtesies that he extended to me yesterday when he came into this chamber and replied to a return to order motion that I had moved. He is being treated with exactly the same courtesy as he extended to me. If his level of courtesy continues to remain as it was yesterday, he can expect that response from our side to remain as well. If the minister wants to banish the exercise of proper parliamentary courtesy, he cannot continue to expect that we will remain courteous in the face of that arrogant and insulting behaviour.

It is also of considerable concern to the opposition that the minister has not provided answers to these questions. Thirty-six of them were lodged on 16 October, and they go to a matter which is not of insubstantial consequence to Australians. Those 36 questions, which have now waited almost four months for an answer and which, under the rules of this place, are required to be answered within three months and thus are almost a month overdue, are about a matter of major public controversy. The government’s failure or, as one deeply suspects, refusal to answer these questions at all amounts to a snub of this parliament and a cover-up of the information that Australians are entitled to.

The questions relate to the tax windfall gain the government has received from higher petrol prices. How much is it? This is a matter of widespread public controversy. Let me enlarge on the point. Because we apply a GST, which is a 10 per cent tax on the final price, to petrol prices and because prices rose in October and continue to remain high because of higher oil prices, the amount of tax rake-off this government has achieved is significantly higher than it budgeted for in the 2000-01 budget brought down in May 2000. We want to know how much more money the government received than it expected to. If these questions were answered, we would know how much extra tax revenue has been paid into the public coffers by petrol and fuel users in this country because of the Australian government’s tax regime.

That is one leg of this question. The other leg of this question is that Australia is 97 per cent self-sufficient in oil, and in this country we apply a resource rental tax which is adjusted to world parity prices for oil. If the world price of oil goes up, so the amount of yield from the resource rental tax increases to mirror the value of global petrol prices. If these 36 questions had been answered, we would know, because of the impact of higher oil prices due to OPEC decisions in October, how much extra revenue the government of Australia has received as a result of the adjustment with world parity pricing and we would know the answer to those questions.
These are not insubstantial questions. The fact that they are now being covered up amounts to a refusal by the government to let the taxpayers of this nation know how much tax they pay, and that goes directly to the government’s own legislation. When the government came to power, it brandished the Charter of Budget Honesty Bill, in which it said that the obligation on political parties in this country was to accurately declare their expenditure in relation to the budget. The purpose of the bill was to catch out any political party that wanted to give promises greater in cost than there was funding to cover. The Charter of Budget Honesty Bill ought to be applied to the government on the basis that a charter of budget honesty goes to the extent of honestly telling Australian taxpayers how much tax they have paid to the bottom line of the budget. These 36 questions on notice would enable taxpayers to find that out.

These questions are not insubstantial for another reason—that the Prime Minister says that he has provided a roads program which amounts to a handing back of the extra tax revenue that the government has received from higher petrol prices. The value of that roads program is $1.6 billion over four years. If we know how much extra revenue the government has got, we can test the honesty of the Prime Minister’s assertion that he has genuinely handed back that money in an extra roads building program for Australia. At the moment, we have only the industry organisation that represents Australian motorists, the Australian Automobile Association. At the moment, we have only the industry organisation that represents Australian motorists, the Australian Automobile Association. That is the body that represents the NRMA, the RACV, the RACQ, the RAA and the RAC, the ordinary motorist organisations in Australia. They say that the value is $1.34 billion a year. The Prime Minister’s promise on roads is $1.6 billion over four years. The Automobile Association, an independent, non-political, non-partisan organisation, says that the revenue gain is $1.34 billion a year. So, if the Prime Minister were to hand back the true revenue—if it has been accurately figured out by the Australian Automobile Association—the roads program would be in excess of $5 billion, not $1.6 billion over four years. There lies the gaping hole in the Prime Minister’s assertion that he has indeed handed it back through road funding. It leads to the suspicion: if he will not tell us what the revenue gain is, how can we test his allegation that he has handed it back? If the government does not answer these 36 questions, it is covering up the facts.

There is a third reason why answers to these questions are imperative. On television the Prime Minister said that, if we cut the excise increase that the government allowed to go through on 1 February, which increased the price of unleaded petrol for Australian motorists by 1.72c a litre at the pump, Australians will not want 1.72c a litre. He said it is too small and it does not matter. That flies in the face of what the motorists themselves have said. In a survey by the AAA, over 75 per cent of Australian motorists said that they want cheaper prices for petrol and that, even if the prices were cheaper by only a few cents a litre, that would be appreciated. The price of petrol went up by 1.72c a litre on 1 February because of a tax hike. That amounts to a revenue gain for this government of $500 million a year—an extra soaking of Australians through the petrol pump, which goes through taxes to the government, that is undeclared. We have to stop this secrecy. We have to stop this cover-up. The proper way to do this is for responsible senators to ask the government questions in the parliament.

I did that on 16 October: I asked 36 questions. By order of the Senate—after a proposition made and voted for unanimously by the coalition, who were then the opposition—ministers are required to answer any questions put on notice within 30 days. It has now been nearly four months since October. This minister, who voted to impose the 30-day rule, is flouting the 30-day rule in covering up essential information that Australian taxpayers are entitled to know. That is why answers to these 36 questions are necessary.

Fourthly and importantly, petrol prices are hurting Australians but they are hurting country Australians more than they are hurting urban Australians, because the GST
is a 10 per cent tax. Petrol prices in the country are higher than petrol prices in the city because of the in-built transport cost. The GST is imposed on top of the final price. Country Australians are paying more petrol tax than urban Australians. I repeat: country Australians are paying more tax than city Australians. I do not want to massage country-city rivalries, but that is a plain fact. People in regional Australia are hurting most of all. Country people fill their petrol tanks more often, they travel further and they cannot resort to public transport as an alternative to family cars as city Australians can, and they pay more tax as a consequence. If the 36 questions placed on notice by me nearly four months ago are answered by the government, we will know how much more they are paying. If the government does not answer those questions, it should be charged with a cover-up and a denial of information about the tax differential between petrol prices in country and metropolitan Australia.

I want to make a fifth point. I will make it in a quiet and restrained tone but let me make it with absolute passion. A fundamental right of taxpayers is to know how much tax they pay and a fundamental right of a government in levying tax is to let taxpayers know how much tax they are up for. In the budget of May 2000, we heard the government projections for its revenue haul through tax. We know that those projections were based on an assumption that the international barrel price for oil would be $US20 a barrel. We know that the projection was also based on an assumption that the exchange rate of the Australian dollar to the US dollar would be around 60c to the dollar.

We know that in October the world barrel price went to $US37 a barrel and the exchange rate plummeted to A50.7c to the US dollar, making the price of a barrel of oil in Australian dollars so much more. I have not computed the figure but it is between $A70 and $A80. Because of international parity pricing and the way in which the resource rental tax works, that meant that government revenue increased as well. It was a silent increase in tax. Because the higher the price the more you pay under the GST. It also meant that the GST generated more income for the government than the government had anticipated—and it has not gone to the states just yet, Mr Howard. Why can’t the government, the tax levying authority in this case, tell us how much more? Why do we have to wait so long to get an answer?

This is the Senate. This is the states house and this is a house of review. I do not often make the following point—and this point is frequently made cheaply—but it is important to note that the premiers of Queensland, New South Wales, Victoria, Western Australia and Tasmania have all, at one time or another, called on the government to hand back excise on petrol or to do something about petrol taxes. In this federation of ours, we are obliged—in this chamber, at least—to give considerable weight to what the states ask of the Commonwealth. Where there is a consistency of views among the states, we are obliged to reflect that view, to some extent, in this chamber. We are not bound hand and foot by what the state premiers say but we are obliged to pay attention to it.

No-one can say that the high price of petrol in Australia and, more importantly, the high level of tax on petrol in Australia are not burning issues. That is exemplified by the fact that the premiers raised these questions with the Commonwealth. So it is not surprising that it should be this chamber, knowing the forms and obligations that are upon it, that asks the government these 36 questions which remain unanswered. This is the place where you would expect that to occur. This is the place where the government would expect it to occur. This is the place, under the constitutional forms, where the government is answerable not just to us as the Senate but through the Senate to the states as well.

I do not want to dwell on this point and I do not want to draw too long a bow about it. I point to the weight of obligation that there is here, and I return fundamentally to my dismay and absolute disappointment that these questions remain unanswered. On 16 October I dutifully and appropriately placed 36 questions on notice which, if the
Assistant Treasurer had answered them, would have enabled Australians to know how much extra tax they have paid on petrol because of higher petrol prices. It would have been useful to know that before 1 February when the tax on unleaded petrol went up by 1.72c a litre. It would have been useful to know for the public debate how much more tax had been gathered and why, in the face of the extra tax that had been gathered, the government was exacting more tax from petrol.

It would have been useful to know too because the Australian Automobile Association issued a press statement just this week headed ‘Prime Minister should check his figures’. I have asked the government how much extra tax we have paid, and the Australian Automobile Association have calculated how much extra tax they think it is. They think we have paid $1.34 billion extra tax per year because of higher petrol prices. If the government refuses to answer in a responsible public debate, that is the figure that becomes accepted, because the Australian Automobile Association are a reputable, nonpartisan, non-political organisation. They have no axe to grind, but they want to get their facts right. They have chastised the Prime Minister that the road funding does not compensate, and that it in fact undercompensates by over $3½ billion. The Australian Automobile Association have characteristically—because they do not like getting in the political domain—chastised directly the Prime Minister and said that he has got it wrong.

If the figure which the Treasury boffins know, the Treasurer knows and the Assistant Treasurer knows was less than $1.34 billion—which the Australian Automobile Association said was too much—the first thing this government would do is rush out and correct them and say, ‘They are overstating it. They are trying to excite disapproval and unhappiness by overstating it. Here is the true figure,’ and they would then surprise us with a tax haul that was less. But the fact that they give us no figure and cover up can lead to a conclusion that the figure may be more and that the conservative organisation, the Australian Automobile Association, in order not to be caught out has in fact understated it. Therefore, this cover-up is to provide a defence from the true figure which would shock us even more than the Australian Automobile Association’s figure. I do not know whether that is true, but it is a possible interpretation of the government’s refusal to tell us how much extra tax we are paying. So that is why the government’s refusal to answer these 36 questions and the minister’s response are disappointing. The minister has not remained in the chamber and done us the courtesy of listening to these points. I hope he does answer those questions. (Time expired)

Question resolved in the affirmative.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Aviation: Safety

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.27 p.m.)—Yesterday, Senator Ian Macdonald tabled information from the Civil Aviation Safety Authority in response to a question without notice asked by Senator Ludwig on 7 December 2000. The Civil Aviation Safety Authority has now provided an additional document in response to the question, which I now table on behalf of Senator Macdonald.

Pharmaceutical Benefits Advisory Committee

Senator SCHACHT (South Australia) (3.27 p.m.)—I move:

That the Senate take note of the answers given by the Minister for Family and Community Services (Senator Vanstone) to questions without notice asked today.

There is a growing scandal in the health system in Australia of maladministration by the Minister for Health and Aged Care, Dr Wooldridge, over appointments to the PBAC. It is not the first time that this minister has got into a scandalous situation. We all know that he inadvertently—that may be the best way to describe it—tipped off a whole range of pathologists before the budget a few years ago which led to a lot of people going
out and suddenly ordering magnetic resonance imaging equipment which cost several million dollars—

Senator Crowley—$3 million each.

Senator SCHACHT—They were $3 million each. They bought them so they would be able to claim the benefits once they were announced in the budget. That was a scandalous process. In any other Westminster system of parliament, the minister would have been sacked immediately by the Prime Minister, if he had not had the courage to accept his responsibility and resign. On this issue of the appointments to the PBAC, in the Senate today during the matters of public interest debate, I read into the Hansard two substantial emails sent to colleagues of a Mr Martyn Goddard, a member of the PBAC who has declined to be reappointed because of the conflict of interest that is now clearly going to operate because a former robust representative of the pharmaceutical manufacturing industry of Australia is on the committee recommending whether certain pharmaceuticals should get the benefits of being under the PBS. That is an outrageous arrangement. Even Senator Tambling, who is the Parliamentary Secretary to the Minister for Health and Aged Care, privately did a report a year or so ago which recommended that such conflict of interest should not be allowed to take place.

Senator Tambling—That is not a recommendation. Get your facts right.

Senator SCHACHT—That was the comment in the report. Today in question time there were five questions from the opposition to Senator Vanstone, and I asked the first question. Senator Vanstone, on her second day back in parliament and the first time she gets a question—she is back in cabinet now—really dropped a series of clangers. She was all over the place. When I asked the first question, she started to read from the brief then realised either that she did not understand the brief or that the brief was embarrassing. She said openly, as an aside across the chamber, 'I am getting rid of the brief; I am not going to bother for the next two or three pages,' and put it aside. When my colleagues asked a further four questions, she kept trying to go back to the brief. Every time, you could sense that she knew: 'If I read this brief as prepared by the minister for health and hang myself out to dry defending the minister, I'm going to get some of the flak.' She did not know whether she should do the courageous thing as a colleague of the minister for health and take the rap for him or try and obfuscate and ignore it so that she could escape responsibility for trying to defend the indefensible. In the end, she made a complete ass of herself in the way she presented the government's case on these questions from my colleagues and me.

The question showed that there is an extraordinary conflict of interest over this particular medicine, Celebrex. Some of my colleagues pointed out in their questions that it was estimated that, over four years, it may cost a couple of hundred million dollars. After five months of experience and 1.6 million prescriptions being issued, at this rate it will be $800 million over four years, which is going to be a significant blow-out in the budget for the PBS. Why? Because the government refused to accept the recommendation of the PBAC that the arrangement of capping the volume should be ignored.

This was a free kick to the pharmaceutical company concerned. We pointed out today in a speech that three of the minister's former staff have now gone to work for the company. One does not have to be very cynical to ask: is there a little fix on the inside going on here? Is there a little pat on the back? Is there a little arrangement? One could be cynical and suggest that, if this minister retires shortly from parliament—loses his seat or resigns—we might see him appointed as a director of this company. What is this fix that is such a demonstrable abuse of public process? (Time expired)

Senator KNOWLES (Western Australia) (3.32 p.m.)—Isn't it a shame that Senator Schacht does not have the faintest idea what he is talking about? He comes in here before question time—and now after question time—and puts down in the Senate a whole litany of accusations by one grizzler from the
PBAC who decided to go walkabout because he was not going to be reappointed.

Senator Schacht interjecting—

Senator KNOWLES—It is insulting for one grizzler to cast aspersions against a new member.

The DEPUTY PRESIDENT—Senator Schacht, you have had your opportunity to make a speech. It is now Senator Knowles’s turn and I would ask that you allow her to be heard in silence, as you were.

Senator Schacht interjecting—

The DEPUTY PRESIDENT—Senator Schacht, it was a robust contribution on your part and you have to expect a robust contribution back. I expect no further comment from you, thank you.

Senator KNOWLES—Thank you, Madam Deputy President. This one grizzler who has run off to Senator Schacht has simply made accusations against a person who has been appointed, trying to say that one person is going to influence the outcomes of the entire committee. So one person is going to override the deliberations of the other 11.

Senator Schacht interjecting—

Senator KNOWLES—I know Senator Schacht could not get his preselection numbers right in South Australia and that is why he is going bye-bye after the next election. However, that does not justify his not being able to understand that one member cannot override the decisions of 11 others in a committee. Not only that, why should one member who had previous associations with the industry somehow be ruled ineligible because Senator Schacht believes he should be ruled ineligible? It was quite okay for Senator Schacht’s government, when Labor were in office, to make appointments to the pharmaceutical pricing authority of people who had interests, yet it is somehow not suitable now for people with former interests to be appointed. How hypocritical is that? The hypocrisy of that notion is completely beyond all reason.

Then Senator Schacht moved on to the issue of the drug Celebrex. Senator Schacht probably does not even know what Celebrex is. Here he is talking about a blow-out in the use of Celebrex that is somehow attributed to Dr Wooldridge. Admittedly, Dr Wooldridge happens to be a medical practitioner—and a very good one. But he does not do all the prescribing of Celebrex. This drug has been incredibly popular—and so it should be, because it has so few side effects—yet Senator Schacht and Senator Crowley do not want to entertain that thought.

Senator Crowley—I will give you the figures in a minute.

Senator KNOWLES—I will give Senator Crowley some figures, because I know that she would not want to have the right figures put down in here. The fact of the matter is that the use of Celebrex has gone up enormously. There was an anticipation that 40 per cent of the use would be in the lower dose prescriptions. That has not been the case. There have been requests for the higher doses that far exceed what was ever expected. The estimated prescription volume for the first year was just over a million, of which it was predicted that 40 per cent would be of 100-milligram strength. For the first five months, the actual prescription volume was in excess of 1½ million, and only 13 per cent of those prescriptions were for the lower strength. Somehow or another Senator Schacht and Senator Crowley believe that Dr Wooldridge has personally issued 1½ million prescriptions. What absolute nonsense! This is a drug that is used extensively by people in need of such a drug with minimal adverse reactions.

If the Labor Party are saying that they are going to prevent people from accessing Celebrex then that is a very interesting contribution to the Senate. I think that a lot of people out there should know that that is what the Labor Party want to do. They want to stop people being able to access the Celebrex or they want to restrict it. Here they are talking about capping the use of Celebrex. It will be very interesting for those with severe arthritis to hear that the Labor Party actually want to cap the use of Celebrex. It is about time the Labor Party treated this issue seri-
ously. The PBAC comprises a very eminent group of people and if I had time I would list their qualifications. The Labor Party are not interested in detail. (Time expired)

Senator FORSHAW (New South Wales) (3.38 p.m.)—I never thought I would see the day when a minister of this government would make Senator John Herron look good at question time. But today Senator Vanstone did that. We all recall when Senator Herron, representing the minister for health, used to get up in question time and answer questions. He struggled through briefs. He could not find the answers and then he tried to wing it. He used to resort to attacking members of the opposition rather than focusing on the issues. But I have to apologise to Senator Herron and I hope he comes back. At least he had a go at answering the question. At least he had some knowledge, from his medical background, of some of the issues involved. But today we saw Senator Vanstone—who has just been given a second chance as a member of the cabinet—come in here and, when asked a series of questions on what is clearly the most topical and important issue in the health sector at the moment, she could not even be bothered trying to find the right answer. What was her attitude? As Senator Schacht said, she had quick look at the brief and said, ‘Do not expect me to know the answer.’ This was her approach. She said, ‘I cannot find it in the brief.’ Basically she took the view that she was not interested. Then with successive questions she tried to be clever. She tried to argue at one stage that the people who have been asked to be reappointed to the committee but who have declined the invitation in protest against the appointment of Mr Clear from the industry really could not have resigned, because their terms had expired and there was no Pharmaceutical Benefits Advisory Committee in operation. What sort of nonsense is that from a minister who is supposed to be in this chamber answering serious questions about health issues?

I want to return to the serious issues that this minister did not address. The Minister for Health and Aged Care, Dr Wooldridge, who has a track record of putting the interests of the health industry manufacturing companies and doctors—in the case of the MRI scam—ahead of the public interest, has once again ignored the public interest. The people who are members of the Pharmaceutical Benefits Advisory Committee are charged with a very heavy responsibility, that is, to recommend the listing of pharmaceuticals on the PBS. This is a system whereby the taxpayers subsidise to the tune of some $3.8 billion a year the provision of pharmaceuticals and drugs for people who require them and who have them prescribed by the medical profession. Clearly it is in the interests of the pharmaceutical companies to be in there lobbying hard to get their drugs listed. It is a licence for their drugs to be prescribed and heavily subsidised. I do not criticise them for that and I do not criticise the fact that Mr Clear—whom we have all met—was in this parliament on many occasions lobbying on behalf of his industry. That was his job. But it is important that the committee appointed by the minister, which has the responsibility to determine which drugs should be listed and which should not, be totally independent and comprise experts with the knowledge to make the decisions required. There is no place for any representative, or former representative, from the industry on such a committee. That is the reason the eminent former chair, Professor Don Burkett, said that he would not continue to serve on this committee, and why other members of this committee have declined those invitations. It has not been one grizzler; a number of people who are members of the committee have refused to serve. It is a disgraceful decision by this government. (Time expired)

Senator TAMBLING (Northern Territory—Parliamentary Secretary to the Minister for Health and Aged Care) (3.43 p.m.)—The ranting and raving by the Labor Party today is nothing short of opportunistic, hypocritical, destructive and insulting. Let me get into some details, because this false indignation by the Labor Party needs to be brought to attention. The Labor Party has a very short memory. The legislation relating to these changes to the PBAC passed through this Senate on 7 December last year with Labor
Party support. It was brought forward and the composition of the new committee was made very clear and was part of that debate. When I say ‘opportunistic’ and ‘hypocritical’, the conversation has unfortunately centred on one very credible new member of the board, Mr Pat Clear, whom the Labor Party previously appointed to the Pharmaceutical Benefits Pricing Authority, the pricing authority itself.

Senator Crowley—A different committee.

Senator TAMBLING—‘Different committee,’ said Senator Crowley over there, yet it is the one that fixes the prices. The Labor Party is prepared to do deals on prices in some of these areas. Let us look at the credibility of the new PBAC. Ten members have so far been appointed: Mr Neil Anderson, a community pharmacist and a former member; Associate Professor Robert Carter, a health economist from Melbourne; Professor Terry Campbell, Professor of Medicine at the University of New South Wales, a very eminent person; and I have already mentioned Mr Pat Clear, who is a person with wide experience in the industry. Yes, the government makes no apology whatsoever for that. There is also Associate Professor Andrea Mant, of the School of Medicine of the University of New South Wales and a former member of the PBAC’s drug utilisation commission; Professor Alasdair Millar, a physician and clinical pharmacologist at Royal Perth Hospital; Dr Stephen Phillips, a general practitioner of Queensland and a previous member of the ABC; Professor Lloyd Sansom, who will be the chair, and is the just retired head of the School of Pharmacy and Medical Sciences at the University of South Australia; Dr Anne Tonkin, a clinical pharmacologist from South Australia; and Professor David Wilkinson, who has special expertise in the rural health areas. They are all eminent people. What a destructive and insulting attack by the Labor Party today on the credibility of those fine people.

We need to look very carefully at why the Labor Party is jumping when it did not mention any of this in early December, when the legislation was before us. There are a number of members whose former contribution to the PBAC I recognise. Nobody is attacking anyone’s credibility. One reason for the very significant changes arose from the fact that four of the members of the previous committee had been honoured for a total of 68 years. It is not a matter of credibility. The fact is that the Labor Party reappointed a number of those people. Professor Birkett, the retired chair, had been there for 17 years. There were others: one had been there for 27 years, one for 12 years and two for eight years. Rotation is needed to get credibility in this very important area.

A couple of those people, who may well have been reapproached as part of this consideration, have become indignant and very disgruntled because an industry person—one person out of 12—has been selected. Importantly, that person is no longer directly involved with the industry, which is what Dr Wooldridge and others have said. The Labor Party now attacks the appointment of Mr Pat Clear, when Labor itself appointed Mr Clear to the Pharmaceutical Benefits Pricing Authority. It is very disturbing. We sought nominations from some 17 professional organisations, who put forward a wide range of names and views.

Let me sum up the Celebrex issue. I refer the Labor Party to representations from Dr Carmen Lawrence and Martin Ferguson, and I am sure there were many others. I would love to go through the files and see whether Senator Crowley made any representations on behalf of her constituents who are suffering. Their issues have now been very properly addressed. Celebrex is an important medicine. Certainly the costings have blown out beyond our initial expectations, but that is because of need and the prescribing issues of the GPs. (Time expired)

Senator CROWLEY (South Australia) (3.48 p.m.)—First of all, this issue has been running hot in our newspapers and has been discussed in the public arena for a week, two weeks or more. I am a bit astounded that there was not a more comprehensive and satisfactory brief available for Minister
Vanstone when she was answering the questions that were put to her today. Secondly, I have heard Senator Tambling doing his bit to balance rhetoric and abuse. Well done, Senator, but you have not made the distinctions that need to be made.

Let us draw the distinction between the Pharmaceutical Benefits Advisory Committee and the Pharmaceutical Benefits Pricing Authority. Yes, Labor appointed people from the industry to the pricing authority. That is a different issue from the Pharmaceutical Benefits Advisory Committee. In the PBAC, we want people who will stand for the best benefits to the consumer. By the design of their charter, they are in opposition—opposed to the patent companies that are trying to get a best deal for the price of their pharmaceuticals. That is what the PBAC is about. It is mischievous for you to suggest that the pricing authority is of the same order. It is not. It is appropriate to put people from industry on the pricing authority. That is where you need a different level of argy-bargy. The Pharmaceutical Benefits Advisory Committee and the benefits it provides to the taxpayer are held up against the industry. I would like to ask how often the recommendation of the PBAC has been put aside and then increased by the minister from $1 to $1.20. It is almost unheard of.

I am not sure that I can say, ‘Absolutely, never before.’ But in all my time of following these things closely, PBAC bargained with industry to keep the price down so that people in this country could get their Celebrex at an affordable price. The price might be cheaper for an individual who needs it, and well done, but under the PBS—

Senator Tambling—Go talk to Richardson; go talk to Lawrence!

Senator CROWLEY—Have you just had a whisper, Senator? I would like to hear that whisper. Thank you very much for passing on the information. Put it on the public record. The point is that the PBAC’s business is to keep the price down. I know times when former Minister Blewett refused to accept the recommendation for a drug because the price was too high and the taxpayers of Australia could not afford it. We want Celebrex. The suggestion by Senator Knowles that we do not is absolutely putrid by way of a pathetic argument. But we want it honestly priced, and we want it honestly represented. How many of the adverse drug reactions that have been recorded against Celebrex are now emerging in the literature and have not been told to the public: ‘Oh, Celebrex is much safer—it will not cause gastric bleeding, it will not cause bowel troubles, and it will not cause indigestion and upset.’ Yes, it will. We need to know that, Senator Tambling. We need to know the truth about these drugs. It is not a safe drug—probably no medication is—but this one has lots of adverse drug reactions that are now becoming public but are not being promoted by Minister Wooldridge.

Let us be clear: the reason the Labor Party is concerned is that the government is putting the fox in the henhouse. It is well and good to say it was only one of 12 people. That is true, but he is a person whose past background and past committee work will make him argue the next step in the pharmaceutical benefits process. That is what is upsetting. Why was the PBAC’s recommendation in this case ignored? Can we be clear with the new committee that the recommendations will not indeed favour industry at a cost to the general taxpayer? It is a very significant decision. I can assure you that people are more than disgruntled; they are very concerned that you would appoint a person from industry with past experience promoting the price of these pharmaceuticals and doing their best for the pharmaceutical companies. Now you say to them, ‘Go to the other side and fight the pharmaceutical companies.’ That is a hard ask.

Why was the PBAC’s recommendation in this case ignored? Can we be clear with the new committee that the recommendations will not indeed favour industry at a cost to the general taxpayer? It is a very significant decision. I can assure you that people are more than disgruntled; they are very concerned that you would say to a person from industry with past experience promoting the price of these pharmaceuticals and doing their best for the pharmaceutical companies,
‘Go to the other side and fight the pharmaceutical companies.’ That is a hard ask.

Senator Tambling—Go back to reading Le Carre.

Senator CROWLEY—I have read John Le Carre—most of it. It is not a bad read, is it? If people did not know pharmaceutical companies should be watched with great caution, they should after reading that book.

Senator Tambling interjecting—

The DEPUTY PRESIDENT—Order! Senator Tambling!

Senator CROWLEY—You need to know that these people march into town, Senator Tambling, and they are repatriating precious taxpayers’ dollars from Australia overseas.

Senator Tambling—You sound like Pauline Hanson, not the Labor Party.

The DEPUTY PRESIDENT—Senator Tambling!

Senator CROWLEY—We want good drugs for people in Australia and we want a continuation of the splendid system and the internationally high reputation that this country has established in the way we have argued and made the case for modestly priced pharmaceuticals for the consumer at the cost of the taxpayer. (Time expired)

Senator Tambling interjecting—

The DEPUTY PRESIDENT—Order! Senator Tambling, you had your go. I do not require any further intervention on your part.

Question resolved in the affirmative.

Australian Securities and Investments Commission: Kingstream

Senator MURRAY (Western Australia) (3.53 p.m.)—I move:

That the Senate take note of the answer given by the Assistant Treasurer (Senator Kemp) to a question without notice asked by Senator Murray today relating to a possible investigation by the Australian Securities and Investments Commission into the financial interests of a member of the Western Australian Parliament, Mr Bloffwitch.

I wish to begin by thanking the Assistant Treasurer, Senator Kemp, for agreeing to refer the matter to Minister Joe Hockey, and I hope he does so with a recommendation that Minister Hockey agrees to pursue the matter. I was accused of raising this issue for political purposes. Politics may be the business we are in, but this is also a major accountability issue. My attention was drawn to this particular issue by Mark Drummond in an article in the Australian Financial Review of 3 February 2001, which reads:

A West Australian Liberal MP has been accused of talking up Kingstream Steel Ltd’s prospects of financing its $1.7 billion steel slab project while failing to declare a financial interest in the company. Ms Jackie Healy, an Independent candidate for the seat of Geraldton, said sitting Liberal MP Mr Bob Bloffwitch stood to make a significant financial gain from his holding of 84,000 shares in Kingstream if the company achieved financing for its steel project. Ms Healy called on Mr Bloffwitch to explain why he hadn’t declared his interest in Kingstream shares, which he holds with his wife. ‘Twice in the past week, Mr Bloffwitch has publicly stated Kingstream was about to make a major announcement regarding its finances,’ said Ms Healy. ‘Where does a shareholder have access to such information before anyone else?’ While the Kingstream board has announced to the stock exchange that it is seeking up to $US2 billion ($3.6 billion) in project financing for its steel slab project, the company has not announced anything consistent with Mr Bloffwitch’s suggestion that such financing is imminent. Mr Bloffwitch could not be reached for comment.

I had my views on this matter further reinforced by the remarks of the National Party’s Eric Charlton, as reported in the West Australian. I will quote briefly from that article. In part, it reads:

A FORMER Court Government minister has accused Liberal MLA Bob Bloffwitch of letting personal financial interests influence his stand on political issues and suggested the MP was feathering his own nest.

Further on, the article reads:

Mr Charlton, who was transport minister until he retired in 1998, said on ABC radio yesterday that Mr Bloffwitch’s recently revealed ownership of the shares helped to explain his longstanding opposition to Government plans to upgrade rail links to the port of Geraldton and other infrastructure at the port.
Mr Charlton was very critical of Mr Bloffwitch. As a consequence, I believe this is a matter which, in the public interest, the minister should have a look at.

Mr Bloffwitch was a member of the Western Australian parliamentary privileges committee at the time when these issues arose—namely, of him owning shares—and he would have known through that committee that such shares should have been disclosed. Apparently, he failed to disclose that he owned a petrol station even when he was a member of the petrol prices parliamentary committee. So we are getting into serial behaviour here. He has been an ardent supporter of the Kingstream project in Geraldton. In particular, he has been lobbying against upgrading the existing port at Geraldton; instead he has been lobbying for upgrading of the Kingstream owned port at Oakajee, which is only 20 kilometres away and less when you go by sea. The former transport minister, Eric Charlton, said Mr Bloffwitch’s lobbying was intense and that if he had known about Mr Bloffwitch’s shares he would have told him where to go.

Kingstream is a very controversial company. It was founded by Ken Court and its director is Nik Zucks. Ken Court was recently replaced as chair by former Thatcher minister Nigel Lawson, highlighting its continued political connections. Last year Kingstream was the subject of a Four Corners special which highlighted the fact that Kingstream had put $28,000 into funding native title claims on the Burrup Peninsula, which would have had the effect of hamstringing the investment of rival steel company Queensland Mineralogy. In January, Mr Bloffwitch told local media that an announcement from Kingstream was imminent, implying that finance of the company was imminent, but the company had only told the ASX that it was still seeking finance from the United States for the $3.6 billion cost of the project. ASIC has been launching a campaign to prevent selected shareholders, media analysts or any other people from receiving information which is not available to the market as a whole. (Time expired)

Question resolved in the affirmative.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows:

Petrol Prices
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of certain citizens of Australia draws to the attention of the Senate the extremely high price of petrol and other fuels and the increase in the amount of tax on fuel due to:

- The Government’s failure to keep its promise that the price of petrol and other fuels would not rise as a result of the new tax system, by reducing the excise by the full amount of the GST;
- The fuel indexation increases on 1 August 2000 and 1 February 2001, which will be significantly higher than usual because of the inflationary impact of the GST; and
- The charging of the GST on the fuel excise, making it a tax-on-a-tax.

Your petitioners therefore request the Senate to:

- Hold the Government to its promise that its policies would not increase the price of petrol and other fuel;
- Support a full Senate inquiry into the taxation and pricing of petrol;
- Consider the best way to return the fuel tax windfall to Australian motorists.

by Senator Hogg (from 266 citizens)

Australian Broadcasting Corporation: Independence and Funding
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:

1. our strong support for our independent national public broadcaster, the Australian Broadcasting Corporation;
2. our concern at the sustained political and financial pressure that the Howard Government has placed on the Australian Broadcasting Corporation (ABC), including:
   a) the 1996 and 1997 Budget cuts which reduced funding to the ABC by $66 million per year; and
   b) its failure to fund the ABC’s transition to digital broadcasting;
3. our concern about recent decisions made by the ABC Board and senior management, including the Managing Director Jonathan Shier, which we believe may undermine the independence and high standards of the ABC including:
(a) the cut to funding for News and Current Affairs;
(b) the reduction of the ABC’s in-house production capacity;
(c) the closure of the ABC TV Science Unit;
(d) the circumstances in which the decision was made not to renew the contract of Media Watch presenter Mr Paul Barry; and
(e) consideration of the Bales Report, which recommended the extension of the ABC’s commercial activities in ways that may be inconsistent with the ABC Act and the Charter.

Your petitioners ask that the Senate should:

(1) protect the independence of the ABC;
(2) ensure that the ABC receives adequate funding;
(3) call upon the Government to rule out its support for the privatisation of any part of the ABC, particularly JJJ, ABC On-line and the ABC Shops; and
(4) call upon the ABC Board and senior management to:
(a) fully consult with the people of Australia about the future of our ABC;
(b) address the crisis in confidence felt by both staff and the general community; and
(c) not approve any commercial activities inconsistent with the ABC Act and Charter.

by Senator Murphy (from 167 citizens)

Petitions received.

NOTICES

Presentation

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

That the time for the presentation of the final report of the Economics References Committee on the provisions of the Fair Prices and Better Access for All (Petroleum) Bill 1999 and the practice of multi-site franchising by oil companies be extended to 8 March 2001.

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

That the time for the presentation of the report of the Select Committee on Superannuation and Financial Services on the provisions of the Family Law Legislation Amendment (Superannuation) Bill 2000 be extended to 8 March 2001.

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

That the following bill be introduced: A Bill for an Act to amend the Australia New Zealand Food Authority Act 1991, and for other purposes.

Australia New Zealand Food Authority Amendment Bill 2001.

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

That the continuing order of the Senate of 1 May 1996 relating to the allocation of departments to legislative and general purpose standing committees be amended as follows:

Under Finance and Public Administration, insert ‘Reconciliation and Aboriginal and Torres Strait Islander Affairs’.

Senator Chris Evans to move, on the next day of sitting:

That there be laid on the table by the Minister representing the Minister for Health and Aged Care (Senator Vanstone), no later than 4 pm on 27 March 2001, the following documents, where necessary with the deletion of genuinely commercially sensitive information:

(1) Documents relating to listing of the drugs celecoxib (Celebrex) and rofecoxib (Vioxx) on the Pharmaceutical Benefits Scheme (PBS), including:
(a) the minutes of the Pharmaceutical Benefits Advisory Committee’s (PBAC) meetings at which the listing of the above drugs on the PBS was discussed;
(b) the recommendations made by the PBAC concerning the listing of the above drugs on the PBS, including recommendations about price;
(c) the minutes of the Pharmaceutical Benefits Pricing Authority’s (PBPA) meetings at which the listing of the above drugs on the PBS was discussed;
(d) the recommendations made by the PBPA to the Minister concerning the listing of the above drugs on the PBS;
(e) briefings and all documents prepared by the department concerning the listing and price of these drugs on the PBS; and
(f) the department’s legal advice relating to the PBAC authority to place binding conditions on PBAC
recommendations to the PBPA and the Minister.

(2) All documents, including copies of electronic documents, relating to the appointment of the new PBAC, announced by the Minister on 1 February 2001.

Senator Tierney to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) the failure of the New South Wales State Government to hand over competition payments to dairy farmers who have been affected by deregulation, and
(ii) that despite the fact that the New South Wales dairy industry is three times the size of the Western Australian dairy industry, it is the Western Australian Liberal Government that is providing a $27 million assistance package;
(b) criticises the lack of support for farmers by the Carr Australian Labor Party State Government, particularly in the towns of Dungog and Gloucester, when the dairy industry is the fifth largest rural industry in New South Wales and produces $1.4 billion worth of goods each year; and
(c) calls on the New South Wales Government to start helping dairy farmers by releasing competition payments provided to them by the Howard Government, which amount to $156.5 million for the 2000-01 financial year.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (3.59 p.m.)—I give notice that, on the next day of sitting, I shall move:
That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Australia New Zealand Food Authority Amendment Bill 2001, allowing it to be considered during this period of sittings.

I also table a statement of reasons justifying the need for the Australia New Zealand Food Authority Amendment Bill to be considered during these sittings and seek leave to have the statement incorporated in Hansard.

Leave granted.

The statement read as follows—

STATEMENT OF REASONS FOR INTRODUCTION AND PASSAGE IN THE 2001 AUTUMN SITTINGS
AUSTRALIA NEW ZEALAND FOOD AUTHORITY AMENDMENT BILL 2001
Purpose of the Bill
This Bill will amend the Australia New Zealand Food Authority Act 1991 to:
• implement those aspects of the food regulatory model developed in response to the Food Regulation Review (Blair) Report, that were agreed to by COAG and that require legislative change, including:
  - establishing the proposed Food Standards Australia New Zealand (FSANZ) statutory authority to replace the Australia New Zealand Food Authority;
  - enabling FSANZ to develop all food standards relating to food production that are to be adopted nationally; and
  - amending the current standards development process to reflect the role of the proposed Australia and New Zealand Food Regulation Ministerial Council, including the development by FSANZ of standards that comply with policy guidelines developed by the Ministerial Council.

Reasons for Urgency
States and Territories will expect the Commonwealth to make the legislative changes necessary to implement the proposed new food regulatory system agreed to by COAG as soon as possible. Introduction and passage of the Bill in one sittings will enable the whole of the proposed new system, including FSANZ, to commence operation within three years of the publication of the Report of the Food Regulation (Blair) Review.

Failure to pass this Bill in the Autumn sittings would result in continuation of the complex and partial transitional arrangements specified in the related Inter-Governmental Agreement on Food Regulation until FSANZ is established.

Under the transitional arrangements ANZFA would continue to develop and recommend to the new Ministerial Council for adoption those types of food standards it currently recommends to the Australia New Zealand Food Standards Council. The new Ministerial Council will also have responsibility for the development of all domestic food regulatory policy, and policy guidelines for the development of all domestic food standards that are adopted nationally, but it will not yet have
the related power to seek a review of such standards. Early passage of the Bill will enable FSANZ to develop all such standards in accordance with policy developed by the new Ministerial Council as soon as possible.

(Circulated by authority of the Minister for Health and Aged Care)

Senator CALVERT (Tasmania) (3.59 p.m.)—On behalf of Senator Coonan and the Standing Committee on Regulations and Ordinances, I give notice that, 15 sitting days after today, Senator Coonan will move that the Civil Aviation Amendment Regulations 2000 (No. 8), as contained in Statutory Rules 2000 No. 295 and made under the Civil Aviation Act 1988, and Exemption No. CASA EX43/2000, made under regulation 308 of the civil Aviation Regulations 1988, be disallowed. I seek leave to incorporate in Hansard a short summary of the committee’s concerns with these instruments.

Leave granted.

The summary read as follows—

Civil Aviation Amendment Regulations 2000 (No.8), Statutory Rules 2000 No.295
The Regulations remove the requirement for flying training to be carried out in a designated “flying training area”, and simplifies the definition of that term.

The Explanatory Statement notes that, prior to these amendments, Airservices Australia had not designated any flying training areas, and that as a consequence all flying training conducted in such areas was being performed illegally. The Explanatory Statement goes on to note that this “has obvious legal ramifications for both the aviation industry and CASA as well as implications for insurance coverage”. The Committee has written to the Minister for advice on this matter.

Exemption No.CASA EX43/2000
The instrument exempts operators of single-engine craft with a maximum take-off weight exceeding 5,700 kilograms that are employed in aerial work operations from compliance with regulation 217 of the Regulations.

The Explanatory Statement notes that “CASA considers that a formal training and checking organisation is not appropriate and imposes an unnecessary burden on the operators” of aerial work operations. It is not clear from this statement whether operators of aircraft in the designated class used in aerial work have previously been required to provide a training and checking organisation, or whether there have been any previous arrangements to exempt operators from this requirement. The Committee has written to the Minister for advice.

Senator Brown to move, on the next day of sitting:
That the Senate—
(a) notes:
(i) that 9 February 2001 is the anniversary of the death of the 15-year old boy from Grooyte Island at the Don Dale Detention Centre in Darwin, while serving a mandatory sentence,
(ii) that events being held in Darwin to celebrate the life of this young man and to call for changes to Northern Territory law that will prevent a tragedy like this happening again, and
(iii) the continuing harm, injustice, expense and discrimination being caused by the Northern Territory’s mandatory sentencing laws; and
(b) calls on the Federal Government to override these laws.

COMMITTEES
Selection of Bills Committee
Report
Senator CALVERT (Tasmania) (4.01 p.m.)—I present the first report of 2001 of the Selection of Bills Committee.

Ordered that the report be adopted.

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

Leave granted.

The report read as follows—

SELECTION OF BILLS COMMITTEE
REPORT NO. 1 OF 2001
1. The committee met on 6 February 2001.
2. The committee resolved to recommend—
(a) That the provisions of the following bill be referred to a committee as follows:

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<th>Bill title</th>
<th>Stage at which Legislation</th>
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(b) That the order of the Senate of 10 May 2000 not to refer the provisions of the Aviation Legislation Amendment Bill (No. 2) 2000 be varied to provide that the provisions of the bill be referred to the Rural and Regional Affairs and Transport Legislation Committee for report on 27 March 2001 (see appendix 4 for a statement of reasons for referral).
(c) That the following bills not be referred to committees:
- Aboriginal and Torres Strait Islander Commission Amendment Bill 2000
- Remuneration Tribunal Amendment Bill 2000
- Broadcasting Legislation Amendment Bill 2000
- Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000
- Customs Tariff Amendment Bill (No. 4) 2000
- Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000
- Medicare Levy Amendment (CPI Indexation) Bill (No. 2) 2000
- National Museum of Australia Amendment Bill 2000
- Superannuation Legislation Amendment (Post-retirement Commutations) Bill 2000
- Therapeutic Goods Amendment Bill (No. 4) 2000

The committee recommends accordingly.

3. The committee deferred consideration of the following bills to the next meeting:
   (deferred from meeting of 15 August 2000)
Appendix 1
Proposal to refer a bill to a committee
Name of bill(s): Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000
Reasons for referral/principal issues for consideration
The appropriateness of the penalties.
Possible submissions or evidence from: Veterans organisations.
Committee to which bill is referred: Employment, Workplace Relations, Small Business and Education Legislation Committee
Possible hearing date: 26 February 2001
Possible reporting date(s): June 2001
(signed) Kerry O’Brien

Appendix 2
Proposal to refer a bill to a committee
Name of bill(s): Occupation Health and Safety (Commonwealth Employment) Amendment Bill 2000
Reasons for referral/principal issues for consideration
This bill will affect the occupational health and safety provisions at workplaces in a major way. Shareholders should have an opportunity to debate the issues.
Possible submissions or evidence from: ACTU, legal practitioners, workers health centres.
Committee to which bill is referred: Employment, Workplace Relations, Small Business and Education Legislation Committee
Possible hearing date: March/April 2001
Possible reporting date(s): June 2001
(signed) Kerry O’Brien

Appendix 3
Proposal to refer a bill to a committee
Name of bill(s): Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2000 Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000
Reasons for referral/principal issues for consideration
Complex OHS issues – affecting a large number of stakeholders who should be consulted prior to Senate debate on the issues.
Possible submissions or evidence from: ACTU, legal practitioners, workers health centres.
Committee to which bill is referred: Employment, Workplace Relations, Small Business and Education Legislation Committee
Possible hearing date: March/April 2001
Possible reporting date(s): June 2001
(signed) Kerry O’Brien

Appendix 4
Proposal to refer a bill to a committee
Name of bill(s): Aviation Legislation Amendment Bill (No. 2) 2000
Reasons for referral/principal issues for consideration
Impact of the provisions of the bill on the aviation industry.
Possible submissions or evidence from: Relevant interest groups from the aviation sector.
Committee to which bill is referred: Rural and Regional Affairs and Transport Legislation Committee
Possible hearing date: March/April 2001
Possible reporting date(s): June 2001
(signed) Kerry O’Brien

NOTICES
Postponement
Items of business were postponed as follows:
General business notice of motion no. 489 standing in the name of Senator Murray for 8 February 2001, proposing an order for the production of documents relating to lists of departmental and agency contracts, postponed till 19 June 2001.

General business notice of motion no. 800 standing in the name of Senator Murray for today, proposing an order for the production of a report relating to Australian grocery retailers by the Australian Competition and Consumer Commission, postponed till 8 February 2001.

General business notice of motion no. 786 standing in the name of Senators Bourne and Allison for today, relating to nuclear weapons, postponed till 8 February 2001.

General business notice of motion no. 798 standing in the name of the Leader of the Opposition in the Senate (Senator Faulkner) for today, relating to outsourcing in the Defence organisation, postponed till 8 February 2001.

COMMITTEES
Finance and Public Administration
References Committee

Meeting

Motion (by Senator O’Brien, at the request of Senator George Campbell) agreed to:

That the Finance and Public Administration References Committee be authorised to hold a public meeting during the sitting of the Senate on 7 February 2001, from 5.30 pm, to take evidence for the committee’s inquiry into the Government’s information technology outsourcing initiative.

FORESTS: OLD GROWTH

Senator BROWN (Tasmania) (4.02 p.m.)—I ask that general business notice of motion No. 802, standing in my name for today, which supports the comments of the Western Australian opposition leader, Dr Gallop, about protecting old-growth forests, be taken as formal.

The DEPUTY PRESIDENT—Is there any objection to this motion being taken as formal?

Senator O’Brien—Yes.

The DEPUTY PRESIDENT—There is an objection to this motion being taken as formal.

Suspension of Standing Orders

Senator BROWN (Tasmania) (4.03 p.m.)—Pursuant to contingent notice, I move:

That so much of the standing orders be suspended as would prevent Senator Brown moving a motion relating to the conduct of the business of the Senate, namely a motion to give precedence to general business notice of motion No. 802.

The motion reads:

That the Senate endorses the comments of the Western Australian Opposition Leader (Dr Gallop) that: ‘The time has come to move away from old-growth logging. I think our aspirations, our expectations as a community have changed and we now understand that the conservation of these remarkable assets is more important than their destruction, both in terms of our conservation values but also in terms of the jobs. The future lies in protecting our wilderness and our old-growth forests and that’s where the jobs will be in the future.’

I would have expected that the opposition, at least, would have wanted that to go to the vote as a formal motion. But it is the Labor opposition, I note, that has refused formality. So the option available to me is to move this motion so that we can have a general debate on my general business notice of motion No. 802 and have it supported by the Senate.

The sentiments being expressed by the Western Australian Labor Party and the opposition leader are the sentiments held by the vast majority of Western Australians and, indeed, held by people right across this country. If the Labor Party supports it in Western Australia—and it does—it ought to support it also in New South Wales, Queensland, Victoria and, of course, in my home state of Tasmania, where the same logic for protecting old-growth forests is endorsed by the majority of voters.

I am totally behind the sentiments that Dr Gallop has expressed. Frankly, on the basis of saving the forests—or 99 per cent of them, as he has put it, some 350,000 hectares—with a very generous program for the realignment of the industry to give it a secure fu-
ture, which it does not have as it erodes into the logging of old-growth forests and jobs in the future, I would think and hope that the majority of Western Australian voters could see their way clear to endorse this positive new sentiment which, for the first time, is being expressed by a senior member of one of the ‘old parties’. Of course, the Greens and the Democrats have been strong on these policies for many years. We want to see an end to the logging of old-growth forests, the destruction and the loss of jobs—hundreds of jobs have gone west since the Prime Minister signed the death warrant in recent years on these forests around Australia—to ensure that future job alternatives of presenting and giving recreation to Australians for generations to come in these forests will be looked after.

We recognise, as Dr Gallop does, that there is already a mature plantation establishment around the country that can meet all our job needs, with downstream processing which will increase jobs in the industry. The problem is, of course, that the woodchip industry has inordinately bent the policy direction. The CFMEU and, where relevant, the AWU have been involved with the woodchip companies in bending policy against the public interest. Dr Gallop stood up against that and the Greens endorse that. We have fought for forests around Australia for 20 or 30 years, since our inception, and we are going to vigorously support these policies in the Western Australian election. I might add that it is because of Christine Sharp and her two colleagues in the upper house in Western Australia bringing parliamentary pressure to bear in the public debate—complementing the enormous public feeling for saving for forests in Western Australia—that has led to this outstanding policy from Geoff Gallop. The Labor Party should support it, and it should support it right across the country. It is an important election issue in Western Australia. It represents the public sentiment and we should be endorsing this policy here today as a matter of urgency because we will not get the opportunity to do so in such circumstances at future sittings.
five minutes in which to mention the names of his candidates—

Senator Carr—And broadcast them.

Senator Hill—I am sure there are a lot of Western Australians sitting on the edges of their chairs, writing these names down. That is what this about; it is not a genuine attempt to debate the issue. The reason I know it is not a genuine attempt is that otherwise, in his five minutes, he would have acknowledged that the cooperative regional forest agreement process, which was designed to provide a comprehensive, adequate and representative conservation reserve system across Australia while at the same time supporting sustainable forest industries—both economically and ecologically sustainable—has in fact resulted, from the conservation perspective, in another 2.51 million hectares being added to reserves. This brings the total forest conservation reserves in Australia to 8.99 million hectares, an increase of 39 per cent compared with the pre-RFA situation.

On old growth, Senator Brown would have acknowledged that the process increased reserves by 42 per cent, to 2.83 million hectares, representing some 67 per cent of the total area of old growth forests. And he would have acknowledged that some 260,000 hectares of high quality wilderness was added to the reserves, leaving the post-RFA wilderness reserve at 2.523 million hectares, or just over 89 per cent of existing wilderness areas. He would have acknowledged the structural adjustment, the money that the Commonwealth put in, to enable such reserves to be created without undue pain by the forest industries—a sum of $328 million. He would have applauded that and said that that outcome from a reserve point of view, in the space of just a few years, is tremendous. He would have also acknowledged that it provided the basis for sustainable forest industries and jobs in that sector as well.

Finally, Senator Brown would have acknowledged that what we have seen in the south-west of Western Australia—around Margaret River, Augusta and other places—is that tourism and the forest industry can coexist. Tourism is booming, jobs within tourism are booming, and the forest industry has the chance for a sustainable future as well. If he had acknowledged all that, we would not have had the stunt and we would not be wasting half an hour this afternoon.

Senator Bartlett (Queensland) (4.13 p.m.)—I think it is appropriate, as the Democrats environment spokesperson, to put on the record the Democrats’ support for both the substantive motion and the original motion quoting the comments of Dr Gallop. It is an important issue and it is significant obviously and very immediate to the people and electorate of Western Australia, but I think it is an issue of concern to people around the country. The idea that only people in Western Australia are concerned about old growth forests in Western Australia is one that I think is false. I think people all around the country are concerned about the future of those forests, and it is pleasing to see the broader acceptance across most of the political spectrum for greater protection for old growth forests. It is appropriate, with the Western Australian election coming up this weekend, to note the strong contribution of the Democrats to increasing public awareness and support for the protection of old growth forests in WA. Particularly in the upper house, I think it is worth praising the Democrats MPs there. I will say their names so that people listening can write them down, as Senator Hill suggested: Helen Hodgson and, in particular, Norm Kelly—

Senator Stott Despoja—We’ve got 50 candidates to name—

Senator Bartlett—Yes, I could go through our other 50 candidates, as my deputy suggests, but I do have only five minutes, and I think there is no need to name all the candidates because they would all universally support the need to protect these very precious forests not just for their aesthetic value but of course for the immense biodiversity that they contain and also for the economic benefits that protecting these forests will bring to future generations in Western Australia and Australia. I think one of the positive aspects of the quote of Dr Gallop’s
that has been highlighted is that it is not just about protecting the forests because saving the environment is a nice thing but also about recognising that the future for jobs lies in protecting our wilderness areas and native forests.

I think that is partly why the position of parties such as the Democrats and the Greens, who have both fought for many years to ensure greater protection of our native forests, is starting to be taken on board by some parts of other parties, and I think it needs to be noted and welcomed when that happens. Indeed, I think I remember correctly last year that a leading figure in the National Party in Western Australia made similar comments about the need to have greater protection of our forests. Obviously there is a significant proportion of people who either are or were members of, or are supportive of, the Liberal Party in Western Australia who have taken on the label of Liberals for Forests and who want to express their views and their concerns about the need to protect the forests in Western Australia and in other parts of the country. So it is important in that regard.

I think the work of political parties when they do take on board positive environmental policies needs to be acknowledged and supported. I think it is appropriate for the Senate to send a message not just to the voters but to political parties and contestants in the WA election that we support this policy direction that more and more people in politics in Western Australia are taking. It is important to give encouragement to people that engage in the democratic process. It is not something that a lot of people in the community are keen to do, but certainly the Democrats would encourage them, whether for our party or for any party, to get engaged and involved in the debate and to promote positive policies. We are now seeing the situation, thankfully, in Western Australia where people in most parts of the political spectrum are promoting positive policies in relation to forests. Certainly the Democrats both during this election campaign and in our role in the upper house in the last four years—and after this election, hopefully, with an increased number of Democrat candidates—will continue to put pressure and priority on this issue. It is one thing, as we all know, unfortunately, for leaders of major political parties to make statements, but it is another thing to force them to honour their commitments after the election, and one of the reasons why there needs to be a strong role for parties such as the Democrats in the upper house in Western Australia is to keep leaders—whether it is Dr Gallop or anybody else—to their promises to get greater protection for our native forests in Western Australia.

Senator O'BRIEN (Tasmania) (4.18 p.m.)—It is gratifying to note that both the Greens and the Democrats in Western Australia will be supporting Mr Gallop on the weekend. I take it that that means there will be a strong flow of preferences to Labor candidates on the weekend, apparently because of this policy. It is important to note that, under the RFA approach, which the Labor Party is responsible for creating, each of the states has the responsibility for managing its own forest areas.

But rather than debate this matter, as Senator Brown suggests, it is our view that we came here this week not in a self-indulgent way to deal with the issues arising in the state elections in Western Australia and Queensland over the coming two weekends but rather to deal with the business that was on the Notice Paper and for which people are prepared. It would have been open to the Labor Party to lay down a series of motions in a self-indulgent way promoting the candidacy of the candidates in various areas of the country and to debate those and to take the time of the Senate to deal with those, but we made the decision at the beginning of the week that we would not do that. We decided that we would come to the Senate to deal with the business of the Senate this week, and that is what we are doing.

So we are not going to support dealing with this motion. It would take a deal of time. We would be proposing certain amendments to the document, as Senator Brown full well knows, in relation to recognising the reality that, as I said, under our
RFA approach different states have the ability to make their own decisions about the management of their forestry resources. So we will not be supporting the suspension today, but, as the Leader of the Government said, it is open to Senator Brown to bring this matter up when next he has an opportunity in general business—and he has had some opportunities. It is incorrect of him to say that he does not have opportunities. He has had some, and he has used some. And, no doubt, he will have some in the future. But, in relation to this matter, we are not prepared, beyond the time that Senator Brown has taken to debate this suspension, to interrupt the business of the Senate—the important matters which are before the Senate—because, frankly, this is just another stunt that Senator Brown has pursued. He has used his five minutes; he is very good at doing that. He has made the points that he sought to make, but we make the point that we are here to deal with the business of the Senate, which has been on the Notice Paper for some time, and we are not going to get involved in the sort of political stunt that this motion is intended to create.

Question resolved in the negative.

**RESEARCH AND DEVELOPMENT: DETERMINATIONS**

Motion (by Senator Stott Despoja) agreed to:

That the Senate—

(a) expresses its concern that the proposed changes to the definitions and eligibility criteria for the research and development (R&D) tax concession:

(i) may significantly constrain what is taken to be ‘innovation’,

(ii) may significantly reduce the number and type of eligible R&D projects because projects will need to meet both the ‘innovation’ and ‘high technical risk’ tests,

(iii) will significantly reduce the scope of legitimate components of the ‘innovation’ process by extending the exclusion list (section 73B(2C)) to ‘supporting activities’,

(iv) will discriminate against innovation in mature industries,

(v) will discriminate against innovation in non-applied science fields, and

(vi) may create a compliance regime that will act as a major disincentive to private investment in innovation and R&D; and

(b) resolves that there be laid on the table by the Minister for Industry, Science and Resources (Senator Minchin), no later than immediately after questions without notice on 26 February 2001, a return setting out the following information:

(i) a list of all determinations of Federal Court and Administrative Appeals Tribunal decisions that the Government claims have unintentionally broadened the scope of the definition of ‘research and development activities’;

(ii) an explanation why these determinations are unacceptable to the Government,

(iii) details on what percentage of currently eligible projects would not satisfy the proposed changes to the definitions and eligibility criteria, and

(iv) the financial impact the changes, including the extension of the exclusion list, will make to currently eligible projects.

**EXCISE TARIFF AMENDMENT (PETROL TAX CUT) BILL 2001**

**CUSTOMS TARIFF AMENDMENT (PETROL TAX CUT) BILL 2001**

First Reading

Motion (by Senator Cook) agreed to:

That the following bills be introduced: A Bill for an Act to amend the *Excise T ariff Act 1921* to provide relief from the 1 February 2001 indexation of rates of excise duty applying to petroleum; A Bill for an Act to amend the *Customs T ariff Act 1995* to provide relief from the 1 February 2001 indexation of rates of customs duty applying to petrol.

Motion (by Senator Cook) agreed to:

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

Bills read a first time.
Second Reading

Senator COOK (Western Australia—Deputy Leader of the Opposition in the Senate) (4.23 p.m.)—I move:

That these bills be now read a second time.

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

Leave granted

The speeches read as follows—

EXCISE TARIFF AMENDMENT (PETROL TAX CUT) BILL 2001

The bill I am introducing in the Senate today seeks not only to ease the pain of high fuel taxes, caused by the Howard Government’s attempt to leach millions of dollars out of Australians through its fuel tax squeeze, but to stop this Government lining its pockets at the expense of families and communities, industries, businesses and voluntary organisations, both in the cities and the bush.

The Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 amends the Excise Tariff Act 1921 to provide relief from the 1 February 2001 indexation of rates of excise duty applying to petroleum, and give much needed fuel tax relief.

Unfortunately, much of the damage that this Government has done is irreversible. The National Farmers’ Federation tells us that high fuel prices and record levels of taxation have had a particularly severe impact on rural communities.

The stories told to the 35 public hearings held by the Federal Parliamentary Labor Party’s petrol price inquiry, and raised in the hundreds of submissions received, show the universality of the imposts from these tax changes.

We heard stories such as that from Coral Davidson of Medowie, NSW who said:

“Daily I am getting calls from families, not just drivers any more, from their families, their wives and their daughters; ‘Dad has just lost the truck, the finance company has been out. We can’t pay the fuel bill, we can’t even operate the truck any more.’ The fuel here has just overtaken every boundary that we had left.”

Industries such as transport and primary production are struggling to cope with increased costs while higher fuel prices have meant a downturn in tourism. Approximately 1000 jobs will be lost as transport companies go to the wall because of higher fuel costs and the impact of the GST on business.

Fuel is a massive, and essential, input for many businesses, not only in the transport industry.

Mr Ivan Harris, a small business owner of Morwell in Victoria told us:

“The rising fuel prices have significantly increased my business running costs and it has been impossible to pass these onto the consumer, on top of the increase just applied with the GST…The Federal Government does not appear to be mindful or care about the plight of small business and like a lot of others I can see my business going to the wall with the escalating costs and I too will be another individual existing on a Government allowance.”

Voluntary services as diverse as meals on wheels, medical services and school canteens are counting the cost of higher fuel prices.

Volunteer fire fighters are having to bear the costs of travelling to fight fires, which means less money for training and vital equipment.

Older Australians are particularly vulnerable. Mr John Molloy of Ballina told us:

“My wife and I are pensioners and are finding the increase in petrol prices hard to cope with. It affects our daily lives and I have never been so out of pocket because of petrol expenses. In our retirement years we like to travel, but that is now restricted. We don’t even go into town as much because of petrol prices…we have just eliminated a planned trip …taking us to Longreach…because of petrol prices. Our quality of life is being affected…”

Local Government bodies, such as the Cardwell Shire, are having to stretch their budgets further. According to the Shire’s CEO in Tully, Mal Malloy:

“Rural and regional Queensland Councils have felt the severe affects of increased fuel cost and ultimately had to pass the extra cost onto their communities.”

There has also been a tangible impact on activities such as sports and recreation, particularly where public transport is lacking. This is especially devastating for small towns where such activities are the lifeblood of the community.

This is the high price that Australians have paid to give the Coalition a chance to buy its way back into office.

There can be no doubt that the Howard Government has awarded itself a massive tax bonus through the way it has structured its own fuel tax changes.
This has occurred through a combination of fuel taxes that automatically collect more revenue as world oil prices rise and the Australian dollar falls in value, and discretionary increases in fuel taxes from deliberate policy decisions, such as that these bills seek to ameliorate.

This fuel tax windfall was quantified at up to $1.5 billion this financial year by the Australian Automobile Association.

At first the Government tried to deny the existence of this windfall. Eventually the Prime Minister had to admit it existed, but maintained Budgetary constraints meant it could not be returned.

However, in its mid-year Budget review the Government showed it had a Budget windfall of $1.5 billion in 2000-01, after adopting various measures to disguise the full extent of that windfall.

The Prime Minister is now trying to tell us that his roads package is adequate compensation for higher fuel taxes.

The roads package is $1.6 billion over four years, or $400 million a year. Where is the rest of the money going?

I would assert that in an election year it is going into the Government’s election war chest. The Government is stashing away the cash so it can produce it again to use as election bribes. That tax cut they’ll offer will come directly from the wallets of motorists.

No wonder Senator Kemp has refused to answer 36 questions on notice about this windfall. These taxation changes have entrenched discrimination against rural and regional Australia. The National Party through their complicity on the GST issue have shown just how out of touch they are.

People in rural and regional areas who pay more for their petrol are now, because of the Government’s tax changes, paying more tax on their petrol consumption than people in cities.

This is in spite of reduced access to public transport and a range of services in rural and regional areas.

The Australian Automobile Association has said that, “the direct effect of reducing excise and applying a GST to the retail price of petrol is to increase the gap between city and country petrol prices.”

This is a gap that the Minister for Trade, Mr Vaile has, described as “unacceptable”.

I agree, Mr Vaile, it is unacceptable. Unlike Mr Vaile, though, I, and the Labor Opposition, are prepared to act to ease the burden of those farmers, families, businesses and communities that are so dependent on fuel to survive.

There can be no doubt now that the Prime Minister has broken his promise that the price of petrol would not rise because of the GST.

It has – and those in rural and regional areas are the worst affected.

But the Prime Minister is refusing to budge. He’s tried to shift the blame onto everything from world oil prices to the Labor party itself. He’s hoping that by the time the election comes around, we’ll have forgotten all about his windfall.

But there are also compelling economic reasons for holding the Prime Minister to his promise, to counter the slowing economy. The outlook for Australian business is increasingly bleak. It faces a profit squeeze which high petrol prices have contributed to. Alan Greenspan, the head of the US Federal Reserve is advocating tax cuts to boost the slowing economy, in the US. Putting up taxes in the current climate in Australia makes no sense.

In addition, these tax increases will feed into the next round of inflation figures, which will in turn add to the next excise increase, and so on it goes. This means this increase in taxes will be working against our slowing economy for some time to come.

This gives the Coalition backbench powerful social and economic reasons to support these bills. There are now thirteen of them on the record bleating about the fuel issue, but so far refusing to do the right thing by their constituents and the economy and hold the Prime Minister to his promise.

Let me outline what they have been saying:

Trish Draper, Member for Makin, SA: “I would have to say that I am disappointed that we didn’t win the argument to have the excise frozen.” (ABC Radio, 1/2/2001).

Bob Katter, Member for Kennedy, Qld: has refused to commit to the Government’s position, saying, “I just think it’s appallingly unfair to people in country areas and we are not getting any offsets.” (The Australian 2/2/2001).

Alby Schultz, Member for Hume, NSW: backed the Labor Party’s calls for the Government to freeze the excise, saying “The price of fuel throughout this country and the factors that affect
it is nothing short of scandalous.” (Sydney Morning Herald, 20/01/2001).

Dr Sharman Stone, Member for Murray, Vic and Parliamentary Secretary to the Minister for the Environment and Heritage: said in a letter to her constituents that combined with other actions, a reduction in the fuel price, such as that from the February increase, could help. “I will continue to do all I can to try to get a break-through on the fuel price problem.” she pledged. Dr Stone also said that people understood that the Government takes considerable excise from the fuel and that, “it would be absolutely accurate to say that right now my electorate is saying: Look, this tax take of both fuel, tobacco and alcohol. It’s a big tax take. Give us a break.” (PM, ABC Radio, 5/2/01)

Fran Bailey, Member for McEwen, Vic: has not only vowed to see the Prime Minister’s petrol promise is kept (Diamond Valley News, 1/3/00) but told ABC Radio last October that she expected her call for a freeze on the excise to gain increasing backbench support. As late as last Friday, Ms Bailey refused to rule out supporting Labor’s Bill (PM, ABC Radio, 2/2/01).

Peter Lindsay, Member for Herbert, Qld: has called on the Government to freeze the February excise (The Australian, 23/8/00).

Bob Charles, Member for Latrobe, Vic: said petrol pricing was a very sensitive topic in his country electorate (Herald Sun, 23/8/00).

Kay Hull, Member for Riverina, NSW: said she did not support her Government on the issue “at all”, and that rural Australia deserved the money from the excise to be tied directly into new roads, rail and infrastructure (Daily Telegraph, 23/8/00). She also conceded that, “If we’re not going to freeze excise I want the additional rise to go into a trust fund for rural and regional Australia.” (Sydney Morning Herald, 5/2/01)

Bruce Billson, Member for Dunkley, Vic: “I am hoping that the sound economic management of this government might produce further opportunities for further tax cuts, because fuel taxes should be fairly and squarely on the table” (23/8/00).

Alex Somlyay, Member for Fairfax, Qld: supported the need for a parliamentary inquiry, saying it should examine the relationship between world parity pricing and domestic fluctuations, “I have not seen a good explanation for petrol prices going up and down by 8 cents or so a litre overnight”. (Courier Mail, 22/8/00).

Kathy Sullivan, Member for Moncrieff, Qld: said there was a perception the oil companies were profiteering and an inquiry was overdue. “The whole subject needs to be aired.” “I personally do not understand how a price that goes up overseas today means it goes up 10c a litre overnight on the Gold Coast” (The Australian, 17/8/00).

The Speaker of the House, the Hon Neil Andrew, Member for Wakefield, SA: published a booklet in his electorate that stated: “…at current price levels, the reduction in excise has not been enough to offset the effect of the GST…”.

Barry Haase, Member for Kalgoorlie, WA: Admits that fuel prices are a matter of great concern to him, and sympathises with “householders and business operators whose budgets for the coming year have been left in tatters by the incredible swiftness with which prices rose above the $1 per litre mark during the latter stages of this year.” (Hauge Report, 22/11/00).

Some of them have made their views known to the Prime Minister directly, but he’s chosen to ignore them.

He’s cut them, and their constituents, adrift.

Lobar’s bills give them a clear choice – either stand up the Prime Minister and ease the burden on your constituents, or go back to your electorates and say they caved in yet again.

I issue the same challenge to their colleagues in the Senate.

No doubt they have also heard much from their constituents on this matter, particularly Senator McGauran from Benalla, where unleaded petrol is 96.9 cents per litre today, Senator Sandy McDonald from Tamworth, where unleaded petrol is 94.9 cents per litre today, Senator Ian McDonald (Townsville – ULP is 88.4 cents per litre and Rockhampton – ULP is 90.6 cents per litre), and Senator Newman and Senator Watson, from Launceston (ULP is 98.9 cents per litre).

Senators, in the interests of motorists, farmers, businesses, families, communities, volunteers and older Australians, we seek your support for these bills.

Advice from the Clerk Assistant (Procedure) in the Senate in relation to the bill is reproduced as below:

6 February 2001
Senator the Hon. Peter Cook
Suite SG96
Parliament House
CANBERRA ACT 2600
Dear Senator Cook
You have asked for advice on whether there is any difficulty in introducing the proposed Excise Tariff Amendment (Petrol Tax Cut) Bill and Customs Tariff Amendment (Petrol Tax Cut) Bill in the Senate on the grounds that the bills are “money bills”.

The term “money bill” is often used inappropriately to describe any bill that involves the expenditure or raising of money. This can sometimes lead to confusion about the scope of the Senate’s powers in relation to financial legislation. The only limitations on the Senate’s powers in this regard are those set out in section 53 of the Constitution which provides that:

- bills to appropriate money or to impose taxation may not originate in the Senate;
- the Senate may not amend a bill for imposing taxation;
- the Senate may not amend a bill for appropriating money for the ordinary annual services of the government;
- the Senate may not amend a bill so as to increase any proposed charge or burden on the people.

Section 53 also provides that where the Senate is prohibited from amending a bill, it may request the House of Representatives to make amendments.

The proposed bills to reduce petrol excise do not fall within any of the relevant limitations described in section 53. They do not appropriate money and they do not impose taxation. Whereas a bill that increases taxation is regarded in accordance with the precedents of the Senate as a bill imposing taxation and may therefore not originate in the Senate, the proposed bills reduce taxation. They cannot, therefore, be classified as bills imposing taxation. There can be no dispute that the proposed bills are bills which may originate in the Senate.

A full discussion of these issues can be found in Chapter 13 of Odgers’ Australian Senate Practice (9th edn, electronically updated to 30 June 2000), particularly at pages 308-311.

Please let me know if I may be of any further assistance.

Yours sincerely
Rosemary Laing
Clerk Assistant (Procedure)

CUSTOMS TARIFF AMENDMENT (PETROL TAX CUT) BILL 2001

This bill seeks to make an amendment to the Customs Tariff Act 1995, to provide relief from the 1 February 2001 indexation of rates of customs duty applying to petroleum.

This bill mirrors the provisions contained in the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001.

I commend the bill to the Senate.

Debate (on motion by Senator McGuran) adjourned.

COMMITTEES

Scrutiny of Bills Committee
Report

Senator DENMAN (Tasmania) (4.24 p.m.)—On behalf of Senator Cooney, I present the first report of 2001 of the Standing Committee on the Scrutiny of Bills. I also lay on the table a Scrutiny of Bills Alert Digest No. 1 for 2001 dated 7 February 2001.

Ordered that the report be printed.

DOCUMENTS

Auditor-General’s Reports
Report No. 28 of 2000-01


COMMITTEES

Finance and Public Administration Legislation Committee
Membership

The DEPUTY PRESIDENT—The President has received a letter from a party leader seeking a variation to the membership of a committee.

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

DEFENCE LEGISLATION AMENDMENT (ENHANCEMENT OF THE RESERVES AND MODERNISATION) BILL 2000

DEFENCE RESERVE SERVICE (PROTECTION) BILL 2000

First Reading

Bills received from the House of Representatives.

Motion (by Senator Ian Campbell) agreed to:

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

Bills read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (4.27 p.m.)—I table a revised explanatory memorandum relating to the Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000 and move:

That these bills be now read a second time.

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

Leave granted.

The speeches read as follows—

DEFENCE LEGISLATION AMENDMENT (ENHANCEMENT OF THE RESERVES AND MODERNISATION) BILL 2000

The Reserves make a vital contribution to Australia’s defence. Reserves constitute over forty per cent of the Australian Defence Force and one half of the Army’s combat forces. Reserves provide surge capacity and sustainment to the Defence Force. They also provide the nation’s mobilisation and expansion base. They are an essential link between the Defence Force and the Australian community. Reserves supplement the competencies and skills found in the Permanent Forces.

The Reserves have made an important contribution to recent military operations. The Defence Force relies on Reserves for the effective conduct and sustainment of operations. This is highlighted by the significant contributions that Reservists make. In recent times, over 1500 Reservists from all three services volunteered for service in East Timor. 13 officers and 200 other ranks served with the 6RAR Group in East Timor supported by 200 Reservists on full-time service within Australia. Reservists serve in Bougainville, as Rifle Company Butterworth in Malaysia and in support of Navy and Air Force operations. Medical and nursing personnel from the Reserves served in Rwanda and routinely support Defence Force operations overseas. 2,500 Reservists supported the recent Olympic Games.

The legislation introduced today will see important changes to the Defence Act 1903, the Naval Defence Act 1910, the Air Force Act 1923. In 1999, the Government decided to legislate to enable the call out of members of the Reserves in circumstances other than war or defence emergency or for the limited periods currently possible under the present Defence Act in the defence of Australia. The legislation will permit the callout of units or parts of the Reserves in certain circumstances. These historic changes will make the Reserves available to support the Defence Force in all situations where the Defence Force is required. The changes will greatly enhance the contribution made by the Reserves. They will result in a more usable and effective Reserve making an important contribution to the generation, delivery and sustainment of defence capability.

Callout will be effected by the Governor General acting on the advice of the Executive Council or in cases of urgency on the advice of the Minister. During periods of callout, members of the Reserves will act under the command of the Chief of the Defence Force and service chiefs. Callout will cease on publication of a revocation order. The amendments simplify existing callout procedures and provide an efficient and flexible system which will permit the Defence Force to operate in all circumstances as a integrated total force.

The need for callout changes has long been recognised, and was identified in the Government’s Public Discussion Paper - Defence Review (June 2000); by the JCFADT Report into Australia’s Participation in Peacekeeping (December 1994) and the Ready Reserve Review undertaken by Lieutenant General John Coates and Dr Hugh Smith (June 1995). Whilst the Government recognises the importance of the callout changes, the Government does not intend to lightly or frequently call out the Reserves. There are certain circumstances required before the Governor-General may make a call out order. These include war or war like operation,
defence emergency, defence preparation, peacekeeping or peace enforcement, assistance to Commonwealth, State, Territory or foreign Government authorities and agencies in matters involving Australia’s national security or affecting Australian defence interest’s, support to community activities of national or international significance, civil aid, humanitarian assistance, medical or civil emergency or disaster relief. Callout will not be used indiscriminately, but only when it is necessary to draw on the particular capabilities and specialisations found in the Reserves to supplement those of the Permanent Forces. In most situations, callout of Reserves will be confined to the capability ‘bricks’ actually required and then only for the period of necessary preparatory training and overseas service.

Under the present legislation, the services are divided into Permanent, Emergency and Reserve Forces. In the case of Army, the Defence Act substructures emergency and reserve forces into the Regular Army Supplement, the Regular Army Emergency Reserve, the Active Army Reserve and the Inactive Army Reserve, whilst Naval Reserves are structured into Naval Emergency Reserve Forces, the Australian Naval Reserve, the Royal Australian Fleet Reserve and the Emergency List of Officers. Navy and Air Force have never raised emergency forces whilst Army has not raised emergency forces for years. The system of Reserves existing under the present legislation causes significant inefficiencies and a great deal of unnecessary complexity in the administration of Reserves. The existing provisions impede flexible work force planning and detract from the relevance, utility and integration of Reserves within the total force.

The present compartmentalised system of Reserves is to be replaced by a unified reserve component in each service administered under a single system. As a result, each service in the Defence Force will be reconstituted so as to consist of a Permanent or Regular component and a Reserve component. Navy will consist of the Permanent Navy and the Naval Reserve, Army of the Regular Army and the Army Reserve, whilst Air Force will be made up by the Permanent Air Force and the Air Force Reserve. In general, matters of administration will be dealt with in the regulations. Whenever appropriate, the provisions to apply to Reservists will be the same as those that apply to permanent members. Obsolete and unnecessary categories and provisions will be repealed and consequential changes made to other legislation.

The legislation implements recommendations from the Millar Committee of Inquiry (1974), the JCFADT report into the Australian Defence Force Reserves (1991) and the 1994 White Paper that the structure and types of service available within the Reserves be streamlined and standardised. The legislation will authorise through the regulations a modern ‘tiered structure’ for the Reserves in each service to enable a seamless transition across the employment categories in accordance with competency and availability requirements. The new tri-service categories of reserves will be:

- High Readiness Active Reserves;
- High Readiness Specialist Reserves;
- Active Reserves;
- Standby Reserves (formerly called the Inactive reserve); and
- Retired Reserves

Provision will be made for the appropriate service chief or delegate to assign or re-assign members to any category of the Reserves. Defence will undertake the necessary steps over the next twelve months to achieve this major revamping and upgrade of the existing Reserve personnel management system.

The legislation contains a number of other important initiatives. Defence will be empowered to offer flexible packages of defence service to prospective recruits and re-enlistees. As an example, a recruit may engage for a period of full-time service in the Permanent Forces followed by Active or Standby Reserve service. Alternatively, a student may enlist for a period of part-time service as a Reservist whilst undertaking studies or training followed by service as a Permanent or Regular all as part of the one engagement. The new flexible personnel management system will assist recruiting and retention in the Permanent Forces and Reserves, and ensure that the community gains the maximum possible benefit from the professional, highly trained members of the Defence Force.

In keeping with its intent to modernise defence administration, the Government recently directed a study into the introduction of swipe card technology to improve the effectiveness and efficiency of Reserve related administration. The Government has also directed Defence to implement measures which bring about a nationally recognised system of accreditation of Reserve training skills in the civilian workplace. A major public awareness and communications strategy is to be implemented so as to inform and educate the community and employers of these initiatives, to
promote the Reserves and the value of Reserve service. Members of the Reserves have competing civil interests that can impact on their availability for training and operational service. It is essential if members of the Reserves are deployed on operations, either voluntarily or on callout, that there be a mechanism which protects their civilian employment and financial, family, and educational interests. Without such protection, a person might be severely disadvantaged by joining the Reserves. While the nature and precise level of protection will vary depending on whether the member is called-out, is voluntarily rendering a period of full-time service or is completing annual training commitments, a reasonable level of protection should always be available. The Defence Reserve Service (Protection) Bill 2000 will provide a comprehensive suite of protection initiatives. After the passage of this legislation, the Reserve of the future will be very different from the Reserve that we have known in the past. It will be an important contributor to defence capability. It will be a relevant and credible component of Australia’s total defence force. This Bill effects very important enhancements to the Australian Defence Force and particularly to its Reserves and I commend the Bill to the Senate.

DEFENCE RESERVE SERVICE (PROTECTION) BILL 2000

The Reserves make a vital contribution to Australia’s defence. Reserves constitute over forty per cent of the Australian Defence Force and one half of the Army’s combat forces. Reserves provide surge capacity and sustainment to the Defence Force. They also provide the nation’s mobilisation and expansion base. They are an essential link between the Defence Force and the Australian community. Reserves supplement the competencies and skills found in the Permanent Forces. The Reserves have made an important contribution to recent military operations. The Defence Force relies on Reserves for the effective conduct and sustainment of operations. This is highlighted by the significant contributions that Reservists make. In recent times, over 1500 Reservists from all three services volunteered for service in East Timor. 13 officers and 200 other ranks served with the 6RAR Group in East Timor supported by 200 Reservists on full-time service within Australia. Reservists serve in Bougainville, as Rifle Company Butterworth in Malaysia and in support of Navy and Air Force operations. Medical and nursing personnel from the Reserves served in Rwanda and routinely support Defence Force operations overseas. 2,500 Reservists supported the recent Olympic Games. The legislation introduced today will see important changes by the provision of a brand new Act to replace and repeal the current Defence Re-establishment) Act 1965. The Protection bill will protect employed Reservists, student Reservists, self-employed Reservists and employers of Reservists.

Members of the Reserves have competing civil interests that can impact on their availability for training and operational service. It is essential if members of the Reserves are deployed on operations, either voluntarily of on callout, that there be a mechanism which protects their civilian employment and financial, family, and educational interests. Without such protection, a person might be severely disadvantaged by joining the Reserves. While the nature and precise level of protection will vary depending on whether the member is called-out, is voluntarily rendering a period of full-time service or is completing annual training commitments, a reasonable level of protection should always be available. At present, members of the Reserves who are called-out for continuous full-time service, or who are rendering periods of obligatory service have a measure of employment protection provided by the Re-establishment Act. The Re-establishment Act was enacted in 1965 for the protection of national servicemen. It also applies, in limited circumstances to members of the Reserves who undertake continuous full-time service or part-time service. The Re-establishment Act makes it an offence for employers to hinder or prevent an employee from volunteering for service in, or serving in, the Reserves, or to prejudice an employee in his employment (eg by reducing salary or wages or dismissing him) because of his or her Reserve service. This applies both to obligatory service and to service the member is bound to render following the acceptance of a voluntary undertaking to render continuous full-time service. A Victorian Act, the Defence Reserves Re-employment Act 1995 (Vic) is an example of a State Act intended to address some of the deficiencies in existing protection legislation. It gives job reinstatement to members of the Reserves within that State who volunteer for full-
time service in circumstances of warlike, peacekeeping or humanitarian operations. No similar protection is available to Reservists in other States or Territories who volunteer for full-time service. The need for State legislation highlights the inadequacy of current defence legislation as it applies to the voluntary rendering of full-time service by Reservists and to the resulting need for legislative reform to enhance the civil protections available to Reservists.

For members who render defence service, the Re-establishment Act protects annual leave and provides for the continuity of contracts of employment. It provides for the resumption or reinstatement in employment of Reservists who complete defence service and makes it an offence for an employer not to accept a returned employee.

The Re-establishment Act is very outmoded and requires review. It provides no protection at all for self-employed members of the Reserves or for student members. The new legislation will significantly enhance the job and education protection available to a Reservist. It will lead to much higher numbers of Reservists, particularly those with professional expertise, critical trade skills or financial liabilities, being called out to undertake a tour of duty on full-time service in support of warlike, peacekeeping or humanitarian operations.

The new legislation will provide a modern streamlined code of employment and education protection for Reservists. Without such protection, Reservists and their families might be very severely disadvantaged by Reserve service. The new legislation will ensure that both Reservists and their employers are fairly dealt with whilst Reservists are deployed and upon their return to civil life.

Employment protection will be given to Reservists undertaking annual training. Where Reservists are needed to volunteer for continuous full-time service such as East Timor or Bougainville, or undertake training on a continuous full-time basis, service chiefs will be authorised to request members to undertake that service on a protected basis. Education protection will be available to students who volunteer for continuous full-time service on the same basis. This will ensure that the jobs of employee Reservists who give voluntary continuous full-time service are protected, whilst student Reservists attending an educational institution can recommence their studies where they left off.

Without appropriate protection, Reservists, their families and dependants might be severely disadvantaged by the loss of civil employment income following callout. The Re-establishment Act does provide for the rescheduling of mortgage, loan and hire-purchase payments and interest, the postponement of execution, distress, and bankruptcy procedures, the restriction of partnership dissolutions and on completion of full-time service provides an entitlement for re-establishment loans. However, these protections only apply to persons who rendered national service under the former national service scheme, and not to Reservists after call-out. Under the new legislation, these protections are to be made available to Reservists after callout.

In future, Reservists who are called out will be able to postpone financial liabilities until after the protection period. This will extend for a period of equal length to the member’s callout service or one year whichever is the less. The postponement will extend to protect dependants of the member. Protection will be afforded against bankruptcy.

The legislation will safeguard the interests of lenders and financiers. Interest will continue to accrue during the postponement period at the lower rate of interest set out in the mortgage or loan documents, or prescribed by the regulations. Despite the postponement, it will remain in the interests of Reservists undertaking callout service to continue to meet existing financial commitments to the maximum extent possible in order to reduce or minimise their financial commitments. However, financial liability protection will be given to them during callout and for a similar time afterwards.

After completing callout service, Reservists will be eligible for re-establishment loans to assist them to re-establish businesses or return to civilian life. Their loans will be on normal terms and conditions but may be provided or guaranteed by prescribed authorities as was done for national servicemen under the Re-establishment Act. The need for a code of protection for Reservists was identified by the Government in the Public Discussion Paper - Defence Review 2000, in the Defence White Paper (1994), the JCFADT Report into Peacekeeping (December 1994) and in the Standish Report (1988).

The Government fully acknowledges the vital contribution made by employers of Reservists. In Australia’s increasingly competitive economic climate, many employers who have been traditional supporters of the Reserves find it difficult or inconvenient to release Reservists to undergo defence training or serve overseas. In recognition of this, the legislation will authorise the Minister
for Defence to make determinations for the payment of compensation, incentives or benefits to employers, business and professional partners arising from a member’s absence on defence service.

The Government has directed Defence to introduce a CPI indexed employer support payment from the third and subsequent weeks of defence service in the amount of the average weekly full-time adult earnings - currently $784.90 per week. The payment is to assist employers and self-employed Reservists to offset the costs and consequences of releasing members for defence service and will be operative from the commencement of the legislation. Provision will also be made by Ministerial determination for the payment of higher amounts where justified on an individual case basis.

The legislation will protect employers in other important ways. In addition to the employer support payment, employers will have no legal obligation resulting from the Protection Act to pay remuneration, or meet oncosts such as workers compensation or superannuation contribution payments whilst the member is away on defence service. Under existing defence arrangements, Reservists rendering callout service or voluntary continuous full-time service are covered for compensation in the event of disability, and benefit from superannuation contributions. Employers will have access to the Defence Ombudsman, and have recently been given enhanced representation on the Defence Reserves Support Council.

As with the Re-establishment Act, various forms of unacceptable conduct towards Reservists will be prohibited under the Protection Act. It will be an offence to dismiss or discriminate or refuse to employ a Reservist because that person is liable to, has or may render defence service. Employers must not prevent or hinder persons in their employment from volunteering for or rendering defence service. The provisions of the Protection Act may be enforced by civil proceedings in the courts, whether by award of damages in the event of contravention, or injunction as appropriate. The provisions will not affect existing jurisdiction where previously vested in courts or tribunals.

Whilst the Protection Bill provides for enforcement in appropriate cases, it is expected that mediation and conciliation with employers will in the vast majority of cases resolve any problems to mutual satisfaction. In addition to an interested person, provision is made for a Defence agency, acting as a prescribed person, to take action in any specific matter. The Government intends that employers be supported during the absence of Reservists on defence training with enforcement a last resort only after the failure of consultation and negotiation. Employers will have access to the Ombudsman and representation on the Defence Reserves Support Council.

After the passage of this legislation, the Reserve of the future will be very different from the Reserve that we have known in the past. It will be an important contributor to defence capability. It will be a relevant and credible component of Australia’s total defence force.

This Bill effects very important enhancements to the Australian Defence Force and particularly to its Reserves and I commend the Bill to the Senate.

Debate (on motion by Senator Denman) adjourned.

COMMITTEES

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

Membership

Message received from the House of Representatives notifying the Senate of the appointment of Mr McMullan to the Parliamentary Joint Committee on Native Title and the Aboriginal and Torres Strait Islander Land Fund Committee in place of Mr Melham.

SYDNEY HARBOUR FEDERATION TRUST BILL 2000 [2001]

Consideration of House of Representatives Message

Consideration resumed.

The CHAIRMAN—The committee is considering the House of Representatives message 612 in relation to the Sydney Harbour Federation Trust Bill 2000 and opposition amendments Nos 11 to 13 moved by Senator Bolkus to Senator Hill’s motion that the House amendment No. 7, as amended, be agreed to. The question is that the amendments moved by Senator Bolkus be agreed to.

Senator BARTLETT (Queensland) (4.28 p.m.)—I apologise to the committee for missing the last 30 seconds of this debate before lunchtime. We might have had a chance to get a vote on these. Amendment No. 11 provides that the trust, by public no-
practice, inform the public about any application they may make and the reasons for that application if they are wanting to extend the time on a plan. I think that is a minor extra administrative requirement that would assist if the trust are feeling that they need to have longer than two years to prepare a particular draft plan and apply to the minister to extend that time. I do not see, on the surface anyway, any reason why it should be problematic for that to be required to be publicly notified to the community, along with some reasons.

In relation to amendments Nos 12 and 13, with No. 12 on developing a timetable, I would be surprised if any plan did not contain some form of timetable for implementation in relation to the transfer of the site to New South Wales. We have had that debate in relation to a few other amendments and they have not been ones that the Democrats have felt we should support this time around. On the disallowable plan, particularly if the government accepts leases greater than 10 years being disallowable, it is my expectation that an ability for the Senate to disallow every plan that is put forward would not be acceptable to the government, although the government can say whether that is the case or not. In that circumstance, we would not want to jeopardise the whole legislation and all the protection that it provides for that extra safeguard, beneficial though it may be.

I also mention that in the reasonably extensive consultations that I have conducted over a fair while with community groups on this bill, and in recent weeks as well, there were a few key issues they put forward that they were keen to have pursued. One, relating to leases greater than 10 years, the Senate has agreed to, which I am pleased about. I hope the government will accept that. This was not one that was particularly put forward as crucial to the future operations of the trust. In summary, subject to any comment the minister may make about amendment (11), I would be attracted to supporting that one and I ask that it be put separately.

Senator HILL (South Australia—Minister for the Environment and Heritage) (4.31 p.m.)—I had said, in the 40 seconds Senator Bartlett was out of the chamber before lunch, that I opposed all three. I have to concede that the one that causes me least concern of the three is (11). My objection there is simply that it is cumbersome. The trust is already subject to a very detailed regime in relation to the development of these plans under this particular provision; it is just another step, if necessary, which includes further public advertising and the like. It has been a view of the government that the line ought to be drawn somewhere and that the package that has come back from the House of Representatives with the government’s amendments has been sufficient. But, again, I do not think it is the end of the world, and I hear what Senator Bartlett has said. The second one, (12), does relate to the whole issue of New South Wales, which we oppose and which has been dealt with under other clauses. We certainly strongly oppose that the plans become disallowable instruments as well, which is (13).

Senator BOLKUS (South Australia) (4.32 p.m.)—Mr Temporary Chairman, could you put the amendments separately rather than, as we agreed earlier, conjointly? It might facilitate proceedings.

The TEMPORARY CHAIRMAN (Senator Watson)—The question is that opposition amendment No. 11, moved by Senator Bolkus, be agreed to.

Question resolved in the affirmative.

The TEMPORARY CHAIRMAN—The question is that opposition amendment No. 12, moved by Senator Bolkus, be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—The question is that opposition amendment No. 13, moved by Senator Bolkus, be agreed to.

Question resolved in the negative.

The TEMPORARY CHAIRMAN—The question is that amendment No. 7 made by the House of Representatives, as amended, be agreed to.

Motion (by Senator Hill) agreed to:

Senator BOLKUS (South Australia) (4.32 p.m.)—Mr Temporary Chairman, could you put the amendments separately rather than, as we agreed earlier, conjointly? It might facilitate proceedings.
That the committee agrees to amendments nos 2, 11 and 12 made by the House of Representatives to the bill.

Resolution reported; report adopted.

COMMITTEES
Finance and Public Administration
References Committee

Membership
The ACTING DEPUTY PRESIDENT (Senator Watson)—I have received a letter from a party leader seeking a variation to the membership of a committee.

Motion (by Senator Hill)—by leave—agreed to:
That Senator Eggleston replace Senator Watson on the Finance and Public Administration References Committee for the committee’s inquiry into the government’s information technology outsourcing initiative.

TAXATION LAWS AMENDMENT
(SUPERANNUATION CONTRIBUTIONS) BILL 2000
Second Reading
Debate resumed from 5 October 2000, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator CONROY (Victoria) (4.37 p.m.)—The Taxation Laws Amendment (Superannuation Contributions) Bill 2000 represents belated action on the part of the government to close down one of the most massive tax avoidance schemes since the bottom-of-the-harbour scheme: the multibillion dollar abuse of employee benefit arrangements, known as Costello’s bottom-of-the-harbour scheme. The main purpose of the bill is to close down prospectively—and I stress it is prospectively—only two of the three forms of EBA abuse, with effect from 1 July 2000. The two forms of EBA abuse which this bill tackles are controlling interest superannuation and noncomplying superannuation funds. It is noteworthy that the government has taken no action to stem the abuse of employee benefit trusts as part of its belated EBA crackdown. This government is more about letting its mates out of paying tax.

We know from evidence provided by the ATO that a minimum of $1.5 billion of superannuation contributions have been put into EBAs. However, the Senate inquiry into this bill was told that one promoter alone channelled $2 billion through noncomplying superannuation schemes. This puts the ATO’s estimate at the lower end of the scale, and we believe that many more billions of dollars have been channelled into EBA schemes in order to avoid tax.

The bill itself essentially has three main parts. The first part of the bill clarifies the purposes for which an employer can gain a tax deduction for superannuation contributions for an employee. From 1 July 2000, an employer will be prevented from making a deduction for an employee where the employee is an associate of the employer. The second part of the bill seeks to stop contributions to noncomplying superannuation funds being deductible for tax purposes. The third part of the bill will impose fringe benefits tax on superannuation contributions where those contributions are made for the benefit of an associate of the employer. Labor support this belated and reluctant government crackdown on the abuse of some EBAs. However, we will be moving an amendment to ensure that the bill achieves the objective of closing down the abused employee benefit arrangements first flagged by the ATO. I will discuss that amendment later.

The Taxation Laws Amendment (Superannuation Contributions) Bill 2000 was referred to the Senate Select Committee on Superannuation and Financial Services for examination. The committee held public hearings on 27, 29 and 30 November in Canberra and reported back to the Senate on Monday, 4 December. Unfortunately, due to the government’s insistence and its fear that its complicity in allowing these schemes to flourish would be exposed, the examination of the bill was as brief as possible. This meant in particular that the Senate committee was unable to question the promoters of these schemes—something which no doubt would have shed some light on the government’s nod and a wink approval of these tax abuse schemes through secret meetings with the government, such as those held in 1996
between RPC Pty Ltd and the then Assistant Treasurer, Senator Short.

In addition, Labor senators were concerned that the ATO consistently did not make available the witnesses specifically requested by Labor in order to properly ascertain the ATO’s, and therefore the government’s, approach to the abuse of EBAs. This meant that many of the Labor senators’ questions were not able to be answered by officials from the Australian Taxation Office. In effect, they sought, no doubt under government direction, to stonewall Labor’s questions. I know that my colleague Senator Sherry, who will contribute to this debate, was many times forced to try to take on a stonewall as tax office and government officials sought to avoid scrutiny and sought to avoid answering questions on this sensitive area. They used a variety of means—I will come to some of the best furphies that they performed later—and it was very difficult to get to the truth of the need for this bill.

In spite of this, Labor will continue to pursue this issue with vigour. The purpose of this bill is to close only prospectively some loopholes in the taxation of employee benefit arrangements. Under employee benefit arrangement schemes, high income earners in particular avoided paying the superannuation surcharge tax, FBT and the additional Medicare levy where applicable. This is akin to the big welfare crackdown when the government started hunting out welfare recipients and throwing them off the pension when at the same time it has sat back and allowed rich, high wealth Australians to access welfare benefits, in some cases, as well as to avoid paying straightforward things like the Medicare levy. This is one of the most shameful episodes in taxation history. There are a lot of them, so that is a pretty big call.

In some circumstances, offshore funds were used for no other reason than to launder superannuation contributions, which eventually returned to Australia via round robin transactions in what amounted to a total tax wipe-out—to coin an ATO phrase. Evidence from the ATO confirmed that these illegitimate schemes grew in popularity from 1997 onwards. Isn’t this date telling? Just one year after the election of the Howard government, the most massive tax avoidance scam since the bottom-of-the-harbour schemes of the late 1970s began to flourish—the abuse of EBAs.

Just as Mr Howard as Treasurer did nothing to stem the abuse of bottom-of-the-harbour schemes in the late seventies, he as Prime Minister is now presiding over Costello’s bottom-of-the-harbour schemes of the nineties and into 2000. We finally saw some action being taken with regard to these abusive schemes when, on 28 October 1998, the ATO produced a draft public ruling which sought to clamp down on the abuse of employee benefit arrangements. However, the EBA schemes continued to be promoted after this date. Evidence was presented to the Senate Select Committee on Superannuation and Financial Services—one that Acting Deputy President Watson is very familiar with—that schemes continued to be effective after 28 October 1998 and until 30 June 2000. Mr Trevor Thomas, Assistant Commissioner of the ATO, told the Senate inquiry:

Looking at the marketing of offshore superannuation arrangements, when the government announced these changes, it indicated that it is amending the law because of the continued marketing of these arrangements by some promoters despite clear public advice from the ATO that they fail both at law and in their implementation...

In our view, these offshore superannuation arrangements are a blatant abuse of tax laws and an attack on the integrity of the tax system and the retirement income system.

It is obvious that EBA schemes are not available to the vast majority of taxpayers on low or middle incomes. They are available only to relatively few very high income earners. Indeed, the ATO revealed that the number of participants they have discovered so far was relatively small. There were 2,400 participants in controlling interest superannuation schemes and 220 participants in offshore noncomplying funds. We are talking about a mere 2,500 Australian taxpayers and we are talking figures of between $1.5 billion and $2 billion, to give you some indication of the
type of individual who has been rorting the tax system and not paying their fair share.

That is what this bill is about and that is what this debate is about: making Australians who are seeking to avoid their obligations pay their fair share. Despite the small number of participants, the ATO has estimated—and the Labor opposition believes this to be at the lower end of the scale—that around $1.5 billion has been claimed in deductions and that up to $600 million may have been forgone in taxation revenue. Most ordinary Australians could not fathom the extent of this rort—$600 million for fewer than 2,500 Australians ripping the system off while the government was persecuting welfare recipients in the last five years. The ATO has also admitted to the inquiry that the figure of $1.5 billion represents an estimate and that this figure was produced in April 1999 and has not been updated since. This is as red hot as it gets.

Senator Sherry—They haven’t finished counting yet.

Senator CONROY—It is so big they cannot count it all. That is right, Senator Sherry: they have not finished counting it. But what is going on with the tax office? They were able to produce a figure in 1999, but when we later sat down with them on three separate occasions they were unable to give us an updated figure. They have the biggest tax avoidance scheme going on in 20 years and they are not even able to make a guess at the true figure in the year 2000, going into 2001.

It beggars belief that the tax office continue to refuse to supply the committee and the parliament with this information. Why hasn’t it been updated since, one may ask. Doesn’t the government want to know how much revenue has been lost under Costello’s bottom-of-the-harbour scheme? Obviously not, because it would be too embarrassing for the true extent of the abuse under the government’s nod and wink approval of these schemes to be exposed—just too embarrassing. Of equal concern is the disturbing revelation from Second Commissioner Mike D’Ascenzo that the ATO still has not raised any assessments for around half of the revenue from participants in employee benefit arrangements identified so far by the ATO. When asked why, Second Commissioner D’Ascenzo replied:

Internally, we are trying to shift more resources in what is a very labour intensive exercise of trying to gather the facts and raise assessments. This is the biggest tax scam since the bottom-of-the-harbour schemes of the seventies and only now are the ATO directing resources to the problem. Labor does not blame the ATO. This is the responsibility of the government. We know that, when it is a choice between stamping out tax abuse and protecting Liberal mates who profit from such schemes, Liberal mates will win each and every time at the expense of every other honest taxpayer.

How much money has been spent trying to convince ordinary Australians that that mongrel of a tax system designed by the Democrats and the government is worth while? It is failing, as we all know. Ordinary Australians are waking up to that. How many billions of dollars have been wasted on this change to try and make Australians pay extra tax on clothes, food and all those other things that have now been hit? The Democrats will say, ‘We got a couple of exemptions,’ but they did it to us. How much money has been wasted in this situation? How many high roller exemptions have we got? Here is another form of a high roller exemption. Senator Allison knows that, when it comes to high roller exemptions, it might be a new year but we do not forget.

Senator Allison interjecting—

Senator CONROY—that is right, Senator Allison. We are prepared to stand up and put a tax on high rollers at casinos. You were not, so don’t come out with hypocrisy about Kerry Packer making a donation. We wanted to take $10 million from him, his family and the rest of the casino operators in this country. That is the amendment you knocked back. Don’t try to talk about influence. Who phoned your office? Who leaned on the Democrats? We know Packer was on the phone to you.
Senator Allison—What?

Senator McGauran—Good try.

Senator CONROY—Absolutely. Don’t sit there and ask: what? Why don’t you ask the rest of your colleagues who Jamie Packer phoned? Then you will find out. You went belly up under a bit of pressure from the Packer family. Don’t talk to us about a $100,000 donation in Victoria; we wanted to tax them $10 million, and that is where you let us down. And don’t you start, Senator McGauran. You voted against it as well.

The ultimate responsibility to ensure that there are adequate resources to clamp down on tax avoidance schemes rests with this government, and this government has been willingly and wantonly neglecting its duty to close down Costello’s bottom-of-the-harbour scheme. Labor believes that the final figure on contributions to these employee benefit schemes is considerably higher than the ATO estimates. While there is no doubt the ATO does know what the true figure is, the government will ensure that this figure is never made public.

Despite this, there are estimates of the scale of the problem, such as that provided by Mr Michael Laurence in his Business Review Weekly article of 2 June last year. He suggested that $2 billion has been pumped into New Zealand superannuation, $500 million has been pumped into controlling shareholder superannuation and a further $500 million has gone into employee benefit trusts. Trusts is the magic word. Taxing trusts is like a wooden stake to a vampire. You have seen the National Party. You have seen the backbenchers out there trying to shaft their own deal, which they did with the Labor Party, to try to improve the taxation system, but taxing trusts is like a stake to a vampire to a National Party member and other members of this government. The $2 billion figure for New Zealand superannuation was also the figure used by tax expert Mr Hank Wamstecker on an investigation by Channel 9’s Sunday program into the abuse of the EBAs. If these figures are correct, it is obvious that the total amount of superannuation contributions claimed as deductions through these schemes is around $3 billion. Given that it has been claimed that one promoter alone had channelled $2 billion through noncomplying superannuation schemes, the mind boggles at what the actual figure may be. Up to $5 billion is not inconceivable.

Labor is concerned that, with potentially $5 billion in contributions at stake and with acknowledgments that the employee benefit arrangement schemes were operating after 28 October 1998, the bill only proposes to change the law prospectively from 1 July 2000. Labor is therefore proposing to amend the bill so that it operates retrospectively to ensure the collection of the massive amount of tax that would otherwise have been paid if it were not for this government’s wilful neglect in order to protect its mates. It is proposed that retrospectivity apply from 28 October 1998, the date that the ATO first released a draft public ruling which sought to clamp down on the abuse of employee benefit arrangements. This draft ruling was a clear statement by the ATO that this was how they believed the law applied to EBAs, bearing in mind that the ultimate arbiter of the application of the laws is the courts. The extent, though, and the degree of government complicity in the promotion of these schemes provide solid grounds for justifying retrospective application of this legislation which will go part of the way to closing down Costello’s bottom-of-the-harbour scheme.

The government and the ATO have consistently claimed that these schemes were always contrary to the law as it stands. It is just that they took no action to enforce their view. Given this, and if this claim is correct, there can be no harm from retrospective legislation. It is merely clarifying the position that both the ATO and the government have already claimed is the case. If the government opposes retrospectivity, then it is effectively saying that every EBA rort from the day it was elected until 30 June 2000 has had government approval. In other words, it is saying to its mates, ‘You’ve had your good four years of plundering the tax system, but unfortunately we have to be seen to be doing
Let me turn to the Australian Taxation Office system of private binding rulings. The Australian Taxation Office has around 1,750 officers who are able to give private binding rulings, yet it would appear that in the past there have been conflicting rulings and there has been no workable tracking system for these rulings. This has not only put the revenue base at risk but also resulted in taxpayers being treated inconsistently. Evidence to the Senate committee was that private binding rulings on employee benefit arrangement schemes were provided to taxpayers and promoters in which the ATO conceded the legality of these arrangements, yet simultaneously the ATO claimed in public evidence that it believed these arrangements were always contrary to the law. Talk about confusion. The ATO’s left hand did not know what its right hand was doing. Mr Kevin Fitzpatrick from the tax office advised the Senate committee:

... we have certainly issued what we believe to be some incorrect advices, particularly over 1998 and 1999, in relation to controlling industry regulation arrangements.

He continued his comments stating that these advice were ‘in our view contrary to the existing law’. They may have been contrary to the law, but it did not stop the tax office continuing to issue numerous favourable PBRs and advance opinions. Then we have in the ATO’s own annual report the claim that these EBA schemes were ‘not effective under the existing law’. It is just a damn shame that the ATO have not taken one promoter or taxpayer to court to test this view. Why would they, when they were handing out favourable PBRs approving these schemes hand over fist? As stated previously, in October 1998 the tax office issued draft taxation ruling TR98/D12 which indicated their intention to apply fringe benefits tax to some forms of EBAs. These were said to include controlling interest superannuation schemes, offshore superannuation schemes, employee benefit trusts and employee benefit share plans. I move the following second reading amendment on behalf of the opposition:

At the end of the motion, add:

“but the Senate condemns the Treasurer for not fulfilling his duty to clamp down on tax avoidance through the abuse of employee benefit arrangements and other tax avoidance schemes”.

(Time expired)

Senator ALLISON (Victoria) (4.58 p.m.)—The Taxation Laws Amendment (Superannuation Contributions) Bill 2000 is an anti-avoidance bill which has three key objectives. First, the bill clarifies the definition of eligible employee. This amendment puts beyond doubt the issues that an employing taxpayer and an eligible employee cannot be the same person and that no tax deduction would be possible. Second, the bill amends the tax act to deny deductions for employer superannuation contributions knowingly made to noncomplying superannuation funds. This particularly affects offshore funds. Third, the bill amends the Fringe Benefits Tax Assessment Act to ensure that the exclusion of payments to superannuation funds from the term ‘fringe benefits’ would apply only to payments made for the employee, not associates of the employee.

The first point clarifies the existing common law. The ATO is confident that it can defeat schemes in court, although the ALP says its record is puny with just $100 million in tax recovered from these schemes. The second point also clarifies the law and reinforces a ruling that the ATO made in 1999, but it goes further by absolutely prohibiting such payments. Some offshore funds had received private rulings supporting them because the ATO ruled that the payments were for retirement purposes, and this law will overturn those rulings. The third point is new policy to deal with schemes being marketed in the public and nonprofit sector. The bill is an attempt to address aggressive marketing of employee benefit arrangements. Tax commissioner Michael Carmody reported in November last year:

Variations of employee benefit arrangements continue to be developed and promoted despite
the fact that we made it abundantly clear that we would tackle this sort of activity, including by using the general anti-avoidance provisions.

The tax office has advised the Democrats that they are confident that they could win any court challenge to defend any of these aggressively marketed employee benefit schemes, but this bill would make it clear for the future that such schemes simply cannot work.

Labor senators have argued that this bill is effectively needed to cover up the mess the ATO has made of giving private rulings to declare these schemes to be legal. They have moved to make the first leg of the bill, the change to the definition of ‘eligible employee’, retrospective to October 1998 when the ATO issued a draft ruling on this topic. This, they say, would give the ATO legal protection in any court cases that arise out of aggressive marketing over the past two years. The government and the ATO are saying that this protection is unnecessary and that the amendment might hurt some funds which legally and validly utilise the existing law. The Democrats have always been very loath to support retrospective legislation. Such legislation may be supportable to combat clear tax avoidance where the law is unclear; however, we believe that retrospectivity should be supported only back to a clear statement of principle of what the law is intended to be.

In October 1998 the ATO released a draft ruling on the definition of ‘eligible employee’ and other matters. However, the draft ruling did not necessarily deal directly with the issue dealt with in this bill, dealing primarily with the associate provisions of FBT law. A final ruling was issued on 19 May 1999. The tax commissioner also took the opportunity on that date to put out a detailed statement making it clear that the tax office, following a review of aggressively marketed employee benefit arrangements, had concluded that they were a clear attempt to frustrate the law, and would be defeated. Tax commissioner Michael Carmody said in that statement:

A Tax Office review of aggressively marketed employee benefit arrangements has found that many of these schemes are contrived arrangements that intend to frustrate the clear policy intent of the law. In our view these arrangements fail both at law and in their implementation.

.........

Far from securing the claimed benefits, it is the Tax Office’s view that in their contrivance participants are exposing themselves to possible multiple taxing points and penalties.

That statement, in our view, provides a clear statement by the tax office of what its intentions were in terms of this area of law. It is a reasonable point at which this law should take effect. To take it back to a draft ruling on a related topic is simply, in our view, too uncertain. For that reason, when we come to the committee stage I will be moving to make the clarifying of the term ‘eligible employee’ retrospective to 19 May 1999 rather than 30 June 2000. That will make it clear that, from the date the tax office announced the results of the review of these schemes and stated its clear view of the law, the law should stand. It will provide the element of legal protection that is appropriate, whilst also ensuring that retrospective legislation is used only to defend a clearly stated anti-avoidance stance.

The Democrats will not be supporting Labor’s amendment making the law retrospective to 19 October 1998, as I have said. We are concerned about the abuse of employee benefit arrangements by aggressive tax planning marketeers. Such schemes and the need to address them brings the tax concessions for superannuation into disrepute. The Democrats will continue to support tax office efforts to stamp out tax evasion using contrived superannuation arrangements, whilst also defending legitimate use of tax concessions for retirement savings purposes.

Senator SHERRY (Tasmania) (5.04 p.m.)—We are dealing with the Taxation Laws Amendment (Superannuation Contributions) Bill 2000. On 30 June 2000 the Assistant Treasurer, Senator Kemp, announced legislation relating to superannuation and fringe benefits tax. This was designed to stop tax planners exploiting existing tax structures to maximise their clients’ tax deductions through aggressively marketed employee benefit schemes.
benefit arrangements. When announcing the amendments contained in the bill, the Assistant Treasurer, Senator Kemp, explained the reasons for the government’s actions:

This move is necessary following Tax Office advice that these arrangements are still being actively promoted. The arrangements have continued despite the Taxation Commissioner’s clear advice that the schemes are ineffective under existing law.

We might well ask: why is the Senate dealing with changes to the law with respect to this area when the tax office says that they are, in fact, illegal? But more of that a little later.

As outlined in the explanatory memorandum to the bill and in the second reading speech, the intention of the bill is to achieve three main objectives: firstly, to defeat the abuse of controlling interest superannuation schemes by clarifying the definition of ‘eligible employee’; secondly, to defeat the abuse of offshore superannuation schemes by removing deductions for employer contributions knowingly made to non-complying superannuation funds, including non-resident superannuation funds; and, thirdly, to ensure that only superannuation contributions made on behalf of an employee, not an associate of an employee, are excluded from fringe benefits tax. In his speech, my colleague Senator Conroy pointed out in his usual incisive and enthusiastic manner that we are in fact dealing with legislation that represents a crackdown on one of the most significant tax avoidance schemes in the last decade. We are dealing here with a possible revenue size of $1½ billion up. As Senator Conroy said, the tax office has not finished counting.

In terms of clarifying the definition of ‘eligible employee’, schedule 1 of the bill amends section 82AAA of the Income Tax Assessment Act to clarify the definition. Under the current legislation, ‘eligible employee’ includes an individual who is an employee of a company in which a taxpayer, including an individual tax holder, holds a controlling interest. Currently, a taxpayer who holds a controlling interest in a company can claim a deduction for a contribution to a superannuation fund for an employee of the company, subject to certain limits which are varied over time. The intention of the amendment is to put beyond doubt that a taxpayer and an eligible employee cannot be the same person. Clearly, it would be absurd if this were allowable.

The second area, ‘Contributions to non-complying superannuation funds’ in schedule 1 of the bill, amends the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 to deny deductions for employer superannuation contributions knowingly made to non-complying superannuation funds. This includes funds that do not meet the government’s criteria for concessional taxation treatment and nonresident superannuation funds. The Labor opposition has bipartisan agreement that this is an absolute abuse of non-complying superannuation funds. To qualify as a complying superannuation fund, current legislation directs that the central management and control of the fund must be in Australia. The fund must also have at least one active member, and resident active members must hold 50 per cent of its accumulated entitlements.

Under the current law, contributions to noncomplying superannuation funds—both resident and nonresident—are deductible to employers and subject to FBT. The intention of this law is to ensure that these funds are not attractive in comparison to complying funds, which is the government and Labor opposition’s preferred vehicle for retirement savings. Evidence suggests that some of the noncomplying funds domiciled overseas escape a number of tax obligations, including the contributions tax on superannuation and the so-called superannuation surcharge tax. When these funds are returned to Australia, the contributors pay no income tax. In other words, these noncomplying offshore superannuation funds are being used as a massive area for laundering money to avoid paying any tax whatsoever. This is clearly not the intention of either the government or the Labor opposition in respect to its retirement incomes policy and its retirement incomes framework.

It is very clear from the evidence presented to the committee that those taking
advantage of these schemes are, overwhelmingly, higher income earners. The average lower to middle income earning Australian is not involved in the schemes. Legally, it is very difficult for them to even participate. To date, however, some tax planners have been marketing schemes as a complete tax wipe-out, using existing tax planning structures to maximise deductions while claiming that the FBT does not apply. This is a truly appalling situation. The amendment aims to ensure that superannuation contributions could be deductible only if made to a complying superannuation fund from 30 June 2000. This is because noncomplying funds have been judged as not having been used for retirement income purposes and not subject to prudential regulation.

In regard to the fringe benefit exemption for employee section, part 3 of schedule 1 of the bill amends the Fringe Benefits Tax Assessment Act 1986 to ensure that the exclusion of payments to superannuation funds and retirement savings accounts from the term ‘fringe benefits’ would apply only to payments made for the employee, not for associates of the employee. Clearly, it would be utterly absurd for associates of the employee to attract an exemption in this fringe benefit area when, in fact, the payments are being made on behalf of the employee. The government has claimed that business should slightly benefit from these measures by some reduction in ongoing compliance costs by virtue of greater simplicity and clarity. The Labor opposition is very sceptical of this claim. Everything the government has done with respect to superannuation—measure after measure—has made the tax system and the tax issues relating to superannuation more complex, not simpler.

As I mentioned earlier, this bill was introduced in an attempt to address aggressive marketing of employee benefit arrangements. On 20 June 2000, when announcing the amendments contained in the bill, the Assistant Treasurer explained the reasons for the government’s actions in relation to the aggressively marketed employee benefit arrangements. This statement from Senator Kemp made it very clear that tax office advice was that these arrangements were being promoted. They are still being actively promoted; the arrangements have continued, despite the taxation commissioner’s clear advice that the schemes are ineffective under existing law. In other words, the tax office and Senator Kemp claim that the schemes we are cracking down on in respect to this legislation are, in fact, illegal. It begs the question: why are we dealing with legislation to change the law when in fact the schemes are illegal anyway according to the tax office and Senator Kemp?

On 15 November 2000 in his speech to the Taxation Institute of Australia in Melbourne, the Commissioner of Taxation, Mr Michael Carmody, stated:

- variations of employee benefit arrangements continued to be developed and promoted, despite the fact we made it abundantly clear that we would tackle this sort of activity, including by using the general anti-avoidance provisions.

In May 1999 the first public ruling was issued. This appears to be consistent with the ATO’s position as stated in its October 1998 draft ruling. In addition, the May 1999 ruling covers mass marketing of aggressive tax planning schemes. It also provides for exemptions for taxpayers who have received a private ruling. The draft ruling and the final ruling are somewhat different. They are available for senators to peruse in the Senate committee’s report on this legislation.

In the statement that I referred to earlier, Commissioner Carmody asserted:

Our advice to Government to confirm the law relating to controlling interest superannuation arrangements was at least in part motivated by our desire to protect people to whom these arrangements continued to be aggressively marketed notwithstanding our clear position on them. The resulting proposed legislation is not a new anti-avoidance measure. It is confirmation of our view of the existing law, supported by counsel, that an employer and an employee cannot be the same person for the purposes of obtaining a deduction for superannuation purposes.

I pose the question again, as we have never had this satisfactorily answered: if it is an existing law, why are we changing the existing law if the existing law prevents this tax
laundering from going on? We would like an answer from Senator Kemp with respect to that central point.

The committee held hearings and we had evidence presented to us by the Australian Taxation Office. The total contributions by clients to promoters of employee benefit arrangements was around $1.5 billion, with about $500 million claimed in relation to superannuation arrangements. Of these, $100 million was related to offshore funds. These are amounts identified so far, with some auditing still to be completed. We heard evidence from the Australian Transactions Reports and Analysis Centre, AUSTRAC, which provides a data analysis platform to the Australian Taxation Office. It confirmed that the number of international fund transactions increases every year—obviously, many of those legitimate. AUSTRAC’s submission records that the number and value of international fund transfer instructions reported to AUSTRAC have increased by more than 30 per cent over the last five years. There would appear to be a potential for a continued and growing incidence of revenue loss by a deliberate abuse of the system if the law is not clarified.

The Labor Party does have some concerns about this legislation and about the policy process leading up to the introduction of this bill. We have concerns about the explanation and the evidence provided by the government and the ATO concerning aspects of the bill, the lack of cooperation with the committee by promoters of these schemes, the claimed financial impact of the legislation, the prospective operation of the legislation and the lack of legislative action by the government against other employee benefit arrangements which involve massive tax avoidance. Firstly, in respect of the reporting date, this legislation was urgent. The Labor Party believes it is urgent and should be passed as quickly as possible. We could not get to it late last year, but the Senate committee was presented with an extremely tight deadline. We held three hearings over, I think, three days, including six hours of questioning to the tax office. A very unrealistic reporting date was forced on the committee by the government. There were limited opportunities to examine witnesses on the issues covered by the bill, and this has raised serious questions regarding the widespread tax avoidance practices and the inactivity of the Assistant Treasurer, Senator Kemp, and the government, in particular, in curbing these practices.

In addition, we are concerned that the ATO has consistently not made available the witnesses requested by the Labor Party. The result is that there are some unanswered questions by the ATO that we will be pursuing at another time. In addition, material in the possession of the Labor opposition appears to conflict with the evidence provided by some ATO witnesses. As I said earlier, hopefully we will be holding some further examination on some of these issues. The evasive behaviour practised on some occasions before the committee is consistent with the recent practice of the government and the ATO regarding tax avoidance. We do not blame the ATO or the public servants; we blame the minister fair and square. The Assistant Treasurer is responsible for tax administration and it is his responsibility, not the ATO’s.

At least one new issue emerged, and that was the lack of adequate resources and the pretence that the government makes that it has allocated sufficient resources to deal with the enforcement of the existing law. One example of this is the extraordinary and disturbing claim made by Second Commissioner D’Ascenzo that the ATO has still not raised assessments for around half of the revenue from participants in employee benefit arrangements identified so far by the ATO. Indeed, of approximately half of the identified revenue that have had assessments issued, less than half of the money has been raised—that is, less than one-quarter of the outstanding revenue identified has been collected. Many of these arrangements relate to schemes dating back several years. Labor senators find this practice of not collecting tax, which the ATO claims is clearly payable under the current law, very disturbing. This is an obvious indication of this government’s and, in particular, this minister’s total lack of...
commitment to providing the ATO with the necessary resources to collect moneys that should be collected on behalf of the Australian community.

The position of the government contains fundamental contradictions. It claims that the two major tax avoidance schemes covered by this bill that we are considering today—namely, controller superannuation schemes and non-complying superannuation schemes—are not legal, they are ineffective in law. Despite this claim, the bill amends the law to make it consistent with the intention of parliament. Claiming that there is no revenue flowing from this bill is simply not credible and is rejected by the Labor Party. Why are we changing the existing law if it is sound and if, in fact, the schemes we are considering are illegal? It is a fundamental contradiction. What is even more alarming is that the Australian Taxation Office has given numerous rulings, including to tax scheme promoters, that clearly indicate an ATO policy on matters covered in the bill that are a direct contradiction of the ATO’s current claims. The tax office has been issuing private binding rulings which are contrary to the existing law. Mr Kevin Fitzpatrick said:

We acknowledge we have made some incorrect advices over a period of time, in our view contrary to existing law.

Mr Kevin Fitzpatrick, First Assistant Commissioner, admitted that the tax office has made private binding rulings in contradiction of the existing law when we have at risk at least $1½ billion of revenue. If these arrangements are illegal, if they are not in accordance with the intention of superannuation law and retirement income practices, a bipartisan policy of both the Liberal government and the Labor opposition, it begs the question of why these changes that are being considered today are not being made retrospective until at least the date at which the tax office made its preliminary ruling on this matter.

The Labor Party amendment that we will be dealing with during the committee stage will make these changes retrospective to that date. After all, these are schemes that are apparently illegal. These are schemes that should never have existed in the first place. Therefore, Labor strongly believes—and this is only on rare occasions—that these changes to the law should be made retrospective. After all, why should a relatively small number, a couple of thousand, of high income earners manage to avoid all tax on noncomplying offshore superannuation payments? Why should this relatively small number of high wealth Australians not pay superannuation contributions tax, the so-called superannuation surcharge tax? They transfer it offshore, and then they bring it back and do not pay income tax. This is an absolutely appalling situation that I do not think 99 per cent of Australians would even think of doing, let alone be able to access. Why should this be allowed to be legal for the last couple of years? Why shouldn’t this be made retrospective so that this money could be collected? It is only fair and equitable that this should occur.

We are concerned about the ATO evidence, because we believe that the stated figures of $1½ billion may in fact understate the real level of funds involved. Indeed, one witness estimated that one individual firm is known to have put $2 billion into offshore New Zealand superannuation funds. So, in conclusion, the government has a number of questions to answer with respect to this legislation. (Time expired)

Senator LUDWIG (Queensland) (5.24 p.m.)—I rise to speak on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000. To put it in context, the issue at hand really comes to a fine point with the amendment moved by Senator Cook on behalf of the opposition in relation to this bill, which reads:

But the Senate condemns the Treasurer for not fulfilling his duty to clamp down on tax avoidance through the abuse of employee benefit arrangements and other tax avoidance schemes.

As we have heard from Senator Sherry, we could perhaps add the Assistant Treasurer to that list as well. The bill amends the Income Tax Assessment Act 1936. It also amends the Income Tax Assessment Act 1997 and the Fringe Benefits Tax Assessment Act 1986.
We are told that it is designed not to fix, but to clarify, the definition of ‘eligible employee’, to deny deductions for employer superannuation contributions knowingly made to noncomplying superannuation funds and to ensure that only those contributions made on behalf of an employee are excluded from fringe benefits tax. It is interesting to note that it also includes those that are knowingly made. Of course, with the use of the word ‘knowingly’ there is an intention to circumscribe those people who are caught within this circle. We will come to why we say that retrospectivity in this instance should be adopted shortly.

This area in relation to the Taxation Laws Amendment (Superannuation Contributions) Bill 2000 is generally referred to as employee benefit arrangements, or EBAs. This particular measure, although highlighted as a clarifying bill, is really much more than this. The Assistant Treasurer announced this bill on 30 June 2000. It was announced as an amendment to address aggressively marketed employee benefit arrangements. The bill will remove, as stated in the press release, the deductibility for contributions to noncomplying superannuation funds, including offshore arrangements. As it seems clear now, these schemes were not used for retirement income purposes. We are told that the bill also clarifies the law so as to make clear that, for the purposes of obtaining a deduction for superannuation contributions, an employer and an employee cannot be the same person. The critical issue in this press release by the Assistant Treasurer, not the Treasurer, is that it operates from 4 p.m. on 30 June 2000. In addition, the press release also highlights further work. It says:

Senator Kemp has asked the Tax Office to review the interaction of the income tax and fringe benefits tax laws to ensure that employee benefit trusts and employee share plans are taxed appropriately. There are, of course, more than just superannuation issues in the EBAs; there are also benefit trusts and share plans. However, the government believes, as we understand it, that the schemes are nothing short of tax avoidance arrangements, as it seems is claimed in the Assistant Treasurer’s press release. The press release itself states that these arrangements, however, are still being actively promoted. The government seems to be short on doing something about that. The arrangements have continued, despite the taxation commissioner’s advice that the schemes are ineffective under existing law.

Perhaps that partly comes to the difficulty I have. When you read the Assistant Treasurer’s press release, it talks about a clarifying amendment. The explanatory memorandum also stresses that it is a clarifying bill. However, it does so in a way which seems contradictory, because it says ‘despite the Commissioner’s clear advice that the schemes are ineffective under existing law’. If the schemes are ineffective under existing law, we would expect the Commissioner of Taxation to do something about it other than just seeking clarifying legislation. So with much fanfare, once shown the problem, this government moves to close it—but does it do this quickly, effectively and fairly? I think not.

Probably the most difficult part of the whole issue is: what about taxation avoidance prior to 4 p.m. on 30 June 2000? Is the Commissioner of Taxation going to pursue these under the current legislation, without the benefit of ‘clarifying amendments’? This government can do something to prevent tax avoidance. It can seek to backdate the bill to a date when the matter was first identified by the commissioner, Mr Carmody, as needing to be addressed. As I said earlier, the bill also seeks to stop contributions to noncomplying superannuation funds from being deducted for tax purposes. The unanswered question is: why is there no retrospectivity in this area?

The third area that the bill amends will impose fringe benefits tax on the superannuation contributions made for a taxpayer’s associate. Labor supports these measures, given that they are designed to close tax avoiders down. However, it appears to be too little, too late. The measures—and perhaps some more—should have been introduced years ago, given the tale that has unfolded during the course of the second reading de-
bate. It seems that, conservatively, the Australian Taxation Office had advice at least in September 1998 that these marketed schemes were not only about but also in need of a legislative response to close off tax avoidance schemes in this area.

A fair question might be: how much revenue has been potentially forgone since that time and as at 30 June 2000? It may be excusable for the government not to act if the amounts were trivial; however, evidence suggests that this is not the case. The figure is, as I understand it, on the conservative side of $1.5 billion—and, as we have heard from Senator Sherry, there could be an additional $2 billion. These are weighty figures indeed. This would seem to be, at least in my view, worth pursuing. Why has the government failed to act? That is the question that needs to be asked. One could ask whether they are defending the big end of town. We could wait for their response as to whether or not that is a legitimate reason. They might say, ‘These marketing schemes are for the big end of town and we are happy for it to profit from them.’ Perhaps the schemes were for shop assistants or mechanics, but it seems very doubtful that they participated in these schemes.

Senator Kemp’s press release also states that the tax office would conduct a review of the interaction of the income tax and fringe benefits tax files to ensure that employee benefits trusts and employee share plans are taxed appropriately. What has happened since 30 June 2000? This is a question we certainly will be pursuing during the committee stage of this bill. If there are other mass marketed schemes which are nothing short of tax avoidance schemes existing in employee share plans or employee benefit trusts, what does this government intend to do about it? Do we wait and wait and then find we have prospective legislation after we have waited for a significant amount of time, once again letting, by mere conjecture, billions slip into the back pocket of the big end of town? And then do we end up with the same position again where we have to seek amendments to the legislation so that it can be made retrospective? Perhaps Senator Kemp can provide an answer as to what is being done in relation to not only superannuation contributions, tax avoiders and these aggressively marketed schemes, but also share plans and employee benefit trusts. I am unconvinced that the answer will stand up to close scrutiny. If this is the case, why isn’t Mr Carmody announcing wide ranging action against marketers and users of these schemes now?

It seems that the Australian Taxation Office has claimed back $100 million, and it claims that another $140 million is still outstanding. However, the evidence suggests that this figure should be a little higher. It seems that the tax commissioner may need a 100 per cent increase in output. The tax office draft ruling of 28 October 1998 should have put everyone on notice. Clearly, it only caused a stampede. However, it seems the government is not ready to round them up yet. It has caught a few stragglers. It has caught $100 million, but there is a large amount not caught within the net. Labor’s foreshadowed amendment seeks to bring that net a little wider to ensure that the tax avoiders are thrown in.

Presently, the House has only one aspect of the generic title of employee benefit arrangements, or EBAs, before it. There are, as I said earlier, four main areas associated with EBAs: two types of superannuation, employee share schemes and employee benefit trusts. The government has clearly been aware for some time of the operation of these types of schemes. It has been aware that strategies have been employed to put such schemes in the marketplace. As stated earlier, a lot of these practices should have been subject to an enormous amount of scrutiny from at least the time of the draft ruling.

EBA is not an acronym I like to use, because I think it hides how evil these schemes are. In truth, their main purpose—or at least, it seems, one of their objectives—is to increase the remuneration for people who conduct their financial interests through their control. It is not for the run-of-the-mill worker; it seems to be only for the wealthy—those people who can control their financial
assets and pour it into themselves. For example, a taxpayer may control or own a company. The company diverts money to a taxpayer who is also an employee of the company. In some instances, it could be the same person. The taxpayer, or the employee, then makes a contribution to a superannuation fund and claims a deduction for the contribution. It can also be made to either a complying or a noncomplying fund, to add a double twist. It may not sit there and accumulate for retirement. All the time the objective—as can be seen from the transactions above—is to transfer money from the company to the benefit of the employee of the company whilst avoiding any tax that would accrue to it. The run-of-the-mill employee does not have this available to them.

The purpose of schemes that are marketed in this fashion, or derivatives of them, seems to be to avoid any tax liability for the employee or FBT liability for the employer. On the plus side, if you can call it a plus side, it generates a tax deduction for the contributor. So there is a double whammy in there for the company by giving it a leg-up. The underlying question is: why is this allowed to continue? It is only after many years that this government is trying to clarify the legislation rather than bringing in legislation that not only will be retrospective but also will fix the area.

The validity and the promotion of such schemes have grown around the private binding rulings. It is quite a strange area. As I understand it, through a complicated set of circumstances—but not so complicated that marketeers of the schemes could not work their way through it—the private binding rulings, once favoured by the ATO in relation to these EBAs, are now out of favour. I can only suggest that they were perhaps a little too complicated for the ATO, but it would be remiss of me to say that. The real problem that arises is that, if companies or marketed schemes hold a private binding ruling advising that a certain arrangement is fine in respect of the ATO, it can be used as a template to create many more, which can also be mass marketed and used to continue these aggressively marketed schemes.

Private binding rulings take precedence over draft and final public rulings. On 19 May 1999, as earlier stated, the draft ruling was replaced by a final ruling. The crux of the problem is that the tax office over time—who knows: perhaps under work pressures or time pressures—has shifted its position from agreeing to the schemes under the concept of a private binding ruling to a position where it has a serious problem with these schemes. This raises the ugly problem of what to do about it. The ATO and the Assistant Treasurer need to face up to their responsibilities. The legislation that allowed marketed schemes to be done aggressively—and for purposes which seem plain to me—should be fixed retrospectively. In this instance, the government is not trying to close the loophole; it is merely trying to ensure that it does not get any bigger. One wonders whether or not it is succeeding even on that issue.

In the short time I have available, there are two matters in respect of the report on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000 by the Senate Select Committee on Superannuation and Financial Services which the government can address. The government should look at the recommendations of the committee and the recommendations in the Labor senators’ minority report. On the first page of the minority report, serious concerns were identified. Without going into them in great detail, the report states concerns about the policy process leading up to the introduction of the bill. There were concerns about the explanation of evidence provided by the government and the ATO on aspects of the bill. There were concerns about the lack of cooperation with the committee by promoters of these schemes. There were problems with the claimed financial impact of the legislation. We have been told that the claimed financial impact of the legislation is negligible, which does not sit well with the $1.5 billion that has been uncovered.

We looked at the other areas that were highlighted. The report by the House of Representatives Standing Committee on Employment, Education and Workplace Relations, Shared endeavours: the inquiry into
employee share ownership in Australian enterprises, also uncovered problems with this aspect. The Labor members recommended—and the opposition will press the government to pick up their recommendations and run with them—that the ATO be required to provide updated estimates of the revenue involved in the abuse of employee benefit arrangements by company executives. The minority report also recommended that legislation against these schemes be implemented without further delay. That is the crux of the matter. (Time expired)

Senator HOGG (Queensland) (5.45 p.m.)—I rise in this debate this afternoon on the Taxation Laws Amendment (Superannuation Contributions) Bill 2000 to support the second reading amendment moved by Labor and of course to support the bill. Labor has clearly indicated the need to support the bill because of the revelations that have come about as a result of the minister’s press release of 30 June and because of the investigations made by the ATO. I will refer just briefly to the minister’s statement of 30 June because I then want to examine the context of the process of what has happened, because I think that is terribly important in this particular matter. Whilst it was alluded to by you, Mr Acting Deputy President Sherry, when you made your contribution, I think it is something that needs to be trawled over just for a short time because there is a problem that seems to be emerging not just in this committee but in other committees of this parliament, and that is the amount of time that committees have available to them to consider very important issues and very crucial issues indeed.

If you look at the minister’s statement of 30 June, when announcing amendments to the bill, according to the report of the committee, the Assistant Treasurer explained the reasons for the government’s action in relation to the aggressively marketed employee benefit arrangements and stated:

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

While this has been quoted here earlier in this debate this afternoon, that is a very key phrase by the Assistant Treasurer. The schemes were ‘still being actively promoted’—not just promoted but ‘actively promoted’. In other words, there was a very determined effort on the part of the promoters out there to keep these schemes going, in spite of what the Australian Taxation Office had been saying and in spite of other statements that had been made in the circles around the business community.

The statement went on to say:

The arrangements have continued despite the Taxation Commissioner’s clear advice that the schemes are ineffective under existing law.

That was made, rightly, by the Assistant Treasurer on 30 June. The next thing we know, the government have taken action and presented a bill to the House of Representatives on 7 September. I did not exactly trace the progress of the bill, but the bill was then finally referred in the Senate to a committee on 1 November for report by 4 December. That was a fairly constrained timetable indeed. Really, for an issue which was of great importance to both the government and the opposition to pursue so as to discover the underlying problems associated with this particular rort that was being pulled, one found there was a very tight schedule indeed given to the committee for it to be able to consider the vital issues that were at stake.

As you, Mr Acting Deputy President Sherry, said in your contribution, the committee did meet on Monday, 27 November. You did not actually list the dates of the meetings, but you mentioned it met three times. But the committee found on that occasion that it ran out of time to pursue the issue, particularly with officers of the Australian Taxation Office. That should not in any way be construed as a criticism of the ATO officers because I think they were very cooperative in the whole process. But what became apparent was that there was more time needed, and more time was sought at a time when the Senate itself was sitting.
So we had the select committee meeting on a further two occasions: on Wednesday, 29 November and on Thursday, 30 November. But, because of the tight time frame involved in the process, there were a number of people or organisations who declined to appear before the committee. I think that is unfortunate in itself, and also it was not possible to get the main players in this particular scene before the committee—that is, the promoters. There was no opportunity to get the promoters to come before the committee so that the committee could gain greater evidence on this. At the end of the day, the committee—and Labor—acknowledged the importance of the urgency of this, and the committee did bring down its report in December. I am sure the committee reported by the appropriate date, which was 4 December. But even then, at the end of that reporting period, the legislation itself was not dealt with in that week. That is not a criticism, but it would have been nice if the committee had had that extra time to pursue some matters that were of interest to it to further clarify its report.

The net result is that there are still outstanding issues—which the committee will not pursue, of course, as part of a reference of this Senate because the reference has now closed—but the committee may have available to it the opportunity for private briefings and so on, which is good in itself. On important issues such as this—and there was a degree of urgency, and still is, and that is the reason for Labor’s cooperation in this process—I ask the government to give real consideration to the amount of time that is available for committees to consider the propositions that are being referred to them by this Senate. I think that is very important indeed, particularly when one considers that the Assistant Treasurer made his statement on 30 June and that the legislation—and I understand there is a process of preparing the legislation—was presented in the House of Representatives on 7 September but was not referred to the appropriate Senate committee until 1 November.

It might suit some people to have an accelerated timetable and process in these things. It is not just a criticism of what happened in this instance; it is a concern that has been growing for me where a number of committees find themselves having in a very truncated process to consider some very detailed matters before them. Without belabouring the point, I think there is a need for that to be considered in the future when these matters come before this chamber.

The importance of this issue is signified in the address in the report of the committee at paragraph 1.3.5 where it was noted that on 15 November in his speech to the Taxation Institute of Australia in Melbourne the Commissioner of Taxation, Mr Michael Carmody, stated:

Variations of employee benefit arrangements continue to be developed and promoted, despite the fact we made it abundantly clear that we would tackle this sort of activity, including by using the general anti-avoidance provisions.

As late as 15 November, the Taxation Commissioner—in spite of the statement of the Assistant Treasurer on 30 June—was still having these protestations about the use that, unfortunately, was being made of these schemes for the advantage of the few and not the benefit of the many. That has been the whole thing about these schemes. They have promoted benefit for the few, as has been pointed out by my colleagues Senator Sherry, Senator Conroy and Senator Ludwig in their contributions.

Superannuation is a very important issue for me and it is one that I highlighted in my very first speech in this chamber. It delivers security in retirement to people. These schemes that have been a part of the employee benefit arrangements have done nothing more than deliver extra remuneration, as noted in the report, for people who are able to establish arrangements through their control or association with various corporate entities. That was the problem with this particular set of arrangements under the employee benefit arrangements. The people were using it to get a benefit for themselves. They were at the same time bringing into disrepute what is probably one of the most important entitlements that employees and workers have gained over the last 50 years.
That is, they gained the right to universal superannuation through the three per cent award superannuation and then through the superannuation guarantee. These schemes have detracted from the importance of superannuation for people in retirement and have led to the piece of legislation that appears before us today.

The amendment in the name of Senator Cook hits the nail right on the head because it goes to the abuse that has been made of these employee benefit arrangements in avoiding taxation. Limiting people’s liability to pay tax only shifts the burden onto those who do not have the capacity to rearrange their financial affairs. The amendment by Senator Cook, moved by Senator Conroy, is worthy of support in that it highlights the problem that employee benefit arrangements have caused for this government. The fact that we are supporting this legislation today highlights our design to get rid of the rort that now is in place.

In saying that, I just want to turn also to the submissions made by the Australian Taxation Office in appearing before the committee. I think the opening statement by the ATO, tabled on 27 November before the committee, really sums up the problems that existed that we needed to get rid of. The statement talks of offshore marketing arrangements in particular. It said:

...when the Government announced these changes, it indicated that it is amending the law because of the continued marketing of these arrangements by some promoters despite clear, public advice from the ATO that they failed both at law and in their implementation.

I think that gets to the point that Senator Sherry raised: if that was the view, then why are we amending the legislation? Given the spirit of what we are trying to do, and the need to do it, we are supporting the legislation. The statement goes on:

Normal practice is that, once the ATO states its view on the law, the promotion of aggressive tax planning arrangements generally ceases.

This did not occur in this instance and some promotion activity continued.

It is interesting that in the minority report which Senator Sherry signed on behalf of the Labor senators—that is, Senator Conroy and me—it was noted at page 27 that evidence by the ATO revealed that relatively few people or entities were involved in this. There were 2,400 participants in controlling interest superannuation schemes and 220 participants in offshore noncomplying funds. We are not looking at a large number of participants and yet, in spite of the statement by Senator Kemp and the warnings by the Australian Taxation Office, we still had aggressive marketing by the promoters of these schemes. This was a tragedy indeed. It therefore gets to the heart of why we should go back to 28 October 1998 when the draft ruling of the ATO first came out on this matter that the legislation should be retrospective.

We are not looking at a large group of people; we are looking at a limited range of people who participated in both the controlling interest superannuation schemes and in the offshore noncomplying funds. If this legislation is designed to tighten up the loopholes and to tighten up the tax avoidance that has taken place, then I urge both the Democrats—and I heard Senator Allison’s contribution to this—and the government to look seriously at the proposal that has been circulated in this chamber that Senator Conroy will move, I understand, when we go into committee. I think that that will show these people once and for all the seriousness of dealing with these sorts of attempts to rort the system.

The ATO went on to say in their opening statement:

... because of this continued marketing we advised the government in June 2000 that the legislative changes would be appropriate ...

They also went on to say:

... the arrangements being promoted, it seems to us, were more to do with seeking tax benefits than any retirement income purpose.

That is why I made the point about the need for superannuation to be viewed specifically as something to give people security in their retirement. I think that we would be deluding ourselves to believe that these people were
not in it for any other reason than to make a quick buck for themselves, to use whatever was available to them by way of financial schemes to feather their own financial nests.

At the end of the day, we now have this legislation before us. I think that the recommendation made in the Labor senators’ minority report to backdate the operation of this legislation, whilst drastic, is important. If people do not understand that they cannot get away with these schemes, of course they will try again on any occasion that comes before them to pervert the laws of this nation. Given the special nature and importance of superannuation for people in their retirement, when most people do not have available to them the means and mechanism to utilise the employee benefit arrangements that these people have obviously used, I think a clear message has to be sent home to the people who have abused the system on this occasion.

In conclusion—and I see my time is almost up—I would like to go back to the point I made at the very outset. The process in this was important. I commend the government for what they have done but I do not believe that, when the committee had this matter referred to it, there really was sufficient time to successfully consider all the matters that it needed to consider. I commend the second reading amendment and also Senator Conroy’s further amendment that will be made in the committee stage of this bill.

Senator KEMP (Victoria—Assistant Treasurer) (6.05 p.m.)—I rise to conclude the second reading debate on this important bill. I listened, as I always do, with some interest to the contributions that were made and, as usual, they varied considerably in quality. On this side of the chamber we regard you, Senator Hogg, as a serious contributor, as someone who thinks about issues. I do not say that you are the only one but there are perishing few, I have to say, who think about issues to the extent that one is able, in a highly politicised context, to seek to work through issues.

In relation to a number of other individuals who made speeches during the second reading debate—Senator Sherry and Senator Conroy—I could not make that comment in all honesty. I fear I would be struck down if I suggested that. I think I am well known for not seeking to score cheap political points—

Senator Hogg—No, no!

Senator KEMP—Thank you, Senator. I listened with interest to your concerns about proper scrutiny of a bill. You recognise the importance of this bill and that we need to get this bill through—and that is all correct. The committee, I understand, had some three days of hearings, which for many bills is quite a long period of time—

Senator Hogg—They were not days—

Senator KEMP—On three occasions—I correct myself.

Senator Hogg—and there were difficulties.

Senator KEMP—I understand that. Thank you, Senator. You did have a chance to make a contribution, and I did say I listened to you. It is not atypical. There is always some pressure on committees. When I was in opposition, the government was very keen to make sure its legislation got through. We were often confined—typically, I suspect—to one day at the most. There was a so-called Friday committee where we would consider these matters. Frankly, I think a committee that is able to meet on three occasions has been given a chance to examine the bill.

But, Senator Hogg, the point I would make is that the problem with the committee hearings was that a number of senators did not want to consider matters which were relevant to the bill. They ranged far and wide in their considerations. So when I listen to you and you plead for more time and proper consideration, my response is that the trouble is that your colleagues Senator Sherry and Senator Conroy were more interested in scoring political points than examining the content of the bill. In conclusion, I would say that you should help cast the mote from the Labor Party eye on this. You will then find
that the committee hearings are more relevant and we can deal with aspects of the bill. But I do not think you can expect the government to have huge sympathy for you when they see the committee system being stretched unreasonably to cover issues which are not particular to the bill. I think I am fair in saying that this is precisely what occurred in the committee hearings.

The measures are being introduced to stop the continued promotion of tax planning arrangements which seek to obtain tax benefits far greater than those intended by the parliament. To summarise, the bill comprises three measures: the clarification of the meaning of ‘eligible employee’, the removal of deductions for contributions to noncompliant superannuation funds and the exclusion of superannuation contributions from fringe benefits tax only when they are made for employees.

When I announced these measures, I indicated that the law required amendment because of the continued marketing of these arrangements by some promoters. This was despite clear public advice from the ATO that they fail both in law and in their implementation. The first measure puts it beyond doubt that a taxpayer cannot be an employee of themselves. This has long been a position in common law. In relation to the second measure, by denying deductions to noncompliant superannuation funds, their attractiveness as a tax avoidance vehicle is removed. This is the most effective way to stop the promotion of these schemes. By allowing deductions only for contributions to complying superannuation funds, the community can have certainty that the tax concessions will be used to provide a retirement income. The third measure ensures that only contributions on behalf of employees are exempt from fringe benefits tax. This ensures that a select group of the community cannot unreasonably reduce their income tax obligations. Arguments have been raised that the legislation should apply retrospectively. The government’s view is that retrospective law should be used only as a last resort. That is the position which this government holds and I suspect is one that is held generally around the chamber.

Let me make it clear that the government are advised that the ATO believes the law operates in a way that is effective in dealing with abusive arrangements. This view is supported by a senior counsel and other expert opinions and exposes some participants to multiple taxing points. The second and third measures in the bill involve an adjustment to policy. Accordingly, making those measures retrospective would impact on genuine arrangements which were entered into consistent with the law as it then applied. For these reasons, the government do not believe that a compelling argument has been made for retrospectivity. Clearly, this has been considered by the government. Clearly, we have been mindful of the advice that the Taxation Office has received, and this is the reason why the government have proceeded in this direction.

Employee benefit arrangements identified by the ATO to date involve contributions of some $1.3 billion. The ATO is continuing to identify participants in these arrangements. It was on this basis, I understand, that an estimate of $1.5 billion in contributions—and I stress ‘contributions’—in such schemes was calculated. I am advised that the ATO has no reliable basis on which to revise this estimate. The final figure will of course depend on the cases ultimately identified. There was some discussion about the sums involved in this matter.

The ATO’s estimate of revenue—and this is important, because I think this figure has been quite seriously misused on a number of occasions; one suspects it was for political motives but, for whatever motives, it has been misused—in respect of the estimated $1.5 billion in contributions is in the order of $600 million. Recovery of tax is not solely dependent on the outcome of court cases, and I stress this. The ATO expects that the majority of participants in these arrangements will accept the ATO’s position or otherwise settle. The ATO therefore expects to recover most of the tax involved.
We have dealt with Senator Hogg’s view that this legislation was rushed through. I pointed out to Senator Hogg that there was plenty of time for consideration of the bill and that Labor senators wandered far and wide. I think that was a pity. From the government’s point of view, it was somewhat ironic that the Labor Party continued to demand that we take action. We brought the bill in, wanted to have it passed last session and, as a result of Labor Party pressure, were not able to get that through.

Senator Sherry—No, that is not true. We have been very cooperative. You are endangering the cooperative spirit.

Senator KEMP—Oh dear. If that is called cooperation, I would be interested to know how we define ‘obstruction’. It was a pity that we did not get this bill through in the last session, and we could easily have had time to do it. There was an implication in some of the second reading contributions that the government have been soft on tax avoidance. This is something we totally reject. As Senator Sherry knows, some of the Labor Party are now supporting the GST and will undoubtedly be telling us how effective it is in combating the black economy.

Senator Sherry—Do you like our roll-back?

Senator KEMP—Senator Sherry, I am not sure you are allowed to use the word ‘roll-back’.

Senator Sherry—Yes, roll-back of tax.

Senator KEMP—I see. We are changing the word ‘roll-back’, are we? There we are. There was a ban on ‘roll-back’ on your side.

The ACTING DEPUTY PRESIDENT (Senator Lightfoot)—Order!

Senator KEMP—Mr Acting Deputy President, I did hear Senator Sherry out in absolute silence. I defy anyone to say that when Senator Sherry was speaking I intervened in any way.

Senator Sherry—You invited comment!

The ACTING DEPUTY PRESIDENT—Order, Senator Sherry. I have not invited comment. That is all you need to worry about.
always, I regret to say, with the cooperation of the Labor Party. That is a pity. Sometimes, as Senator Sherry knows, the Labor Party in this chamber has acted in a different way on these issues to the Labor Party in the other chamber. That has caused concern in the wider community. But we are in blazing agreement that this bill should go through.

In the light of my comments, it would be pretty obvious that the government will not be accepting the second reading amendment to the bill. We will not be accepting the other amendments to the bill for the retrospectivity reasons which I proposed. Nonetheless, let me just point out that the amendment proposed by the Democrats is perhaps less offensive to good principles than the measure being moved by the Labor Party. I hope we can now speed the journey, have this bill finally passed by this chamber and give a clear message to people who seek to rort our tax system.

Senator ALLISON (Victoria) (6.20 p.m.)—by leave—I was not aware that there was a second reading amendment at the time I made my contribution in the debate on the second reading. I would like to indicate that the Democrats will not be supporting the ALP second reading amendment. It is disingenuous and, indeed, hypocritical of the ALP to suggest this amendment. To condemn the government for not clamping down on tax avoidance in a tax avoidance bill, for one thing, seems to me to be rather ludicrous. If it had been something the ALP had been calling for themselves for some time then perhaps I could understand it but, looking at the history of this issue, it is clear that these tax avoidance schemes were around in the late eighties. In fact, the ATO put out rulings in favour of these arrangements in 1992. If this amendment were amended to include the Treasurer of the previous government then perhaps we would be inclined to support it. On the whole, I think it is unnecessary and a bit irrelevant. The Democrats will not be supporting it.

Question put:
That the amendment (Senator Conroy’s) be agreed to.
In Committee

The bill.

Senator SHERRY (Tasmania) (6.30 p.m.)—There are number of questions that I would like to put to the government. In that context, I did note that Senator Kemp has made a very unfair claim about the level of cooperation by the Labor opposition in respect of passing this important bill. I am not quoting him directly but he did allege that we were wasting the time of the Senate late last year. I think we can all recall that 6.15 in the morning final morning sitting. I certainly recall it—

Senator Kemp—Everyone who was here has a bad memory.

Senator SHERRY—That is right. In fact, that is the reason why we did not get to the bill, which was listed on the program, as Senator Kemp well knows. Senator Kemp well knows that we were dealing with the 1,655th amendment to the GST since its introduction and apparently that carried higher priority with the government than this very important crackdown on tax. I do not want to remind Senator Kemp of the debate that occurred on that issue, but Senator Kemp thought it was more important to have a GST on swimming lessons than to crack down on these high wealth individuals who have been laundering very substantial amounts of money—hundreds of millions of dollars. That was Senator Kemp’s priority last year. So be it. That was your priority Senator Kemp, not ours. We had hoped that this legislation would have been dealt with last year.

Minister, I note that in your concluding remarks to the second reading you said, ‘The ATO expects to collect most of the revenue.’ During the evidence on the bill presented to the select committee, the ATO at that point in time, and that was last December, gave us a revenue estimate. Could you update the progress that the ATO has made as of today in collecting the outstanding revenue? It is some hundreds of millions of dollars and we would like to be given an update on this matter.

Senator KEMP (Victoria—Assistant Treasurer) (6.33 p.m.)—Senator, I have looked at my officers. They are not able to provide advice on that matter but if there is any additional information that I can give to you I will obtain that and forward it to you.

Senator SHERRY (Tasmania) (6.33 p.m.)—That is unsatisfactory—very unsatisfactory. We spent five or six hours questioning the tax office. This is a very major issue when there are hundreds of millions of dollars of revenue at risk. But I did note, Minister, that you said in your second reading speech, ‘The ATO expects to collect most of the revenue.’ What do you mean by ‘most of the revenue’? Is that 50 per cent, 60 per cent or 90 per cent? What is a more definitive figure?

Senator KEMP (Victoria—Assistant Treasurer) (6.34 p.m.)—Senator, you could interpret that as virtually all of the revenue.

Senator SHERRY (Tasmania) (6.34 p.m.)—I think we are making slight progress. We have gone from collecting ‘most of’ to ‘virtually all’. That is slight progress. Can you be more definitive about the figure? What does that mean?

Senator KEMP (Victoria—Assistant Treasurer) (6.34 p.m.)—Senator, let me just make it clear. In the ATO’s estimate of revenue in respect of the $1.5 billion which I referred to in my second reading speech, there are estimated contributions in the order of $600 million and the tax office advise me that they expect to collect virtually all of that.

Senator SHERRY (Tasmania) (6.35 p.m.)—How much has been collected as of today of the $600 million?

Senator KEMP (Victoria—Assistant Treasurer) (6.35 p.m.)—I think I responded to that question earlier on. I said that I have not got the information here. If there is any additional information that I can give you I will provide it to you.

Senator SHERRY (Tasmania) (6.35 p.m.)—I will not persist with that other than to say that I find it disturbing that we cannot be given an updated figure on the revenue collected so far. In respect to the revenue, Minister, as you would be aware, a number
of private binding rulings were issued by the tax office. It was Mr Fitzpatrick, the First Assistant Commissioner, who said at the committee hearings that seven or eight advices had been issued incorrectly to tax advisers who then promoted the schemes to investors. Is it correct, Minister, that it will be extremely difficult to collect the tax from those individuals who obtained private binding rulings?

**Senator KEMP** (Victoria—Assistant Treasurer) (6.36 p.m.)—Senator, the general rule on private binding rulings is well known to you. They bind the tax office but with the proviso that the scheme on which a private binding ruling was sought actually is the scheme that was being promoted. I think there has been a lot of discussion on private binding rulings and I think we have seen occasions where people have sought a private binding ruling and relied on it but have not disclosed all relevant aspects of the scheme. It is important to note that private binding rulings only apply to a specific taxpayer—that is well known to Senator Sherry—in a specified arrangement in relation to a specified year of income. While the ATO is bound by law to stand by the ruling, this—and I stress this, Senator Sherry, because it goes to the nub of your question—is not the case if the arrangement was not implemented as disclosed to the ATO.

**Senator SHERRY** (Tasmania) (6.37 p.m.)—Accepting those caveats or parameters you have outlined, which I had some knowledge of, within those caveats and boundaries it will, in fact, be very difficult in law to collect the revenue where the taxpayers have met those caveats.

**Senator KEMP** (Victoria—Assistant Treasurer) (6.38 p.m.)—In a way, you are just repeating in another way the general principle. The general principle is that the ATO is bound by law with its private binding rulings. But it is terribly important that you look at the caveats, because in some cases it has been the experience of the tax office that sometimes when the scheme was disclosed to the tax office all relevant information was not disclosed.

**Senator KEMP** (Victoria—Assistant Treasurer) (6.39 p.m.)—My advisers, as always, are very anxious to help. In fact, my advisers are well known for their cooperation and assistance. Could you clarify for them what you mean by the word ‘defences’?

**Senator LUDWIG** (Queensland) (6.40 p.m.)—Perhaps I can assist. If we can start at the beginning, in relation to private binding rulings you indicated—as I recall, and subject to correction—that they apply to particular parties. If they do apply to particular parties that have used and called for a private binding ruling, then the marketer of the scheme would only have the private binding ruling applying to, for example, the particular scheme for one particular client. However, when I have read through some of the material associated with this particular area, there seems to have been a view expressed by some marketers of a scheme that, having got one private binding ruling, they have then used it as a template to—and perhaps this is a bad way of putting it—hawk it somewhere else. When it has been hawked somewhere else, has the taxation department then pursued those people to recover now? The defence filed by those people in any action that may have started or in answer to the Taxation Office point of view is to simply say, ‘We have relied on a private binding ruling to use the scheme and we say that you cannot pursue us, effectively because you are estopped from pursuing us because you have allowed a private binding ruling to come about.’ And, although it is not the private binding ruling that they have, they are then effectively saying that the court is estopped from allowing it to occur. I wonder if that assisted Senator Kemp in understanding the position we are putting.
What we are saying is that, although it seems you have said that only those people who have a private binding ruling would be protected, we understand that in fact others may have gone beyond that and used them as templates. And, of course, we are wondering where they are at, if there is any court action being pursued by the ATO in respect of them or whether they have used that template argument as an estoppel defence.

Senator KEMP (Victoria—Assistant Treasurer) (6.42 p.m.)—We are trying to see whether we can answer your question sensibly, in a way that would assist you. It is true that the first principle is, as you have accepted, that private binding rulings only apply to a particular individual and on the terms that I have mentioned. It is also correct that some promoters have attempted to use private binding rulings to market the schemes. That was the comment you made and I think that is correct. As the discussions have occurred with the tax office and the tax office has sought to recover money, some people have pointed out that they have seen these private binding rulings. The tax office undoubtedly has pointed out that in no way could they rely on those and has explained exactly what the position was with private binding rulings. Probably once that is pointed out, I think people see that that does not amount to a defence—I am looking to my officers here. The law is quite clear on this issue and it does not really amount to a defence. It might be an explanation why someone has done something, but it is not a defence. To the extent that they have done this, the promoters have been misusing private binding rulings because it has not afforded the protection that they were, I suspect, attempting to convey to individuals.

Senator LUDWIG (Queensland) (6.44 p.m.)—Thank you, Senator Kemp. That leads me to the next question, which of course is: how many of those who have relied on that explanation is the ATO now aware of or have come forward and said, ‘This is the reason’? And, so we can wrap this up as shortly as we can, the following question arises from that: to how many of them have the tax office said, ‘Now we have assessed the tax liability as X, which you owe,’ and have they have decided to pay or to continue with their defence or explanation in court?

Senator KEMP (Victoria—Assistant Treasurer) (6.44 p.m.)—In order to give you a figure, we would have to check our records. I am not resisting the question, but I am not sure that it would be very productive to get the tax office to do that assessment. I do not know whether we can give an indication, but I think the answer is that we cannot. I have stated the general principle that I think is the correct principle. Senator, we will examine closely what you have said, and if there is any additional information that I can give to you I will. I do not want to raise expectations and I am loath to suggest that the tax office undertake very substantial research to supply information. I think the general principle, as you say, is accepted. I do not think anyone is arguing that, but when you get to specific numbers, I think that involves quite a deal of work.

Senator LUDWIG (Queensland) (6.45 p.m.)—Perhaps I can put the Australian Taxation Office at ease if I say that we will accept the broad information that they can provide, rather than the specificity that I have gone to. I am only trying to ascertain more broadly whether the ATO has been able to delineate between those who rely on a private binding ruling and those who do not and how they are working their way through them.

Senator SHERRY (Tasmania) (6.46 p.m.)—I am conscious of the time but there is one other issue that I would like some information on at this stage. Obviously, with the considerably massive amounts of revenue that are at risk, the ATO, in making assessments of people who in their opinion have not paid the correct tax, issues an assessment notice. In settling any cases to date, has the tax office compromised and not collected the assessed amount as well as the penalties under the tax act?

Senator KEMP (Victoria—Assistant Treasurer) (6.47 p.m.)—Senator, we always collect the assessed amount. The penalties can be considered in terms of whether there
is some safe harbour that has been provided. But the situation is that the assessed amount is always collected.

Senator SHERRY (Tasmania) (6.47 p.m.)—You have answered part of my question. I did refer to penalties. Has the tax office waived or compromised penalties?

Senator KEMP (Victoria—Assistant Treasurer) (6.47 p.m.)—I think penalties have been reduced where people have come under a safe harbour. This is totally consistent with the ATO’s settlement guidelines, Senator Sherry.

Senator SHERRY (Tasmania) (6.47 p.m.)—Yes. Time is pressing. I move:


Our amendment relates to retrospectivity of this legislation. I do note that the Australian Democrats have moved an amendment in relation to retrospectivity as well.

The CHAIRMAN—Senator Sherry, you are foreshadowing that they have one there?

Senator SHERRY—Yes, thank you. I think that, with the time, it will be difficult to conclude the vote tonight, but we were anxious that we conclude this early in the morning. I have just a couple of comments. As pointed out, we believe strongly that if the law is clear, as Senator Kemp has said and the tax office has said on a number of occasions that the law is clear and that these schemes should not have been operating, they are in fact illegal.

The CHAIRMAN—Are you moving an amendment?

Senator SHERRY—Sorry, I thought it was time already. I was anticipating adjournment of this debate.

Senator Kemp—Just move it.

Senator SHERRY—There are just a couple of brief points to make about this, Senator Kemp. We are in what I find a fairly intriguing and unusual situation where both yourself, Senator Kemp—and we acknowledge this—and the tax office have said that these schemes are illegal. They should not have been operating. However, they have continued to be actively promoted. If that is the case and these schemes are illegal, it does beg the question of why we are legislating. If they are illegal and they are outside both your government’s policy and Labor policy, as we have stated, then we see no good reason why anyone should be able to avoid revenue due under the law, as you state.

Progress reported.

DOCUMENTS

Anglo-Australian Observatory

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (6.50 p.m.)—I move:

That the Senate take note of the document.

I wish to speak to the Anglo-Australian Observatory Annual Report 1999-2000, including the Auditor-General’s report—section 19 of the Anglo-Australian Telescope Agreement Act 1970. Just briefly, I cannot agree more with the statement on page 5 of this report, in the second chapter, which says: Astronomy excites the imagination of scientist and layperson alike and, although it gives no immediate tangible return, it provides an important framework for many of the major ideas that underpin our society.

I think that probably sums up science and technological advances in general. There is no doubt that certainly this government and other governments hold firm as a central plank of their economic platforms the notion that science and technological discoveries will bring with them increased income, better lifestyles, wealth, prosperity and certainly solutions to those problems of today and tomorrow, be they environmental or any other. Certainly astronomy may not seem to give a tangible result, as referred to in the report, but it is an exciting pursuit and one that Australia has a fine record in. If people look at this report in more detail, they will see reflections on some of the highlights of the Anglo-Australian Observatory over the past year, such as looking into telescope operations, research, instrumentation, AAO resources and, of course, their external communications.
Not only do these discoveries underpin our lifestyle and our society, as referred to in the report; but I think they also cause us to reflect on some announcements that have been made by the government in the last week or so. I refer specifically to the announcement by the Prime Minister of the government’s response to the Innovation Summit’s working group. The Prime Minister’s innovation statement took into account some, not all, of the recommendations contained in the Miles review and the Batterham review, and they all said the same thing: we must ensure adequate resourcing of science, research and development and ICT industries. Of course, underpinning all of this is education and training.

So you can imagine the concern, shock and horror of the Australian Democrats on discovering that, while the government has talked about an R&D increase of 175 per cent for some areas—that is, additional research by some industries—perhaps 90 per cent of currently eligible projects may no longer be eligible under the new criteria. That is because the criteria include a need to satisfy not only innovation but also high technical risk. If we are going to recognise some of the features which this report refers to as underpinning our society—that is, one that is educated, enlightened and hopefully sustainable—and the worth and importance of science and technology, we are going to have to ensure that our research and development is adequately resourced. Still, the 125 per cent R&D tax concession—cut, I might add, from 150 per cent back in 1996-97—is far from adequate.

I put on record tonight a plea for additional resources for science. We welcome the fact that the innovation statement contains funding for some education places, for some research and development, for certain industries including biotechnology and for ICT sectors. Unfortunately, that funding does not make up for the cuts that we have seen in education, particularly the higher education sector, and in research and development generally. Of course, those tax concession changes, or reductions, have also led to a reduction in private investment in research and development.

Senator Tierney—Don’t forget the $2.9 billion.

Senator STOTT DESPOJA—I will take that interjection. Senator Tierney should know not to provoke me on this issue. Let us look at how much was cut out of higher education: $1.8 billion back in 1996-97.

Senator Tierney—That is a lie. In my adjournment speech I will lay out that lie.

Senator STOTT DESPOJA—That is taking into account not only operating grants but also increases in fees and charges that make education prohibitively expensive for some of the scientists and astronomers of tomorrow who could be, like me, quite excited about the report that we have before us. If this government is committed to science—through you, Mr Acting Deputy President, to Senator Tierney—they will remove the differential HECS rate for science courses so that our graduates can undertake science courses and careers without the financial and psychological disincentive that we know fees and charges are. If we want an enlightened society, the kind referred to in the report, we will remove fees and charges for education. (Time expired)

Question resolved in the affirmative.

Landcare Australia Limited

Senator SANDY MACDONALD (New South Wales) (6.56 p.m.)—I move:

That the Senate take note of the document.

Landcare has been operating in this country since 1992, and it is one of the 21 environmental programs funded by the $1.5 billion Natural Heritage Trust. This is augmented by other environmental initiatives, including the salinity package—$1.4 billion over five years—which was announced just before Christmas, and others like the Green Corps projects and Work for the Dole. Landcare is very important and has a very fine record, and the Natural Heritage Trust, which finances it, embodies very much a vision for the future—a future where sustainable rural industries thrive and our unique environment is preserved for the generations that follow.
us. It is a partnership of Australians working together to achieve possibly one of our most important goals, and that is safeguarding our natural environment forever which, in turn, helps to secure our economic base to guarantee jobs and a more prosperous future for families.

The National Landcare Program supports collective action by communities, in partnership with government, to manage the environment and natural resources sustainably. There are around 4,500 Landcare groups Australia wide, which is incredible when you think that it has been going for only 11 years. In New South Wales, there are more than 1,500 groups, with more than 29,000 members, and the number continues to grow steadily. According to an ABS survey, the percentage of farms with a family member involved in Landcare rose from 34 per cent to 37 per cent in 1999-2000. The survey also shows that Landcare members are 50 per cent more likely to adopt sustainable agriculture practices than non-Landcare members. I do think it is worth making the point that the most encouraging way to make farmers conscious of their environment is to put them in the black. If they are in the black they will be green, and I think it is worth making that point.

The Landcare groups have one common long-term goal, and that is sustainable natural resource and environment management backed with on-ground and funding support at district, regional, state and federal levels. The 10 most common issues tackled by Landcare groups in New South Wales are weed control, revegetation, soil erosion by water, stream bank erosion, river corridor degradation, remnant vegetation loss and decline, water and dryland salinity, coastal land degradation, and remnant protection.

The federal government’s campaign to help Australians carry out this on-ground environmental work will continue in 2000-01 through the dividend from the $1.5 billion Natural Heritage Trust. Of that, more than $360 million has been allocated for trust projects, which includes $77 million to the National Landcare Program itself; $87 million to Bushcare; $45 million to the Murray-Darling 2001 program and more than $23 million for the National Rivercare Program. In addition, there was $27.2 million for the coast and clear seas program. The large proportion of Bushcare funds will directly benefit Landcare groups, with support for tree planting and native vegetation.

Late last year, during the Olympics, I had the pleasure of joining local Olympians in Tamworth—Mike Moroney and Patrick Hunt—and also members of the local Tamworth-Manilla Landcare Association group, in planting around 2,000 native trees along the Peel River bank as part of the Olympic Landcare challenge. That was an example of Landcare groups tapping into current events, in which more public involvement can be stimulated in the preservation of the environment, about which we are all very concerned.

The Olympic Landcare initiative saw an increased participation by the general community Australia wide in that program. Landcare is a potent force for change. It bears testimony to the incredible energy and ability of communities to take up the challenge of ecologically sustainable development. The coalition’s Natural Heritage Trust and working partnership with the Landcare movement provides us with the capacity to unite our best science and technology with the skills and enthusiasm of land-holders and the enthusiasm of our communities. (Time expired)

Question resolved in the affirmative.

Family Court of Australia

Senator COONEY (Victoria) (7.02 p.m.)—I move:

That the Senate take note of the document.

Courts are central to the way we are governed. Societies encompass different groups. For a true society to operate, a body is needed to administer justice. Whether that justice is administered by courts, by committees or whatever, it has always been fundamental to society. The Family Court is central to the function served by courts in general because it deals with the very tragic
situation whereby relationships that were formerly very intimate—perhaps the most intimate relationship that you could get—have split asunder and two people have blown apart. I do not think that is too strong a word. More tragically, children are affected. The Family Court deals with situations of high emotion, great tragedy, lies and twisted truths. Children are affected. I do not leave aside the issues of finance and resources, which must be shared properly.

The Family Court is a most important body—an institution that is central to the community in which we live. I listened to Senator Stott Despoja talk about resources for education. Senator Tierney said he will be talking about that as well. Education is essential, but justice is fundamental to our society. It is proper that the courts—and in particular the Family Court—be adequately resourced. The people who come before the courts must be properly represented. One of the great tragedies is that there is not sufficient representation available for the people who come before the courts—for the children, who have separate interests, or for the spouses, who want to put their case as well as possible. The whole situation is a desperate one, and that is not too strong a word to use. That is why we have to pay tribute to the judges who sit on the Family Court of Australia. We ought to acknowledge and pay tribute to Alistair Nicholson, who has been Chief Justice of the Family Court for some years now and has performed his job splendidly. He has tried to get proper resources not only for his court but also for the people who appear before the courts so that justice may be properly done. I have taken this occasion to bring to the Senate’s mind the importance of the Family Court and to acknowledge the debt that the community owes to the people who sit on it. I want to mark the most important service that has been rendered to the community by the chief justice, who has had to look after the situation in desperate circumstances over the years.

Question resolved in the affirmative.

Consideration

The following government document was considered:


ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Murphy)—Order! There being no further consideration of government documents, I propose the question:

That the Senate do now adjourn.

Innovation Statement: Backing Australia’s Ability

Senator TIERNEY (New South Wales) (7.07 p.m.)—I rise tonight to speak on the very important innovation statement which was released by the Prime Minister two weeks ago. This statement, Backing Australia’s Ability, is a major re-engineering of research and development in Australia to equip Australia for the information age. Before examining this breathtaking initiative—and I intend to do this over two speeches in the Senate—I want to hit on the head the ALP criticism of this approach. Their pithy little response to all of this is, ‘Oh, yes, you are injecting $2.9 billion over five years into R&D but you withdrew $5 billion.’ In this speech tonight I want to expose this lie. It is a great pity that, in her earlier contribution tonight, Senator Stott Despoja from the Democrats chose to perpetuate a Labor lie. Where is this so-called $5 billion that Labor claim has been removed? That is what I want to examine—this so-called, mythical $5 billion. It was never real and it was never committed in any budget. The ALP did not spend this money. Two billion dollars of it was forward estimates of expenditure. If, God help Australia, Labor had stayed in power from 1996 to 2001, they claim that over that five-year period they might have spent another $2 billion on it. So it never did really exist.

The other $3 billion is made up of the research and development blow-out that would have occurred over the same period. To re-
fresh people’s memories, back in 1994, Paul Keating, the then Prime Minister, brought in a research and development scheme which was a tax concession scheme for business. This scheme was widely rorted by unscrupulous people. As we got into government, this rorting was leading to a great blow-out, and that great blow-out would have continued to the extent of about $3 billion. So there is the other $3 billion. They were actually going to give that away. This tax concession scheme was wound back very rapidly and rightly by this current government. If the scheme had continued, it is very unlikely that very much of that $3 billion would have ever found its way into real research and development.

Since that time—besides criticising what this current government has done with its Backing Australia’s Ability policy and the expenditure of $2.9 million—what alternative has been put up by the current Labor opposition? What has this policy-lazy opposition come back with? It is one idea which was released by the Leader of the Opposition, Mr Beazley, just after everyone came back from the Christmas break. This is his way of introducing a knowledge nation. He came up with an online or Internet university for 100,000 students. Let us look at the fine print. When are the 100,000 students going to get their places? Over 10 years, according to Mr Beazley. So that is not much use to current students. What else is in the fine print? It is all subject to the Labor budgets year by year. We know what will happen to that: it will just whittle away and disappear. We know from 13 years of the last Labor government that they mismanage the economy and they keep sending things into deficit. As a result, you find that programs that start out with great expectations and high hopes get whittled away. So this Clayton’s university is probably not going to happen.

It is certainly not going to happen if we go on the track record of Mr Beazley when he was last the education minister. He came into the job after 10 years of Labor government. Let me just refresh the memory of the Senate as to what was happening in the field of higher education at that point in time, and I am talking about 1992. At that time the Labor government’s policies after 10 years had resulted in them turning away 50,000 students every year from the gates of the universities. This was creating great public angst because of the bleak future it created for our young people. I would remind the Senate that that year, 1992, was the depth of Keating’s recession we had to have. That had created 11 per cent unemployment and over 30 per cent youth unemployment and we had 50,000 being turned away from the university gates. So in the 1992 budget, standing in the shadow of the 1993 election, Labor was desperate and had to come up with some magic, cut-through policy. What was Kim Beazley’s solution at that time? His solution was to create an institution called Open Learning Australia. This was a low-tech version of his current proposals. It was even included in the main part of the budget speech in 1992 that ‘all Australians with a TV set and a letterbox will be able to have a university education’. That was the claim in the 1992 budget speech of the Keating government. What a joke! What a sick joke!

How is this brilliant idea of distance education created by Mr Beazley going nine years on? The institution he created to administer this open learning approach was the Open Learning Agency of Australia. They had an ad in the paper recently. They run a small number of courses. Of the 38 universities of Australia, only seven now participate in the scheme, and the last time I looked there were only 8,000 students involved. This is nine years on. This was a scheme that was supposed to solve the problem of 50,000 students being turned away from university. What a great Beazley education policy success that was. This is the man who is going to create the knowledge nation. We should not hold our breath if we go on the nineties track record. He cannot even come up with an original policy slogan. Do you know where the knowledge nation slogan comes from? It comes from Bill Clinton. He was the first one to come up with knowledge nation. The next one to borrow it was Tony Blair, the Prime Minister of the United Kingdom.
Then Kim Beazley picks it up as well—a third-hand rose.

Nine years on and they come up with a re-hash of that old idea through the Opening Learning Agency, and this time it is an online university. It is going to be delivered by a completely new institution which will have 100,000 students. What is the reaction to this bright idea out there in the academic community? Incredibly lukewarm would be an understatement. And why? Let me tell you why: it is because the academics and the people out there understand something that Mr Beazley obviously does not understand. Online education, or Internet education, already exists in the universities of this country. You would be hard-pressed to find a university out of the 38 that is not delivering some of its courses online. If you are going to have that policy approach—and I have nothing against online education; it is a very powerful tool—you should expand options in the current courses at the current universities. That would be the sensible policy approach to take, not to create some pie in the sky cyberuniversity. So it is back to the drawing board again for Mr Beazley on this one. His great launch of Knowledge Nation has just fallen totally flat, and we look forward eagerly to hearing the next instalment.

In the meantime, this government has created a real policy and it is called Backing Australia’s Ability. We are putting real money—not mythical money—behind it. We are putting $2.9 billion behind it, and this will go towards supporting real research and development in our universities and innovative institutions. My time is nearly expired, but what I want to do tomorrow night—and Senator Schacht will be here eagerly waiting to hear this—is to explain the way in which this $2.9 billion is going to expand some very vital areas in research and development in this country and what this will mean for Australia in the new information age.

**Rural and Regional Australia: Petrol Prices**

**Australian Broadcasting Corporation**

**Senator O’BRIEN (Tasmania)** (7.17 p.m.)—I really will be interested to hear Senator Tierney come and tell us why he feels so embarrassed that his statements about the funding for very wealthy private schools that was going to lead to a fee reduction have misled parents who have found that the schools have all put their fees up. I think we will all be here tomorrow night to listen to that contribution. What I want talk about is how last week the Prime Minister went to a number of regional centres in New South Wales and Victoria—

**Senator McGauran**—Gippsland!

**Senator O’BRIEN**—You know where that is! I am very surprised; I thought Collins Street was your region, Senator McGauran. The Prime Minister’s task was to attempt to recover the declining fortunes of his government in regional Australia, but he failed. In fact, his tour had the reverse effect for one basic reason—that is, the Prime Minister is not listening to what the Australian people, especially those living outside the major population centres of Sydney and Melbourne, are saying to him. Clearly, there is now outrage in regional Australia about the Prime Minister’s refusal to meet his promise to the Australian people on the impact of the GST on fuel. At the last election Mr Howard told the Australian people, quite baldly, that the introduction of the GST would not increase the cost of petrol. But it did. Last week he almost seemed happy to see the February indexation increase, with the GST inflation spike locked in, slugging the regional motorists another 1.6c a litre. And he is happy to continue the administrative nightmare he has imposed on thousands of small businesses in regional Australia through the business activity statement.

The Prime Minister is not listening to the concerns of the Australian people. They are telling him that things are tough and getting tougher. They are saying that the government should give them some relief from the cost of petrol, which has reached prices of well over $1 a litre in many areas, but to that request Mr Howard says no. Mr Howard has transferred over $400 million, through this windfall fuel tax take, out of the pockets of Australian motorists and into government cof-
fers. That is $400 million ripped out of the budgets of ordinary Australian households because of the Prime Minister’s refusal to honour a promise on the impact of the GST. In fact, the Australian Automobile Association has calculated that the total windfall from fuel taxes to the government is $1.34 billion a year—that is, $1.34 billion more than was factored into the last budget.

Mr Howard’s record on fuel tax is very impressive—and I say that ironically. He has presided over four increases in fuel tax over the last seven months. The first was on 1 July last year when he broke his promise on the GST; the second was the indexed increase in excise from 1 August; the third was the increase in prices flowing from the application of the 10 per cent GST to fuel prices increased by other factors, such as world prices and a depreciating dollar; and of course the fourth Howard induced increase in petrol tax cut in at the beginning of this month. But there is another important aspect to the Howard government fuel tax grab, and that is the widening gap between the fuel tax burden placed on country motorists compared with city people. Under Mr Howard people living in regional Australia are now paying more tax on their petrol than people living in Melbourne and Sydney because the GST is applied to the retail price of fuel. So much for the Nyngan declaration.

The Deputy Prime Minister argues that people in regional areas would lose road funding if the government honoured its GST fuel tax commitment. But his claim does not stand up to scrutiny, and that is not just my view but the view of the National Farmers Federation. They said, ‘Claims that abolishing the February excise increase could not be afforded are misleading. They ignored the windfall gain accruing to the government as a result of higher oil prices boosting resource rent tax revenue.’ Many of the people who are complaining to me about Mr Howard’s petrol tax and his stance on the business activity statement I would not consider to be Labor supporters in normal circumstances. But it seems to me that these are not normal times. Even diehard Liberal supporters are increasingly being ignored by Mr Howard.

In that context, I want to touch on another matter, and that is the matter of the ABC. At the end of last year I spoke in this place about significant cuts in both numbers and skills to the television production division within the Australian Broadcasting Corporation and the negative impacts on services to regional Australia. The minister, Senator Alston, responded in an orthodox, conservative fashion. He said that the government was not going to tell the ABC how to run its business. He said that the running of the ABC was a matter for the board and the managing director. Senator Alston accused the opposition of asking the government to engage in political interference with the national broadcaster. That was not the case then, and the minister knows it.

The only political interference in the effective operation of our national broadcaster came from this government in 1996. It was both swift and effective and was in the form of a cut of some $66 million to the ABC budget. That organisation—that is, the ABC—has never recovered. And I am sure Mr Howard, for one, still looks back with pride at the effects of his fiscal handiwork. My forecast that Mr Shier planned to cut 100 jobs from television production was not accurate; the real number was 105—that is, around 60 per cent of total staff numbers. Mr Shier’s justification for these cuts is to bring salary expenditure into line with salary budgets. These salary budgets were set by the Prime Minister and his ministerial colleagues around the cabinet table when they were putting together the first Howard budget. In effect, that is who set those salary budgets. So Mr Shier is saying that the cuts to the jobs are justified because he has to meet a budget which has been set by this government.

Television production is not the only area of the ABC that faces significant financial pressure. According to reports in the Sydney Morning Herald, funding for the metropolitan and regional radio aspect of the ABC is also facing funding cuts. That paper recently reported that cuts to ABC radio would be between three and five per cent of their budget. That means that hundreds of thou-
sands of dollars must be cut from local radio budgets throughout Australia by 30 June this year. According to the report, local radio managers emerged from a meeting with ABC accountants to discuss their budgets ashen faced. So like many other important issues in the bush, such as petrol and small business red tape, things are getting tougher for the ABC and those millions of people outside of major population centres that rely on it. May I say, for these circumstances the buck must stop with the Prime Minister.

**Innovation**

**Australian Council of Social Service**

Senator STOTT DESPOJA (South Australia—Deputy Leader of the Australian Democrats) (7.26 p.m.)—Tonight I rise primarily to discuss some of the recommendations that have been put forward today by the Australian Council of Social Services in the ACOSS statement which came out entitled ‘Closing the gap’. It is their budget priorities for 2001-02. But before I do, I would just like to reflect once again on some of the comments made regarding the innovation statement that was released on 29 January, and in particular in response to Senator Tierney, who I think was probably responding to some of the comments I made in my address on the government documents earlier this evening.

But I think it is important that we stress this: while some of the recommendations and announcements in the innovation statement by the Prime Minister on the 29th are modest—and certainly they are all long overdue—and that any increased spending in the area of education, training, research and development, and certainly science and the information technologies, is welcomed by the Democrats, let us not get too carried away. Let us remember that, contrary to what Senator Tierney suggests, this funding announcement and the proposals that were announced by the Prime Minister do not go anywhere near to reversing the at least $1 billion worth of cuts imposed since 1996 on the higher education centre—at least—and I think the figure is much higher, if you look at the $3 billion worth of disinvestment that has happened since 1995 as a percentage of GDP.

There is no way that any innovation strategy in this country will be considered credible, until we address that incredible defunding of the higher education sector. In addition to that, while we can wax lyrical about some of the changes that have been made to R&D—in particular, the announcement of the tax concession, the premium for increment R&D work above a base rate, that 175 per cent R&D tax concession—as the Democrats have pointed out, and certainly last night I did in my adjournment debate—up to 90 per cent of currently eligible research projects will miss out because of the tightened, in fact the increased, eligibility criteria for those projects, the fact that these projects will now have to meet not only a test of innovation but of high technical risk as well. They have to satisfy both those criteria. That is an added impost that is going to be a greater difficulty for those businesses. Therefore we could see, as I mentioned last night and again today, up to 90 per cent of currently eligible projects missing out because they do not meet that new criteria.

So there is no doubt that while the science, education, research community, the business community, has welcomed some of the modest proposals made by the Prime Minister, some of the modest announcements—and certainly the Democrats have done also—we recognise that the announcement falls a long way short of what is needed to rectify that disinvestment, not only in the higher education sector but of course in terms of R&D investment, particularly private funding for R&D. In fact, the single biggest example—certainly in contemporary political history—of cause and effect policy making in this country has been the changes made in 1996-97 by this government to the R&D tax concession rate. The cut from 150 per cent to 125 per cent had an almost immediate impression on the amount of private investment in research and development. There is a discernible drop in the percentage that was spent by businesses as a consequence of that R&D policy.
So, again I reiterate: some of the proposal has been welcomed, but it is a long way short of what is required if we are going to be a truly innovative society and truly participate in that global knowledge economy. And that is something we all talk about—every party talks about—but it is not being matched with a realistic commitment, nor resources, by this government.

Talking about education and innovation, that is actually relevant to the main purpose of my comments tonight. Looking at the ACOSS submission, there is an underlying theme apart from closing that increasing gap between Australia’s rich and poor—not to mention the specific groups to which ACOSS refers, such as indigenous Australians, remote and rural Australians, Australian with disabilities and young people, which is a pertinent part of this submission. There is a recommendation in this report regarding education, specifically the Higher Education Contribution Scheme. Again, this relates to comments made by Senate Tierney tonight. When he talked about science—and he certainly interjected on my speech regarding astronomy—he was saying that the government was committed to funding science and, I believe, science graduates or people taking up science courses.

One of the factors this government should have considered in its response to the Innovation Summit working group—and to the Batterham and the Miles reports—was abolishing the differential HECS rate for science courses. As you may know, students in Australian universities pay a higher HECS rate if they study science. You can imagine what that means for teachers, who normally would be paying the lower HECS band. But if they are studying courses such as science, because they want to be science teachers, they have an increased debt compared with, say, a teacher who studied English as their main area of expertise. In the ACOSS submission, in chapter 3, there is a recommendation that says:

The Government should commission an independent study to analyse the impact of HECS and other up-front fees for higher education on access and enrolment rates to various disciplines for different socio-economic groups, and on those who are undertaking a second degree.

The second recommendation in that report referring to HECS is:

The income level which triggers the repayment of HECS for those who have deferred payment should be increased to average weekly earnings over a three year period.

These are all things that the Democrats tried to do when this legislation came before the parliament; it was back in 1996 when those changes were originally introduced. This report acknowledges something that a lot of us know: fees and charges are a psychological and financial disincentive to participate in and to enter higher education. This report shows:

There has been no definitive assessment of the impact of new measures aimed at securing short-term fiscal gains from the Higher Education Contributions Scheme on low income students and potential new students from low income and disadvantaged backgrounds.

While there has not been that analysis, they certainly acknowledge this:

The measures of particular concern are the introduction of differentiated fee rates for different courses, and the lowering of the income threshold that triggers repayment for those who have deferred payment—from $28,000 to around $22,000.

There are also recommendations in this ACOSS submission pertaining to education in the form of income support. There is certainly strong recommendation that Abstudy should be retained as a separate program and should receive additional funding over the next four years. That is an income support measure for students who are indigenous. The report clearly says, quite starkly, in regard to cuts in the area of Abstudy:

These cuts have restricted access to support for many students, particularly support for residential schools, field trips and assistance with the costs of secondary education.

Similarly, there have been recommendations in this report about other forms of income support, including Austudy. There are recommendations in relation to other social security benefits, including pensions.
I note also that one of the recommendations in the report is something the Democrats have been strongly supportive of, and I suspect there would be quite a few in the chamber who would support—indeed, I look around at my colleagues here tonight and I suspect all would support—the children’s commissioner proposal. I refer to the recommendation by ACOSS advocating:

... the establishment of a National Children’s Commissioner to monitor and accelerate the implementation of the International Convention on the Rights of the Child.

That is something that we have certainly campaigned for, and I do not quite understand why the government is not actually pursuing that recommendation, which I think we have been a signatory to in international charters.

The report ends with an acknowledgment of the role of peak and advocacy bodies. It says:

Along with the community sector more broadly, peak and advocacy bodies play a significant role in community building. They do this in numerous ways. One of the most important is that they help governments fulfil their basic right and responsibility—to govern in the public interest—by promoting debate, and by presenting the views of the various interests and groups which make up our society. This assists in the creation of effective, healthy communities.

Most people in this place have to recognise that since this government came to power cuts have been made to many of these peak bodies in terms of their funding. Some have been de-funded—look at the Australian Youth Policy in Action Coalition, the only real national peak representative body for young people in Australia. That was de-funded; its funding was completely cut under the youth affairs minister.

Senator McGauran—It was stacked.

Senator STOTT DESPOJA—Yes, by cub scouts. Yes, indeed, the scouts and other organisations were on that body—not just student representative groups, not just welfare organisations. It was stacked by young people—what is wrong with that? Why is that so threatening to any government, let alone this government? It was an advocacy, representative, research based body that assisted governments from Fraser right through to this one, and yet it was still cut.

Problem gambling is another issue highlighted in this report, and I strongly endorse the recommendations in relation to national regulation of online gambling as well as federal legislation and regulation minimising the impact of problem gambling. I recommend the report to the Senate.

Price, Mr James

Senator LIGHTFOOT (Western Australia) (7.36 p.m.)—I want to speak in the adjournment debate tonight on the passing of a great Australian who was probably not known to many members of this chamber or indeed to those from other areas of the eastern states but was certainly well known in Western Australia, where he was quite revered. His name was James Matthew Price, and he died last month after living in only one place, Coodardy Station, a sheep station of several hundred thousand acres which was taken up by his father in 1885. Jim lived there all of his life with the exception of the war years, 1941 to 1945, when he served his country in the Air Force. He flew in aircraft out to the Timor Sea, towards the end of the war, chasing the Japanese away from that part of the world.

Jim Price was an extraordinary man by any measure, particularly with respect to what he gave back to society. He was President of the Cue Shire Council from 1971 to 1996. He was Chairman of the Murchison Ward Country Shire Councils Association of Western Australia from 1971 to 1996. He was the association’s member of the WA Agricultural Protection Board from 1971 to 1987. He represented the Pastoralists and Graziers Association, the peak pastoral body in Western Australia, on its board from 1987. He was the association’s member of the Western Australian Exotic Diseases Committee from 1979. He represented the Pastoralists and Graziers Association, the peak pastoral body in Western Australia, on its board from 1987. He was executive member of a number of committees of the Pastoralists and Graziers Association from 1952 and deputy member of the Pastoral Board of Western Australia from 1987.
He was a member of the department of agriculture’s Rangeland Management Regional Research Liaison Committee from 1979. He was a member of the Cue District Soil Conservation Committee from 1989, and he was an active member of the Cue Bicentennial Committee, the Keep Australia Beautiful Council, racing associations, rifle clubs and golf clubs, among others. He was a life member of the Murchison Racing Association, where I first met him in the early 1970s, and a life member of the East Gascoyne Racing Club and the Cue Rifle Club.

Mr Price, which is how I addressed him until recent years, was born in Cue. Cue may not be well known to the people of this place. It is not spelt K-e-w, as it is on the outskirts of London, or now in greater London, but C-u-e. It is probably best known for the person who was later to become President of the United States, Hoover, whose brother spent half a century or more as chief of the CIA. President Hoover was a young mining engineer in Cue and was well known to Jim Price’s parents. He ran the Murchison Ward Country Shire Councils Association with an iron fist.

When I was first in state parliament in 1986, I was summoned to what we called the collection of authorities, a collection of local government authorities around Cue. Jim always came there in a tie, and I thought that it would be best if I tried to dress down. I had spent most of my life in that part of the world. Jim admonished me for not wearing a tie in 110-degree heat. In fact, when I made some move to speak, he told me that I was to shut up and that he would tell me when I could speak.

Senator McGauran—That would be a first!

Senator LIGHTFOOT—It was indeed a first, Senator McGauran. As I recall him very vividly, Jim Price was a man who rose at five o’clock in the morning. He thought that, if you were not out of bed by 6.30, you were slouching it. He would often ring his extended family at 6.30 in the morning down in Perth to obtain spare parts and tell them to deliver them to a plane that would leave probably an hour or so after he had phoned. They always duly obliged.

Jim Price did get some recognition. He was a Member of the British Empire—something bestowed upon him in Perth in 1989. He was also awarded the Order of Australia. He was a justice of the peace and, since 1952, had sat on the Children’s Court. He was a man of opposites. He was a paradox. In October, only a few weeks ago, I spent a weekend at the East Gascoyne Racing Club with Jim. We sat around the campfire under the pristine and cloudless sky of the Western Australian outback and swapped yarns.

I remember Jim from when I was on duty there. When I had my property in the East Gascoyne, I was official timekeeper at the East Gascoyne Racing Club. I do not doubt that there would not be many people in here who have ever had a bet there. When I was timekeeper, I once forgot to press the stop watch button, in the excitement of a jump at a race and, consequently there was no time to correct it. When I admitted this to Mr Price, who was the Chief Clerk of the Course, he admonished me again in a way that I do not dare repeat in this House. I said, ‘Why don’t I just take a second off last year’s time?’ because I had that statistic. He said, ‘Don’t be a fool. That would create a record. Put a second on.’ I will not tell you what he said, but he threatened me with physical violence if I did it again. He was not a big man, but he was very respected. He was 77 when he died. He was a great horseman, and he used to race with his brother John, who was an amateur jockey in those outback areas.

When he sat by the campfire that evening, Jim spoke to me about his station and the fact that he had had three hip replacements. He thought they were getting a bit creaky and needed an oil change. He said that he was limping not because of his hip replacements but because, at 77, he was actually still mustering his own sheep on a motorbike. He recently went down a shallow depression while he was standing up on the footrests of his motorbike. He was looking for sheep and did not see where he was going. As a consequence, he finished upside down in the bot-
tom of the hole with his motorbike on top of him. He was about 25 kilometres away from the homestead. He said to himself, ‘I can either kick the motorbike off or perish here.’ He was not a big man. He would have been only about five feet six inches tall. He kicked the motorbike off and, with his artificial hips, walked all those kilometres back to the homestead and love and attention.

Jim Price was quite revered, even loved. In 1979, his station was chosen by the Western Australian government to host, for a few days, His Royal Highness Prince Charles. At the end of the period, Jim told me that Prince Charles behaved impeccably while he was his guest and, as a consequence, he was awarded the Order of the Quart Pot, which is the highest distinction that the Pastoralists and Graziers Association can give anyone. Later on, Prince Charles had a hand in rewarding him, when he was made a Member of the British Empire. Jim was a very good Christian, as if there is any other type, and that is the paradox of him. He was related to the first Cardinal of Australia. I am looking for his name, unless anyone can tell me?

Senator McGauran—Gilroy.

Senator LIGHTFOOT—Yes, it was Cardinal Gilroy. Partly as a consequence of that, Jim and his family were great supporters of the Catholic Church. They are true Christians; they are great Australians. He will be sorely missed. Jim is survived by his wife, Gwen, and their children, Leslie Matthew Price, Michael James Price, Catherine Anne Price, Peter Richard Price, and by their various partners; and his grandchildren, Philip, Mandy, Nathan, Lisa, Ben, Jasmine, Scott, Matthew, Amber, Belinda, Rachel and Brad. I went to his service in St Mary’s Cathedral in Perth where I was privileged to be a pallbearer, and I also travelled 700 kilometres to where his remains were taken back to his beloved Cue, and he was buried in the warm ground of the historic Cue cemetery. The ceremony attracted the Premier of Western Australia, many ministers of the Crown and some Aboriginal people, amongst hundreds of others, who buried Jim with shovels rather than have anyone else do it. Jim was a great man and will never be replaced.

Elections: Conduct

Senator SCHACHT (South Australia) (7.46 p.m.)—As a member of the Joint Committee on Foreign Affairs, Defence and Trade and, particularly, the Human Rights Subcommittee, I have had a lengthy interest in the outcome of free elections around the world. With other members of this parliament, I have expressed disappointment when elections have been rorted, when election results have been suppressed or when elections have not even been held. I will return to this matter later.

Senate adjourned at 7.47 p.m.

DOCUMENTS

Tabling

The following government documents were tabled:

Advance to the Minister for Finance and Administration—Statements and supporting applications of issues for—November 2000.

December 2000.


Australian Postal Corporation (Australia Post)—Service improvement plan, December 2000.


Issues from the Advance to the Minister for Finance and Administration as a final charge for the year ended 30 June 2000.


Tabling

The following documents were tabled by the Clerk:

A New Tax System (Family Assistance) Act—

Child Care Benefit (Absence From Care – Permitted Circumstances) Amendment Determination (No. 1) 2000.
Child Care Benefit (Eligible Hours of Care) Amendment Determination (No. 1) 2000.
Child Care Benefit (Recognised Work or Work Related Commitments) Amendment Determination (No. 1) 2000.

A New Tax System (Family Assistance) (Administration) Act—

Child Care Benefit (Allocation of Child Care Places) Amendment Determination (No. 1) 2000.
Child Care Benefit (Eligibility of Child Care Services for Approval and Continued Approval) Amendment Determination (No. 1) 2000.

Child Care Benefit (Record Keeping) Amendment Rules (No. 1) 2000.

Social Security Act—


Sydney Airport Curfew Act—Dispensation granted under section 20—Dispensation No. 4/01.

Indexed Lists of Files

The following documents were tabled pursuant to the order of the Senate of 30 May 1996 as amended 3 December 1998:

Indexed lists of departmental and agency files for the period 1 July 2000 to 31 December 2000—Statements of compliance—Department of Education, Training and Youth Affairs.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Department of Defence: Contracts to Deloitte Touche Tohmatsu
(Question No. 2005)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Deloitte Touche Tohmatsu in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Deloitte Touche Tohmatsu; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Deloitte Touche Tohmatsu (open tender, short-list or some other process).

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

(1) The Department of Defence awarded 1 contract to Deloitte Touche Tohmatsu in the 1998-99 financial year.

<table>
<thead>
<tr>
<th>Purpose of Work</th>
<th>Cost $</th>
<th>Selection Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide internal audit services for</td>
<td>62,673</td>
<td>Tender</td>
</tr>
<tr>
<td>Defence Housing Authority</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Department of Defence: Contracts with PricewaterhouseCoopers
(Question No. 2024)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm PricewaterhouseCoopers in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by PricewaterhouseCoopers; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select PricewaterhouseCoopers (open tender, short-list or some other process).

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

(1) The Department of Defence awarded 29 contracts to PricewaterhouseCoopers in the 1998-99 financial year.

<table>
<thead>
<tr>
<th>Purpose of Work</th>
<th>Cost $</th>
<th>Selection Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy services to Joint Logistic Support Agency (JLSA) for the purpose of introducing segmented/tailored management regarding the Supply Chain Segmentation Project.</td>
<td>555,000 - nil expenditure in FY98/99</td>
<td>Sole source selected on the basis that the segmentation project lead directly from the Defence Integrated Distribution System (DIDS) consultancy established in 1997/98.</td>
</tr>
<tr>
<td>Provide DIDS project team members with Tabular Format2 (TF!2) Tender Evaluation training</td>
<td>11,100</td>
<td>Sole source as contractor is the supplier of TF!2 through a previous purchase order in 97/98.</td>
</tr>
<tr>
<td>Provide three DIDS In House Option team members with TF!2 Tender Evaluation Training – three day</td>
<td>5,550</td>
<td>No selection process utilised. Course was a project requirement and Acquisition Services Consulting Group,</td>
</tr>
<tr>
<td>Purpose of Work</td>
<td>Cost $</td>
<td>Selection Process</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>----------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Provide Support Command (Navy) consulting services to develop Inventory analysis data. This data was used to further develop and support inventory aspects of the Logistic cost of ownership submissions for RAN platforms and systems</td>
<td>16,900</td>
<td>the licensed provider of TF!2, work through contractor single source on the basis of the contractor’s considerable prior work with Support Command Australia in analysing inventory segmentation requirements and associated modelling.</td>
</tr>
<tr>
<td>Conduct a review of the Army Training Information Management System technical infrastructure for Army Minor Capital Projects Drafting the Source Evaluation Report for the personnel Image Management System under the Army Minor Capital Projects</td>
<td>3,927</td>
<td>Following an unsuccessful Request-for-Quotation, the contractor was selected from local companies.</td>
</tr>
<tr>
<td>Provide support to the tender evaluation phase of the Class 8 Medical and Dental Logistic Services project</td>
<td>147,823</td>
<td>Sole source on the basis that the company had already won the competitive tender to develop the functional specification.</td>
</tr>
<tr>
<td>Establish the viability of Joint Logistic Unit – South</td>
<td>3,757</td>
<td>Single sourced from the panel of approved suppliers</td>
</tr>
<tr>
<td>Provide viability study into the Naval Aviation Logistic Management Squadron relocation from Sydney Defence Plaza to Nowra</td>
<td>84,241</td>
<td>Single sourced from the panel of approved suppliers</td>
</tr>
<tr>
<td>Provide activity review into the Mechanical engineering Operational maintenance function</td>
<td>9,043</td>
<td>Single sourced from the panel of approved suppliers</td>
</tr>
<tr>
<td>Provide assistance with business unit cost baselines, incentive based contracting strategies and statement of requirement development for the market testing of 501 and 503 Wing business units</td>
<td>1,996,551</td>
<td>Selected from a CSP Panel Standing Offer of Consultants.</td>
</tr>
<tr>
<td>Provide instruction in TF!2 for Defence Acquisition Organisation (DAO) Project staff.</td>
<td>11,642</td>
<td>Sole source – contractor are the only known providers in TF!2 instruction.</td>
</tr>
<tr>
<td>Support in the development of a business process re-engineering (BPR) communications strategy, and support in the development and presentation of a business case implementation strategy for BPR initiatives for DAO</td>
<td>196,146</td>
<td>Sole source – extension of prior contract.</td>
</tr>
<tr>
<td>Development of a BPR implementation communications strategy and Key Performance Indicators for DAO</td>
<td>108,804</td>
<td>Sole source – extension of prior contract.</td>
</tr>
<tr>
<td>Review of Defence related research and development for DAO</td>
<td>26,100</td>
<td>Short-list tender</td>
</tr>
<tr>
<td>Review of the Quality Assurance and Earned Value Management</td>
<td>4,900</td>
<td>Sole source</td>
</tr>
<tr>
<td>Purpose of Work</td>
<td>Cost  $</td>
<td>Selection Process</td>
</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>---------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Directorates in the Acquisition Management Branch of DAO.</td>
<td>28,917</td>
<td>Open Tender</td>
</tr>
<tr>
<td>PricewaterhouseCoopers in the United Kingdom engaged to facilitate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a partnering workshop for Project Air S400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advice on restructuring Command and Support Systems Branch of DAO</td>
<td>12,600</td>
<td>Single source</td>
</tr>
<tr>
<td>in the lead-up to the relocation to new premises at Russell, ACT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assist in the conduct of market testing activities for Defence Headquarters</td>
<td>5,550</td>
<td>Open Tender</td>
</tr>
<tr>
<td>Service as independent member of the Defence Audit and Program Evaluation Committee for Defence Headquarters</td>
<td>2,200</td>
<td>Single source following industry discussions</td>
</tr>
<tr>
<td>Service as independent member of the Defence Audit and Program Evaluation Committee for Inspector-General Division</td>
<td>1,500</td>
<td>Single source following industry discussions</td>
</tr>
<tr>
<td>Audit assistance with the completion of annual financial reports</td>
<td>31,350</td>
<td>Selected from a panel.</td>
</tr>
<tr>
<td>Provide tender evaluation support provided for Garrison support in South Queensland</td>
<td>93,454</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Attendance of Defence Corporate Support staff members on Tabular Format Course</td>
<td>1,850</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Reimbursement of accommodation incurred during provision of tender evaluation support for Garrison Support in South Queensland</td>
<td>3,965</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Tabular Format Course</td>
<td>1,850</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Support for ACT/SNSW market testing</td>
<td>45,734</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Tender evaluation support and Tabular Format system provided for</td>
<td>329,665</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
<tr>
<td>Garrison Support in ACT/SNSW</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undertake baseline costings for ACT/SNSW Garrison Support</td>
<td>51,700</td>
<td>Selected from the Commercial Support Program consultancy panel</td>
</tr>
</tbody>
</table>

**Department of Defence: Contracts with KPMG**

*(Question No. 2043)*

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm KPMG in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by KPMG; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select KPMG (open tender, short-list or some other process).
Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The Department of Defence awarded 16 contracts to KPMG in the 1998-99 financial year.

(2) Purpose of Work | Cost $ | Selection Process
---|---|---
Consultancy services in relation to Service Agreement and Board matters for Defence Housing Authority | 28,816 | Short listed
Supply of ISO 9000 Series certification and surveillance audit services to Support Command Australia | 132,650 | All certification bodies accredited by the Joint Accreditation Scheme Australia and New Zealand at the time the selection process commenced were invited to tender.
Fraud risk assessment and development of Support Command Australia fraud control plan | 24,999 | Contractor on panel of approved suppliers
Certification audit and surveillance audits of Aerospace Acquisition Division’s Quality Management System to Standard ISO9001 | 3,400 | Open Tender
Audit advice to the Military Superannuation Benefit Scheme (MSBS) Board | 38,460 | Shortlist of firms invited to tender
Defence Headquarters - contribution to DFAT’s cost in modifying billing arrangements in the overseas offices | 5,250 | DFAT tendered – Defence contributed to costs
Futures consultancy for Defence Headquarters | 34,557 | Selected from standing offer panel
Critical infrastructure study for Defence Headquarters | 100,150 | Selected from standing offer panel
Audit assistance with the completion of annual reports | 66,750 | Selected from a panel.
Project management for Y2K remediation in Support Command Australia, Finance and Inspector – General and the Personnel Executive Program. (4 contracts) | 946,822 | The contractor was selected following the excellent work they had done in assessing the impact of Y2K on our supply systems.
Career Planning and Development course to Aeronautical Research Materials Laboratory (ARML) staff | 2,000 | The contractor had previously been competitively selected to develop pilot programs for ARML.

Department of Defence: Contracts with Arthur Andersen
(Question No. 2062)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Arthur Andersen in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Arthur Andersen; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Arthur Andersen (open tender, short-list or some other process).

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:
(1) The Department of Defence awarded no contracts to Arthur Andersen in the 1998-99 financial year.

(2) Not applicable.

Department of Defence: Contracts with Ernst and Young
(Question No. 2081)

Senator Robert Ray asked the Minister representing the Minister for Defence, upon notice, on 6 March 2000:

(1) What contracts has the department, or any agency of the department, provided to the firm Ernst and Young in the 1998-99 financial year.

(2) In each instance: (a) what was the purpose of the work undertaken by Ernst and Young; (b) what has been the cost to the department of the contract; and (c) what selection process was used to select Ernst and Young (open tender, short-list or some other process).

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

(1) The Department of Defence awarded 27 contracts to Ernst and Young in the 1998-99 financial year.

(2)

<table>
<thead>
<tr>
<th>Purpose of Work</th>
<th>Cost $</th>
<th>Selection Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence Integrated Distribution Service (DIDS) In-House Option Feasibility Study</td>
<td>47,040</td>
<td>Sourced from the Commercial Support Program standing offer of consultants</td>
</tr>
<tr>
<td>Implementation of Accrual Accounting for Support Command Australia, and in particular advice on asset classification and the accounting treatment for Defence inventory holding</td>
<td>24,003</td>
<td>Contractor on the panel of approved suppliers</td>
</tr>
<tr>
<td>Implementation of Accrual Accounting for Support Command Australia, and in particular assistance in the development of the Support Command Australia Accrual Budget</td>
<td>9,586</td>
<td>Contractor on the panel of approved suppliers</td>
</tr>
<tr>
<td>Provide consultancy support for the Aircraft Research and Development Unit Reform of Support Command Australia (Air Force) Minor Capital Project</td>
<td>184,198</td>
<td>Contractors were sourced from the Defence preferred Systems Integrators panel</td>
</tr>
<tr>
<td>Provide specialist personnel advice to facilitate the Staff Management Plan, an initiative comprising of career management and education and resettlement elements for Support Command Australia - 501/503 Wing</td>
<td>243,322</td>
<td>Single source from CSP panel of consultants on the basis of a constrained project schedule time frame, prior experience with delivering Tier 1 and Tier 2 training, market knowledge, and value for money</td>
</tr>
<tr>
<td>Provision of strategic human resources planning advice to Defence Acquisition Organisation (DAO)</td>
<td>34,096</td>
<td>Sole source – selected on basis of being known provider and DAO experience</td>
</tr>
<tr>
<td>Provision of training services to DAO staff Independent review of the 1997/98 financial statements information of the DAO</td>
<td>90,000</td>
<td>Contractor selected from panel contract set up to provide accounting services to the department to assist in the implementation of accrual</td>
</tr>
<tr>
<td>Description</td>
<td>Cost</td>
<td>Tender Type</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Provision of an independent review of the 1998/99 financial statements of DAO accounting</td>
<td>110,000</td>
<td>Contractor selected from panel contract set up to provide accounting services to the department to assist in the implementation of accrual accounting</td>
</tr>
<tr>
<td>Provide audit advice and taxation advice to the Military Superannuation benefit Scheme (MSBS) Board</td>
<td>12,100</td>
<td>Selection was based on a shortlist of firms that were invited to tender for the contract</td>
</tr>
<tr>
<td>Conduct a partnering conference between British Aerospace Flight Training Australia and representatives of the ADF at Tamworth after the contracting out of ADF Basic Flying Training for Air Force Headquarters</td>
<td>5,957</td>
<td>Recommendation by the office of the Director General, Commercial Support Program</td>
</tr>
<tr>
<td>Conference Facilitation for Defence Science and Technology Organisation</td>
<td>4,617</td>
<td>Short list</td>
</tr>
<tr>
<td>Training for Defence Headquarters civilian staff and their supervisors regarding Civilian Performance Management Scheme</td>
<td>19,000</td>
<td>Previously tendered by DAO, DHQ negotiated participation through previous DAO tender.</td>
</tr>
<tr>
<td>Updating and development of policy to align with financial reporting requirements; implementation of accrual accounting budgeting system and to replace existing cash accounting budgeting system; and development of agency banking and cash management for DHQ</td>
<td>834,201</td>
<td>Restricted tender process</td>
</tr>
<tr>
<td>Support of Fringe Benefits Tax operations of Defence for DHQ</td>
<td>79,737</td>
<td>Competitive tender</td>
</tr>
<tr>
<td>Implementation of accrual management and reporting for DHQ</td>
<td>80,270</td>
<td>Standing offer (formed through open tender)</td>
</tr>
<tr>
<td>Develop a set of job families in the Defence Intelligence Organisation to enable the establishment of a performance culture in the Organisation.</td>
<td>45,000</td>
<td>Single source provider</td>
</tr>
<tr>
<td>Defence Estate Organisation (DEO) Executive Workshop</td>
<td>5,755</td>
<td>Sole source selection based on knowledge of the facilitator and the facilitator’s previous experience in DEO workshops</td>
</tr>
<tr>
<td>Living-In Accommodation Workshop</td>
<td>2,080</td>
<td>Sole source selection based on the facilitator’s experience, skills and access</td>
</tr>
<tr>
<td>Regional Corporate Workshop at Mount Macedon in Victoria</td>
<td>5,317</td>
<td>Sole source selection based on the facilitator’s experience and corporate knowledge of the DEO</td>
</tr>
<tr>
<td>DEO Regional Corporate Planning Workshops</td>
<td>44,500</td>
<td>Sole source selection based on facilitator’s familiarity with the DEO and value for money of the proposal.</td>
</tr>
<tr>
<td>Develop guidelines to assist Defence assess significant proposals from software vendors for Defence Information Systems Group</td>
<td>12,800</td>
<td>Short listed from a stand offer panel</td>
</tr>
<tr>
<td>Advise Defence Information Systems Group on a large, complex vendor proposal (2 contracts)</td>
<td>54,020</td>
<td>Short listed from standing offer panel</td>
</tr>
<tr>
<td>Restructuring Pricing Schedules for South</td>
<td>1,500</td>
<td>Contractor is a member of the</td>
</tr>
</tbody>
</table>
Queensland Garrison Support
Support of In House option during market testing of North Queensland Garrison Support
Provide assistance to Project Team working on Service personnel relocation project, included review of operating procedures.

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Value</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>15,000</td>
<td>Support is a member of the Commercial Support Program consultancy panel</td>
<td></td>
</tr>
<tr>
<td>5,650</td>
<td>Contractor provided oral quotation and was selected on the basis of previous satisfactory work of a similar nature</td>
<td></td>
</tr>
</tbody>
</table>

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**Attorney-General’s Department: Fringe Benefits Tax Paid**

(Question Nos 2317 and 2320)

**Senator O’Brien** asked the Minister representing the Attorney-General and the Minister for Justice and Customs, upon notice, on 6 June 2000:

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

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

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

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

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

**Senator Vanstone**—The Attorney-General has provided the following answer to the honourable senator’s question:

I have been advised by my Department and agencies within my portfolio of the following information on fringe benefit tax:

**Attorney-General’s Department**

(1) (a)

- 1997-98  $771,310
- 1998-99  $346,572
- 1999-00  $321,488

(2) The FBT payments identified in answer to question 1 were incurred in relation to motor cars, expense payments, housing, car parking and entertainment. However, the Department does not regard these as “incentive” payments as such.

(3) Approximately $9,500 per annum

(4) In the 1998/99 financial year an amount of $87,004, was paid in performance pay. This was in respect of the 1996/97 cycle. Performance pay in respect of the 1997/98 cycle was paid in the 1999/2000 financial year. The total amount was $56,267.

(5) Compliance costs were not recorded and a reliable estimate is not available.

**Australian Protective Service**

(1) (a)

- 1997-98  $130,459
- 1998-99  $129,911
- 1999-00  $111,736

(2) The APS made FBT payments in relation to the following benefits to staff provided under the current award, operation requirements and working conditions applicable to the Public Service:
• motor vehicle
• hospitality
• HECS
• remote locality fare
• car parking

However, the APS does not regard these as “incentive” payments as such.

(3) Approximately $3,500 per annum.

(4) No incentives were paid other than providing flexible salary packaging to required staff.

(5) Not applicable

**Administrative Appeals Tribunal**

(1) (b)  
• 1997-98 $143,143  
• 1998-99 $185,898  
• 1999-00 $186,073

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles with the remainder being for car parking and official telephones. However, the AAT does not regard these as “incentive” payments as such.

(3) Approximately $2,000 for the years 1997-98 to 1999

(4) Nil

(5) Not applicable

**Australian Bureau of Criminal Intelligence**

(1) (b)  
1997-98 $22,975  
1998-99 $11,329  
1999-00 $7,963

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles (91%) with the remainder being for official hospitality, car parking and official telephones. However, ABCI does not regard these as “incentive” payments as such.

(3) Costs were minimal

(4) Nil

(5) Not applicable

**Australian Customs Service**

(1) (b)  
1997-98 $1,361,627  
1998-99 $1,556,860  
1999-00 $1,604,852

(2) The FBT payments identified in the answer to question 1 were incurred in relation to motor vehicles including parking, use of telephones and computers, certain domestic and overseas allowances, housing and hospitality. However, the ACS does not regard these as “incentive” payments as such.

(3)  
1997-98 $32,384  
1998-99 $44,927  
1999-00 $86,910

(4) & (5)  
Non-FBT incentive payments made to Customs officers in 1997-98, 1998-99 and 1999-2000 were performance bonuses paid to SES and Executive Level 2 officers under individual AWAs, and
payments for extraordinary performance made in accordance with the provisions of the Customs Certified Agreement. The performance bonus payments attract income tax rather than FBT. The costs associated with the calculation and payment of these bonuses are minimal as they take the form of annual payments for a small number of officers. Payments are based on appraisals, which form an integral part of the broader performance management scheme.

**Australian Federal Police**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>$1,948,000</td>
</tr>
<tr>
<td>1998-99</td>
<td>$1,730,000</td>
</tr>
<tr>
<td>1999-00</td>
<td>$2,099,000</td>
</tr>
</tbody>
</table>

(2) The FBT payments identified in the answer to question 1 were incurred in relation to private use of AFP motor cars, car parking on official premises, living away from home allowances, reimbursement or payment of a range of expense items and entertainment as an income tax exempt body. However, the AFP does not regard these as “incentive” payments as such.

(3) This information was not maintained as a separate cost for 1997-98 and 1998-99 financial years. The cost in 1999-00, excluding salaries, was approximately $2,000.

(4) The only incentive payments made to AFP staff in 1997-98, 1998-99 and 1999-00 were performance bonuses. These payments attract income tax, not fringe benefits tax.

(5) This information was not maintained as a separate cost.

**Australian Institute of Criminology**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>$17,877</td>
</tr>
<tr>
<td>1998-99</td>
<td>$25,811</td>
</tr>
<tr>
<td>1999-00</td>
<td>$29,119</td>
</tr>
</tbody>
</table>

(2) The FBT payments identified in the answer to question 1 were incurred in relation to staff travel, motor vehicles and official telephones. However, the Institute does not regard these as “incentive” payments as such.

(3) This information was not maintained as a separate cost, but costs were minimal for the period 1997-98 to 1999-00.

(4) & (5) The only incentive payments made to officers of the AIC were performance bonuses paid under individual AWAs. The performance bonus payments attract income tax rather than FBT. The costs associated with calculation and payment of these bonuses are minimal.

**Australian Law Reform Commission**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>$19,495</td>
</tr>
<tr>
<td>1998-99</td>
<td>$19,494</td>
</tr>
<tr>
<td>1999-00</td>
<td>$17,888</td>
</tr>
</tbody>
</table>

(2) The FBT payments identified in the answer to question 1 were incurred in relation to motor vehicles, car parking and expense payments which relate to telephone calls. However, the ALRC does not regard these as “incentive” payments as such.

(3) Nil

(4) Nil

(5) Not applicable

**Australian Security Intelligence Organisation**

(1) (b)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>$10,088</td>
</tr>
<tr>
<td>1998-99</td>
<td>$1,087,500</td>
</tr>
</tbody>
</table>
(2) The amounts identified in the answer to question 1 predominantly relate to FBT paid on living away from home allowance, motor vehicles and expense payments. The agency is of the opinion that these do not form “incentives” paid to its employees.

(3) 1997-98 $4,700  
1998-99 $6,400  
1999-00 $11,070
(4) The only incentive payments made to officers in 1997-98, 1998-99 and 1999-00 were performance bonuses paid to SES officers under the SES performance management policy. These payments attract income tax, not FBT.
(5) The costs associated with the payment of these incentives to SES officers, as mentioned in (4) above, were minimal as they took the form of annual payments for a small number of officers. Payments were based on appraisals which formed an integral part of the performance management scheme.

Australian Transaction Reports and Analysis Centre
(1) (b)  
1997-98 $81,492  
1998-99 $79,856  
1999-00 $47,501
(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles, car parking and official hospitality. However, AUSTRAC does not regard these as “incentive” payments as such.
(3) 1997-98 $154  
1998-99 $154  
1999-00 $154
(4) & (5) The only incentive payments made to agency officers in 1997-98, 1998-99 and 1999-00 were performance bonuses paid under the agency's Performance Management Scheme. These payments attract income tax rather than FBT. The costs associated with the calculation and payment of these bonuses are minimal as they take the form of annual payments. Payments are based on appraisals which form an integral part of the broader performance management scheme.

Family Court of Australia
(1) (b)  
1997-98 $856,956  
1998-99 $760,186  
1999-00 $770,147
(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles, car parking and semi-official telephones. However, the Family Court does not regard these as “incentive” payments as such.
(3) 1997-98 $4,975  
1998-99 $16,616  
1999-00 $8,155
(4) & (5) The only incentive payments made to agency officers in 1997-98, 1998-99 and 1999-00 were performance bonuses paid to SES officers. These payments attract income tax rather than
FBT. The costs associated with the calculation and payment of these bonuses are minimal as they take the form of annual payments for a small number of officers. Payments are based on appraisals which form an integral part of the broader performance management scheme.

**Federal Court of Australia**

1. (b)  
1997-98 $722,692  
1998-99 $750,198  
1999-00 $712,278

2. The benefits provided to judges and employees of the Court which attracted FBT payments identified in the answer to question 1 are as follows:
   - provision of leased motor vehicles
   - reimbursement of private vehicle costs
   - comcar services
   - spouse travel
   - study costs
   - residential telephones

However, the Federal Court does not regard these as “incentive” payments as such.

3.  
1997-98 $10,000  
1998-99 $10,000  
1999-00 $10,000

4. The only benefits paid to Court staff in the relevant periods were performance bonuses under the Court’s Performance Management Scheme. As these payments are in the form of salary they attract income tax rather than fringe benefits tax.

5.  
1997-98 $85  
1998-99 $850  
1999-00 $850

Compliance costs increased from 1998-99 when the performance management scheme was expanded to encompass all staff.

**High Court of Australia**

1. (b)  
1997-98 $108,058  
1998-99 $140,580  
1999-00 $136,252

2. The amounts identified in the answer to question 1 were incurred in relation to:
   - chauffeured car transport entitlements for Justices
   - spouse travel entitlements to Justices and senior executive staff
   - private-plated vehicles for senior executive staff
   - subsidised telephone costs for Justices and senior staff
   - meals and hospitality expenses

However, the High Court does not regard these as “incentive” payments as such.

3. Approximately $1,000 for the period 1997-98 to 1999-00

4. Nil

5. Not applicable
Human Rights and Equal Opportunity Commission

(1) (b)
1997-98 $68,716
1998-99 $57,622
1999-00 $50,774

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles, car parking, spouse travel, official hospitality and remote locality fares. However, the HREOC does not regard these as “incentive” payments as such.

(3) It is not possible to separate the compliance cost of calculating the FBT from other accounting functions.

(4) Performance pay for SES officers.

(5) It is not possible to separate the compliance cost of calculating these non-FBT incentives from other accounting functions.

National Crime Authority

(1) (b)
1997-98 $207,669
1998-99 $329,191
1999-00 $476,629

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to vehicle running costs, parking and spouse travel. However, the NCA does not regard these as “incentive” payments as such.

(3) The estimated compliance costs are:
1997-98 $4,305
1998-99 $4,124
1999-00 $17,728

(4) & (5) Incentive payments made to NCA officers in 1997-98, 1998-99 and 1999-00 were performance bonuses paid under the agency’s performance management policies. These payments attract income tax rather than FBT. The costs associated with the calculation and payment of these bonuses are minimal as they take the form of annual payments for a small number of officers. Payments are based on appraisals which form an integral part of the broader performance management scheme.

National Native Title Tribunal

(1) (b)
1997-98 $110,664
1998-99 $136,344
1999-00 $88,548

(Note: totals include the Registrar and Members of the Tribunal as well as employees)

(2) The FBT payments identified in the answer to question 1 were incurred in relation to vehicles, car parking, other benefits (spouse-accompanied travel), expense payments (semi-official telephones) and entertainment (official hospitality). However, the NNTT does not regard these as “incentive” payments as such.

(3)
1997-98 $750
1998-99 $800
1999-00 $1,200

(4) No incentives, other than those attracting FBT, were paid to departmental officers and employees of the National Native Title Tribunal in the above years.
Office of Director of Public Prosecutions

(1) (b)
1997-98$259,970
1998-99$259,232
1999-00$276,004

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to motor vehicles and car parking with the remainder being for official hospitality, official telephones, education and spouse travel. However, the Office of the Director of Public Prosecutions does not regard these as “incentive” payments as such.

(3) Compliance costs were less than $10,000 for the period 1997-98 to 1999-00

(4) Nil

(5) Not applicable

Office of Film and Literature Classification

(1) (b)
1997-98$38,836
1998-99$17,862
1999-00$18,243

(2) The FBT payments identified in the answer to question 1 were incurred in relation to motor vehicles, car parking, education expenses, living away from home allowances, meal entertainment and other minor allowances. However, OFLC does not regard these as “incentive” payments as such, as they relate primarily to entitlements or conditions of employment.

(3) The calculation of FBT liability was handled with internal resources, and no costs additional to those which would have been paid in any case, have been incurred. The direct costs incurred by staff involved are estimated to be $300 per year.

(4) Nil

(5) Not applicable

Office of Parliamentary Counsel

(1) (b)
1997-98$64,047
1998-99$71,172
1999-00$71,511

(2) The FBT payments identified in the answer to question 1 were mainly incurred in relation to vehicles for SES and equivalent staff, car parking, telephone expenses and official entertainment. However, the Office of Parliamentary Counsel does not regard these as “incentive” payments as such.

(3) Compliance costs were not recorded and a reliable estimate is not available.

(4) The OPC Performance Management Program for SES staff provided for some performance pay to be available. Further details are available in the 1997-98 and 1998-99 Annual Reports (appendix C).

(5) Compliance costs were not recorded and a reliable estimate is not available.

Civil Aviation Safety Authority: Whyalla Airlines

(Question No. 2717)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 15 August 2000:

(1) What has been the total cost incurred by the Civil Aviation Safety Authority (CASA) in responding to the action taken by Whyalla Airlines in the Administrative Appeals Tribunal.
(2) What is the cost to date of external legal costs associated with the above matter and what was the nature of those costs.

(3) (a) What is the estimated cost of CASA resources committed to the investigation and any other activities associated with the crash of a Whyalla Airlines aircraft on 31 May and actions required of CASA in response to that crash; and (b) what is the nature of these costs.

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

The Civil Aviation Safety Authority (CASA) has provided the following advice:

(1) The total estimated cost incurred by the Civil Aviation Safety Authority (CASA) in responding to the action taken by Whyalla Airlines in the Administrative Appeals Tribunal (AAT) is $111,655.80. This comprises the following:

- $39,120 (excluding tax and superannuation costs) for staff hours used in preparation for appearance at the AAT. This is based on an estimated 326 staff hours multiplied by an indicative hourly rate of $120 per hour.
- $6,085.80 for acquisition of the hearing’s transcripts
- External legal costs of $66,450 (see 2 below).

Costs associated with travel, travel allowance and accommodation have been included as part of the estimated cost of CASA’s resources committed to the investigation and any other activities associated with the Whyalla Airlines accident. (see 3 below).

(2) CASA paid its external legal counsel an amount of $66,450 in relation to the AAT proceedings, exclusive of Goods and Services Tax. This sum represents all professional charges involved in preparing for, and representing CASA at the AAT hearings, including the hearings of the stay application. The nature of these costs is as follows – Whyalla Airlines made an application to the AAT to review CASA’s decision to suspend its Air Operators Certificate pending an investigation concerning the operation of the airline after the fatal accident on 31 May 2000. Whyalla Airlines first sought a stay of CASA’s decision. Following a short telephone hearing, the AAT convened an urgent hearing of the stay application in Adelaide. CASA was represented at the stay hearing (which extended over two and one half days) by a Barrister and a CASA Lawyer. Two Lawyers, a Barrister and a Solicitor represented Whyalla Airlines. The AAT refused to grant a stay of CASA’s decision, but ordered that a hearing of the substantive application by Whyalla Airlines be expedited. The expedited hearing took place over 8 days before Whyalla Airlines withdrew its application.

For part of the substantive hearing, CASA was represented by two counsel by reason of the following circumstances. Upon its expedition of the substantive hearing of the matter, commencing three days after the stay application, the AAT indicated that the Tribunal would set aside several days for the hearing. The Barrister who was briefed by CASA and appeared on the stay application had previously been engaged by the Authority to appear on another matter scheduled by the AAT for hearing in Adelaide, at a time which, it subsequently became apparent, would have overlapped the expedited Whyalla hearing. CASA subsequently requested that the AAT defer one of the hearings, but the AAT did not accede to that request.

In view of the complexity of the Whyalla Airlines appeal and the expedited nature of the hearing, it was considered necessary for the two external counsel to work together for a short time on the Whyalla Airlines matter, until such time as the original counsel could devote his time to the second AAT matter.

(3) The estimated cost of CASA resources committed to the investigation and other activities associated with Whyalla Airlines is $250,895.90. This comprises the following:

- $210,420 (excluding tax and superannuation costs) for staff hours. This is based on an estimated 1,753.5 staff hours multiplied by the indicative hourly rate of $120 per hour.
- $40,475.90 for costs associated with travel, travel allowances and accommodation.

These costs have been derived from the following activities –

- investigative costs
preparation of responses to correspondence, ministerial correspondence, ministerial briefings, parliamentary questions and attendance at Senate Rural and Regional Affairs and Transport Committee, research activities and reporting requirements.

**Civil Aviation Safety Authority: Legal Advice to Former Chair**  
(Question No. 2861)

Senator O’Brien asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 29 August 2000:

With reference to the legal advice sought by the former Chair of the Civil Aviation Safety Authority (CASA), Mr Dick Smith, on 15 February 1999

(1) Was that advice provided to the Minister or the Minister’s staff; if so: (a) when was the legal advice provided to the Minister or his office; and (b) who provided the advice.

(2) What action was taken by the Minister, or his office, in response to the contents of the above legal advice.

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

The Civil Aviation Safety Authority (CASA) has advised the following:

Yes

The advice was provided on 17 February 1999.

The advice was provided by the former Chairman of CASA, Mr Dick Smith.

Mr Smith was concerned about the legal implications of providing the CASA Board and the Minister with a Private and Confidential letter that Mick Toller had given him (Mr Smith) on the condition that he keep it confidential. As a result, he sought legal advice on this and other matters and provided a copy of the advice to the Minister.

The Minister subsequently obtained a copy of the letter, and concluded that it had no bearing on the decision to discontinue the class G airspace demonstration. That decision was taken by Mr Toller in accordance with the commitment he set out in his letter to the Minister of 3 December 1998, which the Minister tabled in Parliament on 7 December 1998.

**Telstra: Sale**  
(Question No. 2901)

Senator Mark Bishop asked the Minister representing the Minister for Finance and Administration, upon notice, on 7 September 2000:

In respect of the sale of both the first and second tranches of Telstra:

(1) What were the costs to date of:

   (a) selling commissions and fees:
       (i) domestic retail;
       (ii) international institutional;
       (iii) domestic institutional. And
       (iv) total selling commissions and fees; and
   (b) logistics;
   (c) advisory costs:
       (i) project management;
       (ii) sale business adviser, and
       (iii) total advisory costs;
   (d) advertising and marketing;
   (e) Telstra Instalment Receipt Trustee;
(f) Legal, accounting and other advice;
(g) Office of Asset Sales and Information Technology Outsourcing running costs; and
(h) Scoping study;
(i) Regulatory fees; and
(j) Total Commonwealth.

(2) Are any future costs anticipated; if so: (a) what is the amount of each of these costs; (b) what are they for; and (c) when are they expected to fall due.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:

(1) The costs to date of the sales of the first and second tranches of Telstra are shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>Telstra 1 $m</th>
<th>Telstra 2 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Selling Commissions and Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) domestic retail</td>
<td>53.7</td>
<td>27.1</td>
</tr>
<tr>
<td>(ii) international institutional</td>
<td>45.8</td>
<td>17.3</td>
</tr>
<tr>
<td>(iii) domestic institutional</td>
<td>24.5</td>
<td>20.9</td>
</tr>
<tr>
<td>(iv) total selling commissions and fees</td>
<td>124.0</td>
<td>65.3</td>
</tr>
<tr>
<td>(b) logistics</td>
<td>45.9</td>
<td>44.5</td>
</tr>
<tr>
<td>(c) advisory costs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) project management</td>
<td>35.6</td>
<td>13.6</td>
</tr>
<tr>
<td>(ii) sale business adviser; and</td>
<td>4.0</td>
<td>4.0</td>
</tr>
<tr>
<td>(iii) total advisory costs;</td>
<td>39.6</td>
<td>17.6</td>
</tr>
<tr>
<td>(d) advertising and marketing</td>
<td>17.9</td>
<td>13.1</td>
</tr>
<tr>
<td>(e) Telstra Installment Receipt Trustee</td>
<td>13.5</td>
<td>2.2</td>
</tr>
<tr>
<td>(d) Legal Accounting and Other advice</td>
<td>11.1</td>
<td>6.3</td>
</tr>
<tr>
<td>(f) OASITO running Costs</td>
<td>1.87</td>
<td>1.5</td>
</tr>
<tr>
<td>(h) scoping study</td>
<td>1.56</td>
<td>0.1</td>
</tr>
<tr>
<td>(i) regulatory fees and other *</td>
<td>0.87</td>
<td>0.6</td>
</tr>
<tr>
<td>(j) Total Commonwealth</td>
<td>260.44</td>
<td>157.8</td>
</tr>
</tbody>
</table>

* comprises Telstra costs reimbursed by the commonwealth

(2) The following costs are anticipated:

(a) $11.3m, (b) payments to Telstra Instalment Receipts Trustee, for costs associated with final instalment collection (c) expected to fall due over the period September – November 2000.

Telstra 1 costs represented 1.9% of proceeds.

Telstra 2 costs represent 1.1% of proceeds.

By comparison, CBA 3 costs represented 1.5%, of proceeds, Qantas 2.8% and CSL 3.0%.

**Agriculture: New Zealand Apples**

(Question No. 2935)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 15 September 2000:

(1) Were stakeholders consulted about the type of Import Risk Assessment (IRA) process to be followed in response to the application from New Zealand in 1998 to export apples to Australia prior to the announcement by the Australian Quarantine and Inspection Service (AQIS) that a routine IRA only would be applied.
If stakeholders were invited to comment: (a) when was the invitation for comment made; (b) what was the period provided for response to that invitation; (c) how many stakeholders responded; and (d) in each case, what was the view of the stakeholders.

If stakeholders were not invited to comment on the type of IRA to be applied, why not.

Did AQIS seek any input from scientific experts as to the nature of the IRA process to be applied in relation to the above import risk assessment; if so: (a) who was invited to comment; (b) how were the invitations issued; (c) who determined which scientists would be invited to comment; and (d) in each case, what was the nature of their comments.

If no advice was sought from scientists about the type of IRA that should be applied, why not.

If no input was sought from stakeholders or relevant experts about the type of IRA to be applied in assessing the application from New Zealand to export apples to Australia, who made that decision and on what was it based.

Was the Minister, or his office, advised that AQIS had determined that only a routine IRA would be followed in relation to the above application; if so, how and when was that advice provided.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

1) Yes.
2) (a) 15 April 1999.
   (b) Stakeholders had until 17 May 1999 to provide comment (32 days)
   (c) AQIS received a total of 12 responses.
   (d) One stakeholder did not comment on the proposed type; two stakeholders agreed that the routine approach was appropriate; and nine stakeholders recommended that the non-routine approach should be used, as follows:

<table>
<thead>
<tr>
<th>South Pacific Trade Commission</th>
<th>did not comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture Western Australia</td>
<td>routine</td>
</tr>
<tr>
<td>NSW Agriculture</td>
<td>routine</td>
</tr>
<tr>
<td>Queensland Fruit and Vegetable Growers</td>
<td>non-routine</td>
</tr>
<tr>
<td>Australian Apple and Pear Growers Association</td>
<td>non-routine</td>
</tr>
<tr>
<td>Batlow Apples</td>
<td>non-routine</td>
</tr>
<tr>
<td>Victorian Apple and Pear Growers Council</td>
<td>non-routine</td>
</tr>
<tr>
<td>Apple and Pear Growers Association of South Australia</td>
<td>non-routine</td>
</tr>
<tr>
<td>Northern Victorian Fruit Growers Association</td>
<td>non-routine</td>
</tr>
<tr>
<td>Department of Primary Industries and Resources SA</td>
<td>non-routine</td>
</tr>
<tr>
<td>Department of Natural Resources and Environment, Victoria</td>
<td>non-routine</td>
</tr>
<tr>
<td>Victorian Minister for Agriculture and Resources</td>
<td>non-routine</td>
</tr>
</tbody>
</table>

3) Not applicable
4) Yes.
   (a) State Departments of Agriculture and industry organisations.
   (b) These organisations were contacted as part of the normal consultations with registered stakeholders.
   (c) The organisations were responsible for their own nomination and for the scientific experts they consulted.
   (d) See 2 (d) above.
5) Not applicable
6) As in 2 (d) above opinion was divided. The decision was made by the Executive Director of AQIS, taking into account advice from appropriately qualified scientific officers within AQIS.
The former Minister for Agriculture, Fisheries and Forestry, the Hon Mark Vaile MP, was advised, in a minute dated 25 June 1999, that AQIS had determined that the routine process would be followed. This followed the consultation period with stakeholders outlined in 2 above.

**Agriculture: New Zealand Apples**  
(Question No. 2936)

Senator O’Brien asked the Minister representing the Minister for Agriculture Fisheries and Forestry, upon notice, on 15 September 2000:

1. In relation to the letter to stakeholders concerning the import risk assessment (IRA) analysis of apple imports from New Zealand dated 25 February 1999, how many responses were received commenting on the priority they considered that the Australian Quarantine and Inspection Service (AQIS) should give to this assessment.
2. What priority did those stakeholders suggest AQIS give to the IRA process and what was the AQIS response to those suggestions.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

1. Two stakeholders commented on the priority to be accorded to this request.
2. One stakeholder recommended that the IRA be of highest priority and the other recommended that a relatively low priority be assigned.

The government’s response was to consider this issue as a high priority and allocate appropriate resources within AQIS, because New Zealand is a major trading partner and AQIS generally undertakes one IRA on a plant based commodity for each of Australia’s major trading partners.

**Christmas Island: Public Housing**  
(Question No. 2942)

Senator Greig asked the Minister for Regional Services, Territories and Local Government, upon notice, on 18 September 2000:

1. Is the Minister aware that the chosen design for public housing construction on Christmas Island does not conform to the design and style agreed upon jointly by the displaced residents, the Shire and the Administrator.
2. Is it a fact that of the four tenders submitted, three complied but the Commonwealth has accepted the non-complying tender; if so, can the Minister explain how and why this decision was made.
3. Is the Minister also aware that the Shire of Christmas Island has received a letter from the successful tenderer, Murray River North Ltd, stating that it has been advised by the Commonwealth to proceed as if planning approval has been given; if so, can the Minister explain how and why such approval was given.

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

1. I am aware there are some conflicting views about the design which is the subject of a current action in the Federal Court by some of the prospective tenants. A directions hearing was held on 17 November 2000.
2. No. A ‘design and construct’ tender process was conducted, with the proposed design to be determined by the individual tenderers. Four tenders were submitted of which two complied and two were not considered further as they did not conform to the construction budget.
3. Yes

Murray River North Ltd, submitted a formal planning application to the Shire of Christmas Island on 10 July 2000. Murray River North Ltd had received no formal response from the Shire following the lapse of the approval period required under the Shire of Christmas Island Interim Development Order No 2.
The proposed development has been prepared in accordance with Homeswest guidelines, residential density requirements (R-codes) and the draft Shire Of Christmas Island Town Plan and the development application complies with the Shire’s Interim Development Order No 2.

The Commonwealth then instructed its agents, Gutteridge Haskins and Davey, to advise Murray River North Ltd to proceed with the contract to construct public housing at the Kampong in Flying Fish Cove on the basis that:

(a) the project is a Commonwealth project on Commonwealth land, and

(b) that the planning application complies with the Shire of Christmas Island Interim Development Order No.2.

**Nuclear Reactor: Funding**

(Question No. 2945)

Senator Bolkus asked the Minister for Industry, Science and Resources, upon notice, on 18 September 2000:

(1) What amounts have been included in the forward estimates for the 2000-01, 2001-02, 2002-03, 2003-04 financial years for the following:

(a) the design of the new nuclear reactor;

(b) the construction of the new nuclear reactor;

(c) the project management of the new nuclear reactor project;

(d) the associated waste management provisions of the new nuclear reactor project; and

(e) the fuel supply for the new reactor project.

(2) What total cost estimates for the life of the project have been made for the following:

(a) the design of the new nuclear reactor;

(b) the construction of the new nuclear reactor;

(c) the project management of the new nuclear reactor project;

(d) the associated waste management provisions for the new reactor project; and

(e) the fuel supply for the new reactor project.

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

(1) The forward estimates for the Replacement Reactor were published in the Portfolio Budget Statements 2000-01 (Table 3.2: Departmental Balance Sheet at page 176, against the item National Facility Asset Under Construction). The single sum in the forward estimates encompasses elements (a), (b) and (c) of the question, together with an allowance for contingencies. The facilities for the management of spent fuel from the reactor will be incorporated in the reactor building and are therefore covered by those forward estimates.

Given that the replacement reactor will not be operating in the years currently covered by the forward estimates, no other provision has been made for elements (d) and (e) during those years.

(2) The forward estimates cover the years 1999-2000 to 2003-04, and indicate that it is expected that as at 30 June 2004, approximately $283.7 million will have been spent on the project. The balance of the $326 million (January 1999 dollars, adjusted by parameters agreed with the Department of Finance and Administration) allocated to the project would be spent in the following two financial years. The current forward estimates may be revised, in line with parameters agreed with the Department of Finance and Administration. The overall sum will remain within the amount allocated to the project by Cabinet in 1997 dollars.

It is not possible to separate out the elements of the contract price in the way requested. In particular, design, testing of components and construction are inextricably linked. On (d), as indicated above, the facilities for the management of spent fuel from the reactor will be incorporated in the
reactor building and are therefore covered by the contract price. On (e), the contract for the replacement reactor includes a provision for INVAP to supply the first two cores of fuel.

Department of Communications, Information Technology and the Arts: Unauthorised Computer Access

(Question No. 2971)

Senator O’Brien asked the Minister for Communications, Information Technology and the Arts, upon notice, on 3 October 2000:

(1) What systems are in place to ensure there is no external unauthorised access to departmental computer systems or computer systems operated by agencies for which the Minister is responsible.

(2) Since 1 January 1999, has there been any external unauthorised access to computer systems operated by the department or agencies for which the Minister is responsible; if so, in each case: (a) when did the external unauthorised access of the computer system occur; (b) what was the nature of the unauthorised access; (c) how was it detected; and (d) what action was taken as a result of the unauthorised access.

(3) Where external unauthorised access of a computer system has occurred: (a) what was the security status of the computer system; (b) what action was taken to identify the person who illegally accessed the system; and (c) what was the result of that action.

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

(1) All agencies in the Communications, Information Technology and the Arts portfolio have strategies designed to minimise the possibility of unauthorised external access to their computer systems. Computer security is naturally a high priority for all agencies. Beyond merely having security strategies in place these strategies are subject to a constant process of review and upgrading. The sophistication of these strategies is commensurate with the size of an agency, its public profile and the sensitivity of the information it controls.

(2) At the time of preparing this answer only two external unauthorised access incidents have been reported, one for each of the (i) Australian Broadcasting Authority (ABA), and the (ii) Australia Council. Both incidents were minor and neither agency suffered any compromise of their information or computer system. For the same reasons of security only the broadest details of these systems are outlined in this answer.

(i) AUSTRALIAN BROADCASTING AUTHORITY (ABA)

There have been three separate unauthorised accesses, all relate to a single incident.

(a) The accesses were detected in the first ten days of December 1999.

(b) The ABA’s external Web site home page was altered and comments placed on it that related to the Authority’s new powers to investigate on-line services. The attacker was thought to be a supporter of the right to have the Internet free of government regulation.

(c) The attacker notified Internet Relay Chat (IRC) groups and the Internet News Groups and users of these services informed the Authority. The ABA’s Internet Service Provider detected the third attack and informed the ABA immediately.

(d) The set up of the server and the security measures being employed were evaluated and changes made to close any security holes. Reconfiguration of the server together with the application of security patches was made as a matter of urgency. A process was developed by which any further unauthorised accesses would be notified and addressed.

(ii) AUSTRALIA COUNCIL

Since 1 January 1999 there has been one instance of unauthorised access to Council’s computer systems.

(a) This unauthorised access took place at 8.01 pm on 13 January 2000.

(b) In early January 2000, Council moved premises from Lawson Street, Redfern to Elizabeth Street, Surry Hills. In re-establishing Council’s computer systems at the new premises, one external port to Council’s web server was inadvertently left enabled. This allowed an
unauthorised person to access Council’s web server at 8.01 pm on January 13. The extent of this unauthorised access comprised the transfer of one unauthorised HTML file onto Council’s web server.

(c) The unauthorised access was detected at approximately 10.00 am on January 14 during routine maintenance of Council’s web site.

(d) The unauthorised file was removed from Council’s web server. An audit of the security protocols on Council’s web server was undertaken and the open external port was identified and closed.

(3) AUSTRALIAN BROADCASTING AUTHORITY ABA

At the time of the unauthorised access it was thought that the security systems in place were adequate to protect the Authority’s data.

(a) Standard security procedures and software were in place and the Web site was physically and logically separated from the internal services and data.

(b) The logs from the Web server were interrogated however due to inadequate recording it was not possible to trace the intruder. The system was modified with additional traps to detect and report any unauthorised access. The logs were scanned for several months following the incident and no further attempts were detected.

(c) No action could be taken with respect to prosecuting the offender, as the ABA was not able to identify the person responsible.

AUSTRALIA COUNCIL

(a) The Council’s computer systems were protected by a firewall, they were not affected by the one-off unauthorised access to the Council’s web server.

(b) No action was taken.

(c) Not applicable.

Department of Defence: Unauthorised Computer Access

(Question No. 2974)

Senator O’Brien asked the Minister representing the Minister for Defence, upon notice, on 3 October 2000:

(1) What systems are in place to ensure there is no external unauthorised access to departmental computer systems or computer systems operated by agencies for which the Minister is responsible.

(2) Since 1 January 1999, has there been any external unauthorised access to computer systems operated by the department or agencies for which the Minister is responsible; if so, in each case: (a) when did the unauthorised external access of the computer system occur; (b) what was the nature of the unauthorised access; (c) how was it detected; and (d) what action was taken as a result of the unauthorised access.

(3) Where external unauthorised access of a computer system has occurred: (a) what was the security status of the computer system; (b) what action was taken to identify the person who illegally accessed the system; and (c) what was the result of that action.

Senator Abetz—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The only Defence computer system which has an external interface is the Defence Restricted Network (DRN). Other more highly classified systems are closed systems with an air gap to prevent unauthorised access. Persons trying to gain access to the DRN would have to do so via the Internet. The Internet and the DRN are separated by a Firewall to safeguard against unauthorised access. The product the department uses to protect the system provides a measure of protection in line with highest industry standards.

(2) The department is not aware of any successful intrusions since 1 January 1999.

(3) Not applicable.
Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Richmond Electorate

(Question No. 2995)

Senator Mackay asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

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

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

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) (2) and (3). There are ten relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, the Small Business Incubator Programme, Job Network, the Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.

All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-2001 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs.

In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance, Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Richmond who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

Similarly, expenditure on the Small Business Incubator Programme is not reported or appropriated on the basis of electoral or regional boundaries. Although funds are not allocated by electorate, in
1997-98, two projects received funding in the Richmond area. The Byron Business Village in Byron Bay received $500,000 establishment funding, and the Ballina Business Centre received $500,000 establishment funding during the same period.

Working Women’s Centres

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for NSW totalled $247,000 in 1996-97, $273,680 in 1997-98, $289,235 in 1998-99, $236,020 in 1999-2000.

Employee Entitlements Support Scheme

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds.

Job Network

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Richmond electorate is located in the Job Network labour market region of Hunter and North Coast in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $6,704,900 in 1997-98, $49,340,500 in 1998-99 and $53,990,100 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

Community Support Programme (CSP)

CSP is administered by DEWRSB in the electorate of Richmond. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand. The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $206,800 was allocated for CSP sites within the electorate of Richmond. Expenditure of funds would be subject to the use of places by the service provider.

Return to Work Programme (RTW)

RTW is administered by DEWRSB in the electorate of Richmond. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Richmond falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.

Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $8395 was provided for RTW to assist people living in the federal electorate of Richmond.

Work for the Dole (WFD)

WFD is administered by DEWRSB in the electorate of Richmond. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Richmond in 1997-98 totalled $412,451, 1998-99 $1,169,423 and 1999-2000 $714,374. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.
The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.

Therefore in the case of the federal electorate of Richmond, whilst these projects/activities are located in the Richmond electorate, and most participants would reside in the Richmond electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Richmond electorate.

**Department of Education, Training and Youth Affairs: Programs and Grants to the Richmond Electorate**

(Question No. 2998)

Senator Mackay asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the electorate of Richmond.
2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98, and 1998-99 financial years.
3. What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department of Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information provided below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases on a State basis. In addition, some information is only readily available on a calendar year, rather than financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

Individuals or organisations benefiting from the programmes below may reside or carry out business at a location other than that used to identify funding against an electorate. Similarly there may be individuals or organisations that receive funding that benefits this electorate but is not included in the information provided because the identifying postcode is outside the electorate.

This table provides information for the electorate on a financial year basis:

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<tr>
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<tbody>
<tr>
<td>Vocational Education and Training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Placement, Employment and Training Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Direct)</td>
<td>(g)</td>
<td>(g)</td>
<td>50</td>
<td>99</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Indirect)</td>
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<td>(g)</td>
<td>974</td>
<td>1,037</td>
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<tr>
<td>Green Corps Programme</td>
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<td>23</td>
<td>23</td>
<td>110</td>
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<tr>
<td>Australian National Training Authority Infrastructure Programme</td>
<td>8,360</td>
<td>-</td>
<td>11,290</td>
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### PROGRAMME/GRANT 1996-97

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<td>$'000</td>
<td>$'000</td>
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<tr>
<td><strong>(Skills Centre Component)</strong></td>
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<td>Schools</td>
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<tr>
<td>School To Work</td>
<td>68</td>
<td>68</td>
<td>68</td>
<td>68</td>
</tr>
<tr>
<td><strong>Higher Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Southern Cross University (f)</td>
<td>52,574</td>
<td>57,904</td>
<td>55,670</td>
<td>55,280</td>
</tr>
</tbody>
</table>

This table provides information for the electorate on a calendar year basis:

### PROGRAMME/GRANT 1996-97

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>General Recurrent Grants – Non-Government</td>
<td>9,345</td>
<td>11,265</td>
<td>13,481</td>
<td>15,369</td>
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<tr>
<td>Capital Grants – Government and Non-Government</td>
<td>7,749</td>
<td>3,790</td>
<td>1,647</td>
<td>2,502</td>
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<tr>
<td>Australian Student Traineeship</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>45</td>
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</table>

This table provides information at a State level on a financial year basis:

### PROGRAMME/GRANT 1996-97

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
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</tr>
<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Indigenous Education Direct Assistance (c)</td>
<td>9,759</td>
<td>14,098</td>
<td>14,430</td>
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<td>ABSTUDY (d)</td>
<td>24,086</td>
<td>29,407</td>
<td>26,748</td>
<td>886</td>
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<tr>
<td>School to Work (State Component)</td>
<td>596</td>
<td>1,515</td>
<td>1,476</td>
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<tr>
<td>Assistance for Isolated Children (AIC) (b)</td>
<td>6,527</td>
<td>6,706</td>
<td>6,607</td>
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<td>Australian National Training Authority</td>
<td>2,000</td>
<td>2,000</td>
<td>2,100</td>
<td>1,850</td>
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<tr>
<td>Literacy and Numeracy Programme</td>
<td>-</td>
<td>-</td>
<td>2,360</td>
<td>4,110</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Office of Overseas Skills Recognition Bridging Programme – Assessment Fee Subsidy</td>
<td>257</td>
<td>238</td>
<td>196</td>
<td>159</td>
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</tbody>
</table>

This table provides information at a State level on a calendar year basis:

### PROGRAMME/GRANT 1996-97

<table>
<thead>
<tr>
<th></th>
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<td>$'000</td>
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</tr>
<tr>
<td><strong>Australian National Training Authority</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VET In Schools</td>
<td>-</td>
<td>5,965</td>
<td>5,965</td>
<td>5,977</td>
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<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Government Schools</td>
<td>319,494</td>
<td>345,254</td>
<td>357,711</td>
<td>322,242</td>
</tr>
<tr>
<td>Grants to Schools for Literacy</td>
<td>N/A</td>
<td>60,598</td>
<td>63,838</td>
<td>68,037</td>
</tr>
<tr>
<td>Special Education</td>
<td>25,378</td>
<td>60,598</td>
<td>63,838</td>
<td>68,037</td>
</tr>
<tr>
<td>Full Service Schools</td>
<td>N/A</td>
<td>N/A</td>
<td>50</td>
<td>4,033</td>
</tr>
<tr>
<td>English as a Second Language - New Arrivals</td>
<td>18,799</td>
<td>15,125</td>
<td>15,311</td>
<td>14,933</td>
</tr>
<tr>
<td>Country Areas Programme</td>
<td>3,983</td>
<td>4,613</td>
<td>4,826</td>
<td>5,834</td>
</tr>
<tr>
<td>Indigenous Education</td>
<td>21,091</td>
<td>23,380</td>
<td>29,793</td>
<td>28,025</td>
</tr>
</tbody>
</table>

This table provides information at a State level on a calendar year basis:

### PROGRAMME/GRANT 1996-97

<table>
<thead>
<tr>
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<td>23,380</td>
<td>29,793</td>
<td>28,025</td>
</tr>
</tbody>
</table>
Strategic Initiatives

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Students with Disabilities</td>
<td>4,021</td>
<td>4,581</td>
<td>5,815</td>
<td>5,527</td>
<td>6,828</td>
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<td>National Asian Languages and</td>
<td>N/A</td>
<td>9,703</td>
<td>6,093</td>
<td>14,097</td>
<td>9,089</td>
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<tr>
<td>Studies in Australian Schools</td>
<td>(c)</td>
<td>(c)</td>
<td>(c)</td>
<td>(c)</td>
<td>(c)</td>
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<tr>
<td>Priority Languages Incentive</td>
<td>1,446</td>
<td>1,539</td>
<td>1,570</td>
<td>1,719</td>
<td>1,185</td>
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<tr>
<td>Community Languages</td>
<td>3,826</td>
<td>4,109</td>
<td>4,298</td>
<td>4,533</td>
<td>4,611</td>
</tr>
</tbody>
</table>

Notes:

(a) Allocations for the year have not been finalised or expenditure is dependant on application/tender or other process not completed.

(b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.

(c) Does not include National Office Expenditure which cannot easily be broken into State components.

(d) Based upon location of the office in which the payment is made.

(e) 1999-2000 data for ABSTUDY is not currently available.

(f) Grants are provided to an institution with a campus in that electorate. Funding may not necessarily be directed to that campus.

(g) Data is not readily available.

Department of Transport and Regional Services: Programs and Grants to the Cowper Electorate

(Questions Nos 3004 and 3013)

Senator Mackay asked the Minister representing the Minister for Transport and Regional Services and the Minister for Regional Services, Territories and Local Government, upon notice, on 5 October 2000:

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

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

3. What is the level of funding provided through these programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ian Macdonald—The answers to the honourable senator’s questions are as follows:

(1) Rural Communities Program and Rural Plan
    Local Government Financial Assistance Grants
    Rural Transaction Centres Programme
    Local Government Incentive Programme
    The Regional Flood Mitigation Programme
    The Federal Road Safety Black Spot Program
    Roads of National Importance
    Airport Tower Subsidy

(2) Rural Communities Program and Rural Plan
    1996-1997 Not applicable.
    1997-1998 Not applicable.
1998-1999 Rural Communities Program = $22,038.

Local Government Financial Assistance Grants


<table>
<thead>
<tr>
<th>Council Name</th>
<th>Financial Year</th>
<th>General Purpose Funding ($)</th>
<th>Roads Funding ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingen Shire</td>
<td>1996-1997</td>
<td>1,306,140</td>
<td>406,616</td>
<td>1,712,756</td>
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<tr>
<td></td>
<td>1997-1998</td>
<td>1,322,068</td>
<td>423,128</td>
<td>1,745,196</td>
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<tr>
<td></td>
<td>1998-1999</td>
<td>1,338,932</td>
<td>433,104</td>
<td>1,772,036</td>
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<tr>
<td>Coffs Harbour City</td>
<td>1996-1997</td>
<td>2,586,548</td>
<td>851,720</td>
<td>3,438,268</td>
</tr>
<tr>
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<td>1997-1998</td>
<td>2,546,168</td>
<td>865,740</td>
<td>3,411,908</td>
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<tr>
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<td>1998-1999</td>
<td>2,610,816</td>
<td>906,052</td>
<td>3,516,868</td>
</tr>
<tr>
<td></td>
<td>1997-1998</td>
<td>362,248</td>
<td>449,628</td>
<td>811,876</td>
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<tr>
<td></td>
<td>1998-1999</td>
<td>349,540</td>
<td>467,872</td>
<td>817,412</td>
</tr>
<tr>
<td>Kempsey Shire p</td>
<td>1996-1997</td>
<td>2,056,012</td>
<td>901,180</td>
<td>2,957,192</td>
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<tr>
<td></td>
<td>1997-1998</td>
<td>1,985,544</td>
<td>906,524</td>
<td>2,892,068</td>
</tr>
<tr>
<td></td>
<td>1998-1999</td>
<td>2,043,492</td>
<td>929,592</td>
<td>2,973,084</td>
</tr>
<tr>
<td>Maclean Shire p</td>
<td>1996-1997</td>
<td>1,768,164</td>
<td>478,408</td>
<td>2,246,572</td>
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<tr>
<td></td>
<td>1997-1998</td>
<td>1,789,784</td>
<td>449,608</td>
<td>2,239,392</td>
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<tr>
<td></td>
<td>1998-1999</td>
<td>1,763,872</td>
<td>465,520</td>
<td>2,229,392</td>
</tr>
<tr>
<td>Nambucca Shire</td>
<td>1996-1997</td>
<td>1,478,080</td>
<td>739,908</td>
<td>2,217,988</td>
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<tr>
<td></td>
<td>1997-1998</td>
<td>1,422,056</td>
<td>602,308</td>
<td>2,024,364</td>
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<td></td>
<td>1998-1999</td>
<td>1,430,104</td>
<td>616,600</td>
<td>2,046,704</td>
</tr>
</tbody>
</table>

p – Shire boundary falls in more than one electorate

**Rural Transaction Centres Programme**
Not Applicable.

Local Government Incentive Programme

**The Regional Flood Mitigation Programme**
None. The first year of funding for the Regional Flood Mitigation Programme was 1999-2000.

**The Federal Road Safety Black Spot Program**
1996-1998 $450,000.
1997-1999 $100,000.
1998-1999 $740,000.

Roads of National Importance

Pacific Highway Upgrade

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raleigh Deviation</td>
<td>9,040,000</td>
<td>11,780,000</td>
<td>2,470,000</td>
</tr>
<tr>
<td>Korora Hill reconstruction</td>
<td>1,060,000</td>
<td>1,580,000</td>
<td>87,000</td>
</tr>
<tr>
<td>Lyons to Englands Rd, (Coffs Harbour)</td>
<td>2,330,000</td>
<td>5,520,000</td>
<td>6,160,000</td>
</tr>
<tr>
<td>Eungai Duplication</td>
<td>$310,000</td>
<td>2,260,000</td>
<td>5,150,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>12,740,000</strong></td>
<td><strong>21,140,000</strong></td>
<td><strong>13,867,000</strong></td>
</tr>
</tbody>
</table>

Airport Tower Subsidy


(3) **Rural Communities Program and Rural Plan**

Rural Communities Program = $3,000.

Local Government Financial Assistance Grants

<table>
<thead>
<tr>
<th>Council Name</th>
<th>General Purpose Funding ($)</th>
<th>Roads Funding ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellingen Shire</td>
<td>1,369,312</td>
<td>449,800</td>
<td>1,819,112</td>
</tr>
<tr>
<td>Coffs Harbour City</td>
<td>2,722,052</td>
<td>949,548</td>
<td>3,671,600</td>
</tr>
<tr>
<td>Dumaresq Shire p</td>
<td>375,864</td>
<td>489,208</td>
<td>865,072</td>
</tr>
<tr>
<td>Kempsey Shire p</td>
<td>2,090,600</td>
<td>956,332</td>
<td>3,046,932</td>
</tr>
<tr>
<td>Maclean Shire p</td>
<td>1,773,164</td>
<td>457,884</td>
<td>2,231,048</td>
</tr>
<tr>
<td>Nambucca Shire</td>
<td>1,478,712</td>
<td>651,104</td>
<td>2,129,816</td>
</tr>
</tbody>
</table>

p – Shire boundary falls in more than one electorate

**Rural Transaction Centres Programme**

<table>
<thead>
<tr>
<th>Town</th>
<th>Type of Project</th>
<th>Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellbrook</td>
<td>Business Plan</td>
<td>4,465</td>
</tr>
<tr>
<td>Ulong</td>
<td>Business Plan</td>
<td>10,000</td>
</tr>
</tbody>
</table>

**Local Government Incentive Programme**

$626,000 was provided to the Local Government and Shires Associations of New South Wales to assist councils, including those in the Cowper electorate, to prepare for the Goods and Services Tax.

The Federal Road Safety Black Spot Program

1999-2000 $610,000.

**Roads of National Importance**

Pacific Highway Upgrade

<table>
<thead>
<tr>
<th>Project</th>
<th>1999-2000 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raleigh Deviation</td>
<td>990,000</td>
</tr>
<tr>
<td>Korora Hill reconstruction</td>
<td>-</td>
</tr>
</tbody>
</table>
Lyons to Englands Rd. (Coffs Harbour) | 10,220,000  
Eungai Duplication | -  
**TOTAL** | **11,210,000**

The Regional Flood Mitigation Programme  
Coffs Harbour CBD Flow Diversion - $200,000.  
Airport Tower Subsidy  
Coffs Harbour control tower – $863,000.

**Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Cowper Electorate**  
(Question No. 3007)

Senator Mackay asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the electorate of Cowper.
2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.
3. What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

1. (2) and (3). There are nine relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, Job Network, the Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.

All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-2001 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs. In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance,
Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Cowper who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

For the 2000-2001 financial year, the amount allocated to the Indigenous Employment Programme is $55.428 million.

**Working Women’s Centres**

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for NSW totalled $247 000 in 1996-97, $273 680 in 1997-98, $289 235 in 1998-99, $236 020 in 1999-2000 and $255 060 has been allocated for 2000-01 financial year.

**Employee Entitlements Support Scheme**

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds. For the 2000-01 financial year, the amount allocated to the EESS is $55 million.

**Job Network**

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Cowper electorate is located in the Job Network labour market region of Hunter and North Coast in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $6 704 900 in 1997-98, $49 340 500 in 1998-99 and $53 990 100 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

**Community Support Programme (CSP)**

CSP is administered by DEWRSB in the electorate of Cowper. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand. The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $243 000 was allocated for CSP sites within the electorate of Cowper. Expenditure of funds would be subject to the use of places by the service provider.

**Return to Work Programme (RTW)**

RTW is administered by DEWRSB in the electorate of Cowper. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Cowper falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.
Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $17 350 was provided for RTW to assist people living in the federal electorate of Cowper.

**Work for the Dole (WFD)**

WFD is administered by DEWRSB in the electorate of Cowper. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Cowper in 1997-98 totalled $42 748, 1998-99 $1 035 259 and 1999-2000 $1 037 194. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.

The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.

Therefore in the case of the federal electorate of Cowper, whilst these projects/activities are located in the Cowper electorate, and most participants would reside in the Cowper electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Cowper electorate.

**Department of Education, Training and Youth Affairs: Programs and Grants to the Cowper Electorate**

(Question No. 3010)

Senator Mackay asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:

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

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

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department of Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases on a State basis. In addition, some information is only readily available on a calendar year, rather than financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

Individuals or organisations benefiting from the programmes listed below may reside or carryout business at a location other than that used to identify funding against an electorate. Similarly there may be individuals or organisations that receive funding that benefits this electorate but it is not included in the information provided because the identifying postcode is outside the electorate.

This table provides information for the electorate on a financial year basis:

<table>
<thead>
<tr>
<th>PROGRAMME/GRANT</th>
<th>1996-97 '000</th>
<th>1997-98 '000</th>
<th>1998-99 '000</th>
<th>1999-2000 '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational Education and Training Job Placement, Employment and</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>259</td>
</tr>
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</table>
### Training Programme

<table>
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</thead>
<tbody>
<tr>
<td>Workplace English Language and Literacy (WELL)</td>
<td>-</td>
<td>210</td>
<td>20</td>
<td>89</td>
<td></td>
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<tr>
<td>New Apprenticeships Incentives (Direct)</td>
<td>(g)</td>
<td>(g)</td>
<td>218</td>
<td>217</td>
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</tr>
<tr>
<td>New Apprenticeships Incentives (Indirect)</td>
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<td>(g)</td>
<td>1,702</td>
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<tr>
<td>Green Corps Programme</td>
<td>12</td>
<td>23</td>
<td>59</td>
<td>49</td>
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<tr>
<td>Australian National Training Authority</td>
<td>500</td>
<td>(h)</td>
<td>(h)</td>
<td>(h)</td>
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<tr>
<td>Aboriginal and Torres Strait Islander Facility Programme</td>
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<tr>
<td>Higher Education</td>
<td></td>
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<td>Other</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>University Mobility in Asia &amp; the Pacific Programme (f)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>14</td>
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This table provides information for the electorate on a calendar year basis:

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<th></th>
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<tr>
<td>Schools</td>
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<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Non-Government</td>
<td>9,304</td>
<td>10,910</td>
<td>12,572</td>
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<td>Capital Grants – Government and Non-Government</td>
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<td>903</td>
<td>4,741</td>
<td>958</td>
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<td>Australian Student Traineeship Foundation</td>
<td>152</td>
<td>152</td>
<td>152</td>
<td>89</td>
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This table provides information at a State level on a financial year basis:

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<td>26,748</td>
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<td>886</td>
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<td>238</td>
<td>196</td>
<td>159</td>
</tr>
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</table>

This table provides information at a State level on a calendar year basis:
### Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Page Electorate

**(Question No. 3019)**

Senator Mackay asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the electorate of Page.
2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.

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<tbody>
<tr>
<td>Australian National Training Authority</td>
<td></td>
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</tr>
<tr>
<td>VET In Schools</td>
<td>-</td>
<td>5,965</td>
<td>5,965</td>
<td>5,977</td>
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<tr>
<td>Schools</td>
<td></td>
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<tr>
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<td>345,254</td>
<td>357,711</td>
<td>322,242</td>
<td>399,447(a)</td>
</tr>
<tr>
<td>Grants to Schools for Literacy</td>
<td>N/A</td>
<td>60,598 (c)</td>
<td>63,838 (c)</td>
<td>68,037 (c)</td>
<td>77,119 (c)</td>
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<td>29,009</td>
<td>30,049</td>
<td>27,933</td>
<td>32,500</td>
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<td>Full Service Schools</td>
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<td>4,033 (c)</td>
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<td>English as a Second Language - New Arrivals</td>
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<td>15,125</td>
<td>15,311</td>
<td>14,933</td>
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<td>Country Areas Programme</td>
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<td>4,826</td>
<td>5,834</td>
<td>6,266</td>
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<tr>
<td>Indigenous Education Strategic Program</td>
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<td>29,793</td>
<td>28,025</td>
<td>(a)</td>
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<td>Students with Disabilities</td>
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<td>4,581</td>
<td>5,815</td>
<td>5,527</td>
<td>6,828(a)</td>
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<tr>
<td>National Asian Languages and Studies in Australian Schools</td>
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<td>9,703 (c)</td>
<td>6,093 (c)</td>
<td>14,097</td>
<td>9,089 (c)</td>
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<tr>
<td>Priority Languages Incentive</td>
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<td>1,570</td>
<td>1,719</td>
<td>1,185</td>
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<tr>
<td>Community Languages</td>
<td>3,826</td>
<td>4,109</td>
<td>4,298</td>
<td>4,533</td>
<td>4,611</td>
</tr>
</tbody>
</table>

**Notes:**

- (a) Allocations for the year have not been finalised or expenditure is dependent on application/tender or other process not completed.
- (b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.
- (c) Does not include National Office Expenditure which cannot easily be broken up into State components.
- (d) Based upon location of the office in which the payment is made.
- (e) 1999-2000 data for ABSTUDY is currently unavailable.
- (f) Grant provided to an institution with a campus in the electorate. Funding may not necessarily be directed to that campus.
- (g) Data is not readily available.
- (h) This is a former programme.
(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) (2) and (3). There are ten relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, the Small Business Incubator Programme, Job Network, the Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.

All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-2001 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs.

In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance, Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Page who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

For the 2000-01 financial year, the amount allocated to the Indigenous Employment Programme is $55,428 million.

Similarly, expenditure on the Small Business Incubator Programme is not reported or appropriated on the basis of electoral or regional boundaries. Although funds are not allocated by electorate, in 1997-98, the Grafton Business Incubator in the Page area received its first instalment of establishment funding in the sum of $200 000. The same project received the next instalment of $315 000 during the 1998-99 period and a final sum of $45 000 in 1999-2000.

Working Women’s Centres

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for NSW totalled $247 000 in...

**Employee Entitlements Support Scheme**

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds. For the 2000-01 financial year, the amount allocated to the EESS is $55 million.

**Job Network**

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Page electorate is located in the Job Network labour market region of Hunter and North Coast in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $6 704 900 in 1997-98, $49 340 500 in 1998-99 and $53 990 100 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

**Community Support Programme (CSP)**

CSP is administered by DEWRSB in the electorate of Page. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand. The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $266 200 was allocated for CSP sites within the electorate of Page. Expenditure of funds would be subject to the use of places by the service provider.

**Return to Work Programme (RTW)**

RTW is administered by DEWRSB in the electorate of Page. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Page falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.

Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $25 806 was provided for RTW to assist people living in the federal electorate of Page.

**Work for the Dole (WFD)**

WFD is administered by DEWRSB in the electorate of Page. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Page in 1997-98 totalled $156 846, 1998-99 $1 076 354 and 1999-2000 $1 230 769. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.

The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.
Therefore in the case of the federal electorate of Page, whilst these projects/activities are located in the Page electorate, and most participants would reside in the Page electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Page electorate.

**Department of Education, Training and Youth Affairs: Programs and Grants to the Page Electorate**

*(Question No. 3022)*

Senator Mackay asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the electorate of Page.
2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.
3. What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department for Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information provided below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases on a State basis. In addition, some information is only readily available on a calendar year, rather than a financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

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<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Vocational Education and Training</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Job Placement, Employment and Training programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>145</td>
</tr>
<tr>
<td>Workplace English Language &amp; Literacy (WELL)</td>
<td>215</td>
<td>170</td>
<td>203</td>
<td>77</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Direct)</td>
<td>(g)</td>
<td>(g)</td>
<td>67</td>
<td>77</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Indirect)</td>
<td>(g)</td>
<td>(g)</td>
<td>916</td>
<td>1,217</td>
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<tr>
<td>Green Corps Programme</td>
<td>23</td>
<td>47</td>
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</tr>
<tr>
<td>Rural Youth Information Service</td>
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<td>25</td>
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<td>Schools</td>
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<tr>
<td>School to Work</td>
<td>68</td>
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<td>4,500</td>
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<td>43</td>
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<td>1,850</td>
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<td>60,598 (c)</td>
<td>63,838 (c)</td>
<td>68,037 (c)</td>
<td>77,119 (c)</td>
</tr>
<tr>
<td>Special Education</td>
<td>25,378</td>
<td>29,009</td>
<td>30,049</td>
<td>27,933</td>
<td>32,500</td>
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<tr>
<td>Full Service Schools</td>
<td>N/A</td>
<td>N/A</td>
<td>50</td>
<td>4,033 (c)</td>
<td>2,458 (c)</td>
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<tr>
<td>English as a Second Language - New Arrivals</td>
<td>18,799</td>
<td>15,125</td>
<td>15,311</td>
<td>14,933</td>
<td>(a)</td>
</tr>
<tr>
<td>Country Areas Programme</td>
<td>3,983</td>
<td>4,613</td>
<td>4,826</td>
<td>5,834</td>
<td>6,266</td>
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<td>------</td>
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<tr>
<td>Indigenous Education Strategic Initiatives Programme</td>
<td>$21,091</td>
<td>$23,380</td>
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<td>Students with Disabilities</td>
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<td>National Asian Languages and Studies in Australian Schools</td>
<td>N/A</td>
<td>$9,703 (c)</td>
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<td>$9,089 (c)</td>
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<td>Priority Languages Incentive</td>
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<td>Community Languages</td>
<td>$3,826</td>
<td>$4,109</td>
<td>$4,298</td>
<td>$4,533</td>
<td>$4,611</td>
</tr>
</tbody>
</table>

**Notes:**

(a) Allocations for the year have not been finalised or expenditure is dependant on application/tender or other process not completed.

(b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.

(c) Does not include National Office Expenditure which cannot easily be broken into State components.

(d) Based upon location of the office in which payment is made.

(e) 1999-2000 data for ABSTUDY is currently unavailable.

(f) Grant provided to an institution with a campus in the electorate. Funding may not necessarily be directed to that campus.

(g) Data is not readily available.

**Department of Education, Training and Youth Affairs: Programs and Grants to the Bass Electorate**

(Question No. 3034)

**Senator Mackay** asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:

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

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

3. What is the level of funding provided through these programs and grants that has been appropriated for the 1999-2000 financial year.

**Senator Ellison**—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department of Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information provided below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases on a State basis. In addition, some information is only readily available on a calendar year, rather than a financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

Individuals or organisations benefiting from the programmes listed below may reside or carry out business at a location other than that used to identify funding against an electorate. Similarly there may be individuals or organisations that receive funding that benefits this electorate but is not included in the information provided because the identifying postcode is outside the electorate.
This table provides information for the electorate on a financial year basis:

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<tr>
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<td></td>
<td>$'000</td>
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<tr>
<td>Vocational Education and Training</td>
<td></td>
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<tr>
<td>Structured Workplace Learning</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>116</td>
</tr>
<tr>
<td>Job Placement, Employment and Training Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Group Training Expansion</td>
<td>-</td>
<td>-</td>
<td>75</td>
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<tr>
<td>Workplace English Language and Literacy (WELL)</td>
<td>100</td>
<td>113</td>
<td>85</td>
<td>38</td>
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<tr>
<td>Green Corps Programme</td>
<td>23</td>
<td>59</td>
<td>59</td>
<td>61</td>
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<tr>
<td>New Apprenticeships Incentives (Direct)</td>
<td>-</td>
<td>22</td>
<td>228</td>
<td>137</td>
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<tr>
<td>New Apprenticeships Incentives (Indirect)</td>
<td>-</td>
<td>169</td>
<td>2,095</td>
<td>4,490</td>
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<tr>
<td>Australian National Training Authority (g)</td>
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<tr>
<td>Infrastructure Programme</td>
<td>10,070</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Infrastructure Programme (Skills Centre Component)</td>
<td>71</td>
<td>179</td>
<td>59</td>
<td>-</td>
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<tr>
<td>Infrastructure Programme (Skills Centre for Schools Component)</td>
<td>7</td>
<td>7</td>
<td>-</td>
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<tr>
<td>Career Counselling</td>
<td></td>
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<tr>
<td>Higher Education</td>
<td></td>
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<tr>
<td>University of Tasmania (f)</td>
<td>126,807</td>
<td>127,434</td>
<td>123,147</td>
<td>123,545</td>
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<tr>
<td>Australian Maritime College (f)</td>
<td>11,086</td>
<td>12,477</td>
<td>13,007</td>
<td>10,854</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>University Mobility in Asia &amp; the Pacific</td>
<td>-</td>
<td>-</td>
<td>8</td>
<td>-</td>
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</table>

This table provides information for the electorate on a calendar year basis:

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<td>$'000</td>
<td>$'000</td>
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</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Non-Government</td>
<td>8,215</td>
<td>8,873</td>
<td>9,559</td>
<td>10,136</td>
<td>10,534</td>
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<td>Capital Grants – Government and Non-Government</td>
<td>1,679</td>
<td>1,335</td>
<td>3,437</td>
<td>572</td>
<td>1,154</td>
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<td>Australian Student Traineeship Foundation</td>
<td>78</td>
<td>78</td>
<td>78</td>
<td>116</td>
<td>159</td>
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</table>

This table provides information at a State level on a financial year basis:

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<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
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</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigenous Education Direct Assistance (c)</td>
<td>1,395</td>
<td>1,674</td>
<td>1,757</td>
<td>1,797</td>
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<tr>
<td>School To Work (State Component)</td>
<td>80</td>
<td>202</td>
<td>197</td>
<td>118</td>
</tr>
<tr>
<td>ABSTUDY (d)</td>
<td>3,073</td>
<td>3,285</td>
<td>4,119</td>
<td>(e)</td>
</tr>
<tr>
<td>Assistance For Isolated Children (AIC) (b)</td>
<td>1,085</td>
<td>1,146</td>
<td>1,130</td>
<td>886</td>
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### Vocational Education and Training

<table>
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</thead>
<tbody>
<tr>
<td>Advanced English for Migrants</td>
<td>60</td>
<td>50</td>
<td>58</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy and Numeracy Programme</td>
<td>-</td>
<td>-</td>
<td>40</td>
<td>59</td>
<td></td>
</tr>
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</table>

This table provides information at a State level on a calendar year basis:

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</tr>
</thead>
<tbody>
<tr>
<td>Australian National Training Authority</td>
<td>N/A</td>
<td>796</td>
<td>796</td>
<td>781</td>
<td>781</td>
</tr>
<tr>
<td>VET In Schools</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Government Schools</td>
<td>27,010</td>
<td>29,251</td>
<td>30,780</td>
<td>27,751</td>
<td>34,340</td>
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<tr>
<td>Grants to Schools for Literacy</td>
<td>N/A</td>
<td>3,910</td>
<td>(c)</td>
<td>4,221</td>
<td>(c)</td>
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<tr>
<td>Special Education</td>
<td>2,232</td>
<td>2,358</td>
<td>2,607</td>
<td>2,585</td>
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<td>Full Service Schools</td>
<td>N/A</td>
<td>N/A</td>
<td>50</td>
<td>708</td>
<td>(c)</td>
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<tr>
<td>English as a Second Language</td>
<td>254</td>
<td>247</td>
<td>282</td>
<td>379</td>
<td>(a)</td>
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<tr>
<td>-New Arrivals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country Areas Programme</td>
<td>552</td>
<td>487</td>
<td>509</td>
<td>566</td>
<td>608</td>
</tr>
<tr>
<td>Indigenous Education Strategic Initiatives Programme</td>
<td>1,789</td>
<td>2,493</td>
<td>2,947</td>
<td>2,730</td>
<td>(a)</td>
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<tr>
<td>Students with Disabilities</td>
<td>364</td>
<td>448</td>
<td>464</td>
<td>458</td>
<td>519</td>
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<tr>
<td>National Asian Languages and Studies in Australian Schools</td>
<td>N/A</td>
<td>787</td>
<td>(c)</td>
<td>1,118</td>
<td>(c)</td>
</tr>
<tr>
<td>Priority Languages Incentive</td>
<td>121</td>
<td>135</td>
<td>170</td>
<td>137</td>
<td>107</td>
</tr>
<tr>
<td>Community Languages</td>
<td>26</td>
<td>28</td>
<td>29</td>
<td>32</td>
<td>32</td>
</tr>
</tbody>
</table>

Notes:

(a) Allocations for the year have not been finalised or expenditure is dependant on application/tender or other process not completed.
(b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.
(c) Does not include National Office Expenditure which cannot be easily broken into State components.
(d) Based upon location of the office in which the payment is made.
(e) 1999-2000 data for ABSTUDY is currently unavailable.
(f) Grant provided to an institution with a campus in the electorate. Funding may not necessarily be directed to that campus.
(g) The Commonwealth does not provide recurrent funding directly to vocational education and training providers. Commonwealth recurrent funding is provided by the Australian National Training Authority (ANTA) to the States and Territory Authorities.

**Department of Industry, Science and Resources: Programs and Grants to the Bass Electorate**

**Question No. 3035**

Senator Mackay asked the Minister for Industry, Science and Resources, upon notice, on 5 October 2000:

1. What programs and/or grants administered by the department provide assistance to people living in the electorate of Bass.
2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.
(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

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

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<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Business Networks</td>
<td>Nil</td>
<td>$44,800</td>
<td>$72,749</td>
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</tr>
<tr>
<td>Commercialising Emerging Technologies (commenced Nov 99)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>$61,280</td>
</tr>
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<td>Cooperative Research Centres</td>
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<td>$3,129,163</td>
<td>$2,502,321</td>
<td>$988,926</td>
</tr>
<tr>
<td>Passenger Motor Vehicle Export Facilitation Scheme</td>
<td>$5,095,914#</td>
<td>$2,773,196#</td>
<td>$2,212,274#</td>
<td>$2,158,423#</td>
</tr>
<tr>
<td>Policy By-Laws</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>$94,308#</td>
</tr>
<tr>
<td>R&amp;D START</td>
<td>$7,625</td>
<td>$557,775</td>
<td>$461,207</td>
<td>$651,160</td>
</tr>
<tr>
<td>R&amp;D Tax Concession</td>
<td>$5,095,914*</td>
<td>$2,773,196*</td>
<td>$2,212,274*</td>
<td>Not Available At This Time</td>
</tr>
<tr>
<td>Regional Minerals</td>
<td>Nil</td>
<td>Nil</td>
<td>$60,000</td>
<td>Nil</td>
</tr>
<tr>
<td>School Industry Link Demonstration Science and Technology Awareness</td>
<td>Nil</td>
<td>$41,200</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Tariff Concession Scheme</td>
<td>Nil</td>
<td>$5,100</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Technology Diffusion</td>
<td>$8,500</td>
<td>$5,000</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>Textiles, Clothing and Footwear 2000 Development Package</td>
<td>Nil</td>
<td>$7,250</td>
<td>$82,489</td>
<td>$53,933</td>
</tr>
<tr>
<td>Textiles, Clothing and Footwear Credit</td>
<td>$286,917#</td>
<td>$201,991#</td>
<td>$20,860#</td>
<td>$14,071#</td>
</tr>
</tbody>
</table>

* Estimated cost to revenue
# Duty forgone
φ Under the Regional Minerals Program, $4 million has been granted to the Tasmanian Government for the economic development of western Tasmania, in particular for infrastructure for the mining industry.

**Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Hinkler Electorate**

(Question No. 3043)

**Senator Mackay** asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

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

2. What was the level of funding provided through these programs and grants for the 1996-97, 1997-98 and 1998-99 financial years.
(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) (2) and (3). There are nine relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, Job Network, the Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.

All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-01 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs.

In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance, Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Hinkler who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

For the 2000-01 financial year, the amount allocated to the Indigenous Employment Programme is $55.428 million.

Working Women’s Centres

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for Queensland totalled $243,970 in 1996-97, $284,050 in 1997-98, $298,165 in 1998-99, $239,495 in 1999-2000 and $258,875 has been allocated for 2000-01 financial year.

Employee Entitlements Support Scheme

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s
insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds. For the 2000-01 financial year, the amount allocated to the EESS is $55 million.

**Job Network**

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Hinkler electorate is located in the Job Network labour market region of Central and Northern Queensland in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $5,047,500 in 1997-98, $30,367,700 in 1998-99 and $37,156,000 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

**Community Support Programme (CSP)**

CSP is administered by DEWRSB in the electorate of Hinkler. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand. The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $123,200 was allocated for CSP sites within the electorate of Hinkler. Expenditure of funds would be subject to the use of places by the service provider.

**Return to Work Programme (RTW)**

RTW is administered by DEWRSB in the electorate of Hinkler. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Hinkler falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.

Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $16,130 was provided for RTW to assist people living in the federal electorate of Hinkler.

**Work for the Dole (WFD)**

WFD is administered by DEWRSB in the electorate of Hinkler. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Hinkler in 1997-98 totalled $272,800, 1998-99 $499,056 and 1999-2000 $983,733. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.

The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.

Therefore in the case of the federal electorate of Hinkler, whilst these projects/activities are located in the Hinkler electorate, and most participants would reside in the Hinkler electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Hinkler electorate.
Department of Education, Training and Youth Affairs: Programs and Grants to the Hinkler Electorate
(Question No. 3046)

Senator Mackay asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:

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

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

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department of Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information provided below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases on a state basis. In addition, some information is only readily available on a calendar year, rather than a financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

Individuals or organisations benefiting from the programmes listed below may reside or carry out business at a location other than that used to identify funding against an electorate. Similarly there may be individuals or organisations that receive funding that benefits this electorate but is not included in the information provided because the identifying postcode is outside the electorate.

This table provides information for the electorate on a financial year basis:

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<tr>
<td>Vocational Education &amp; Training</td>
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<td>Job Placement, Employment and Training</td>
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<td>74</td>
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<td>Australian National Training Authority (g)</td>
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<td>Infrastructure Programme (Skills Centre Component)</td>
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<tr>
<td>School To Work</td>
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<td>Central Queensland University (f)</td>
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<td>Other</td>
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<tr>
<td>University Mobility in Asia &amp; the Pacific Programme (f)</td>
<td>-</td>
<td>128</td>
<td>172</td>
<td>111</td>
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This table provides information for the electorate on a calendar year basis:
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<tr>
<td>General Recurrent Grants – Non-Government</td>
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<td>7,814</td>
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<td>Australian Student Traineeship</td>
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<td>(h)</td>
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<td>This table provides information at a State level on a financial year basis:</td>
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<td>Schools</td>
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<td>Indigenous Education Direct Assistance (c)</td>
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<td>12,731</td>
<td>13,019</td>
<td>13,479</td>
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<td>ABSTUDY (d)</td>
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<td>32,742</td>
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<td>909</td>
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<td>Assistance for Isolated Children (AIC) (b)</td>
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<td>Australian National Training Authority</td>
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<td>Advanced English for Migrants Programme (AEMP)</td>
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<td>530</td>
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<td>Literacy and Numeracy Programme</td>
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<td>Australian National Training Authority VET In Schools</td>
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<td>General Recurrent Grants – Government Schools</td>
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<td>192,022</td>
<td>201,059</td>
<td>213,927</td>
<td>232,328 (a)</td>
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<td>Special Education</td>
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<td>15,878</td>
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<td>20,455 (c)</td>
<td>24,011 (c)</td>
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<td>English As A Second Language/New Arrival Programme</td>
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<td>3,059</td>
<td>2,901 (a)</td>
<td>(a)</td>
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<td>Disabilities</td>
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<td>1,810</td>
<td>2,196</td>
<td>2,410 (a)</td>
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<td>National Asian Languages and Studies in Australian Schools</td>
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<td>5,352 (c)</td>
<td>3,333 (c)</td>
<td>7,849 (c)</td>
<td>5,118 (c)</td>
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<td>Priority Incentive Languages</td>
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<td>517</td>
<td>584</td>
<td>621</td>
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<td>Community Languages</td>
<td>866</td>
<td>930</td>
<td>973</td>
<td>1,027</td>
<td>1,051</td>
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Notes:

(a) Allocations for the year have not been finalised or expenditure is dependant on application/tender or other process not completed.

(b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.

(c) Does not include National Office Expenditure which cannot easily be broken down into State components.

(d) Based upon the location of the office in which the payment is made.

(e) 1999-2000 data for ABSTUDY is not currently available.

(f) Grant provided to an institution with a campus in the electorate. Funding may not necessarily be directed to that campus.

(g) The Commonwealth does not provide recurrent funding directly to vocational education and training providers. Commonwealth recurrent funding is provided by the Australian National Training Authority (ANTA) to the States and Territory Authorities.

(h) Data is not readily available.

**Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Gwydir Electorate**

(Question No. 3055)

**Senator Mackay** asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

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

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

3. What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

**Senator Alston**—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

1. (2) and (3). There are nine relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, Job Network, the Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.
All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-01 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs.

In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance, Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Gwydir who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

For the 2000-01 financial year, the amount allocated to the Indigenous Employment Programme is $55.428 million.

**Working Women’s Centres**

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for NSW totalled $247 000 in 1996-97, $273 680 in 1997-98, $289 235 in 1998-99, $236 020 in 1999-2000 and $255 060 has been allocated for 2000-01 financial year.

**Employee Entitlements Support Scheme**

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds. For the 2000-01 financial year, the amount allocated to the EESS is $55 million.

**Job Network**

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Gwydir electorate is located in the Job Network labour market region of Western NSW in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $3 016 600 in 1997-98, $20 696 300 in 1998-99 and $24 138 900 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

**Community Support Programme (CSP)**

CSP is administered by DEWRSB in the electorate of Gwydir. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand.
The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $33 000 was allocated for CSP sites within the electorate of Gwydir. Expenditure of funds would be subject to the use of places by the service provider.

**Return to Work Programme (RTW)**

RTW is administered by DEWRSB in the electorate of Gwydir. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Gwydir falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.

Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $18 889 was provided for RTW to assist people living in the federal electorate of Gwydir.

**Work for the Dole (WFD)**

WFD is administered by DEWRSB in the electorate of Gwydir. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Gwydir in 1997-98 totalled $159 906, 1998-99 $1 059 984 and 1999-2000 $901 954. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.

The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.

Therefore in the case of the federal electorate of Gwydir, whilst these projects/activities are located in the Gwydir electorate, and most participants would reside in the Gwydir electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Gwydir electorate.

**Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Eden-Monaro Electorate**

(Question No. 3067)

**Senator Mackay** asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 9 October 2000:

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

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

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

**Senator Alston**—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) (2) and (3). There are ten relevant types of funding administered by the Department of Employment, Workplace Relations and Small Business (DEWRSB). These include funds provided for the administration of Area Consultative Committees, funds provided under the Regional Assistance Programme (RAP), the Indigenous Employment Programme [and its predecessor, the Training for Aboriginals and Torres Strait Islanders Programme (TAP)], the Working Women’s Centres, the Employee Entitlements Support Scheme, the Small Business Incubator Programme, Job Network, the
Community Support Programme, the Return to Work Programme and the Work for the Dole Programme.

It is questionable how accurate the data on the amount of funds provided under each of the above programmes would be if attributed by electorate. This is because funds are not allocated, approved or accounted for by federal or any other electorates.

In the case of ACCs and RAP, the programme is based on a structure that involves 56 ACCs which together cover all of Australia. All potential projects (other than those of national significance) are channelled through these 56 ACCs. ACCs, which consist of local representatives, make recommendations with respect to the potential projects. Ultimately however, decisions about the funding of projects are made by a delegate within the National Office of DEWRSB.

All administrative funding allocations for ACCs and RAP, together with information collected on the projects supported by the program, are based on that ACC structure. Many ACCs cover a number of federal electorates in whole or in part. Moreover, many projects that are funded under RAP cut across a number of ACCs. In short, to attempt to move from an ACC basis to an electorate-based approach in order to quantify the allocation of funds is fraught with difficulties. Arbitrary judgements would have to be made about how much of a project or ACC related to a particular electorate. For example, the single ACC in Sydney, GROW, covers wholly or partially 28 electorates. For the 2000-01 financial year a notional allocation of around $17 million is available for new RAP proposals endorsed by ACCs.

In the case of IEP (and TAP) the same difficulties arise in taking an electorate-based approach to quantifying funds approved under the various elements of the programme, namely, Wage Assistance, Structured Employment and Training (STEP), the Corporate Leaders for Indigenous Employment Project, National Indigenous Cadetship Project, Placement Incentives for Community Development Employment Projects (CDEP), the Indigenous Small Business Fund and the Voluntary Service to Indigenous Communities Foundation. These various elements operate differently and, as mentioned above, are not categorised by electorate.

To attempt to identify individuals living in the electorate of Eden-Monaro who may be the beneficiary of assistance under the various elements of the program is, at best, problematic.

For the 2000-01 financial year, the amount allocated to the Indigenous Employment Programme is $55.428 million.

Similarly, expenditure on the Small Business Incubator Programme is not reported or appropriated on the basis of electoral or regional boundaries. Although funds are not allocated by electorate, in 1997-98, the Snowy Monaro Development Centre in the Eden-Monaro area received funding of $11,850.

Working Women’s Centres

The Commonwealth funds working women’s centres in the capital cities of most States and Territories to provide quality information and advice to working women in that State or Territory, regardless of the electorate in which they reside. The centres receive funds from the DEWRSB and, since 1997-98, from the Office of the Employment Advocate. Funding for NSW totalled $247,000 in 1996-97, $273,680 in 1997-98, $289,235 in 1998-99, $236,020 in 1999-2000 and $255,060 has been allocated for 2000-01 financial year.

Employee Entitlements Support Scheme

The Employee Entitlements Support Scheme (EESS) provides assistance to eligible employees whose employment was terminated on or after 1 January 2000 as a result of their employer’s insolvency, and who have not been paid some or all of their employee entitlements. Information on the expenditure of funds on particular electorates is not available. Funding for the scheme in the 1999-2000 financial year was drawn from a reallocation of internal Departmental program funds. For the 2000-01 financial year, the amount allocated to the EESS is $55 million.
Job Network

Expenditure on Job Network is not reported on the basis of electoral boundaries. The Eden-Monaro electorate is located in the Job Network labour market region of Illawarra and South East NSW in the second contract period that began on 28 February 2000. Job Network payments in this region (and the corresponding region for the first contract period which ended on 27 February 2000) totalled $3 608 500 in 1997-98, $22 152 600 in 1998-99 and $23 395 700 in 1999-2000. Job Network began on 1 May 1998. Therefore there was no expenditure in 1996-97 and 1997-98 expenditure relates to payments made between 1 April 1998 (there were advance payments for the New Enterprise Incentive Scheme in this month) and 30 June 1998.

Job Network funding is not appropriated on the basis of electoral or region boundaries.

Community Support Programme (CSP)

CSP is administered by DEWRSB in the electorate of Eden-Monaro. CSP funding is not allocated by electoral boundaries. CSP places are allocated to Centrelink regions. Each Centrelink Customer Service Centre has its own region and the size of these regions varies according to population/service demand. The number of CSP places is based on historical data of the number of job seekers considered to require CSP assistance in each of these regions.

CSP commenced nationally in 1998-99. In each of the 1998-99 and 1999-2000 financial years, a total of $127 600 was allocated for CSP sites within the electorate of Eden-Monaro. Expenditure of funds would be subject to the use of places by the service provider.

Return to Work Programme (RTW)

RTW is administered by DEWRSB in the electorate of Eden-Monaro. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Eden-Monaro falls within the LMR of Hunter and North Coast. Funding for the electorate is based on the proportion of people in the LMR who would require RTW assistance in the electorate.

Contracts commenced in March 2000 and will continue until February 2002. In the financial year 1999-2000 a total of $4500 was provided for RTW to assist people living in the federal electorate of Eden-Monaro.

Work for the Dole (WFD)

WFD is administered by DEWRSB in the electorate of Eden-Monaro. This programme was not operating in 1996-97 and no payments were made. Funding provided to WFD activity sponsors and Community Work Coordinators (CWCs) based in the electorate of Eden-Monaro in 1997-98 totalled $338 780, 1998-99 $302 581 and 1999-2000 $610 657. WFD programme data is based on date approved; some funds may have been dispersed in the following financial year.

The allocation of business to Community Work Coordinators (CWCs) (and sponsors in previous rounds of the programme), is based around ESAs. CWCs are required to make available WFD places for eligible job seekers resident in the ESA for which the CWC is contracted. ESA boundaries do not coincide with federal electorate boundaries.

Therefore in the case of the federal electorate of Eden-Monaro, whilst these projects/activities are located in the Eden-Monaro electorate, and most participants would reside in the Eden-Monaro electorate, participants may have been drawn from parts of the ESA/s that are located in neighbouring federal electorates. Furthermore, projects/activities located in other parts of the ESA/s that fall into neighbouring federal electorates may recruit participants living in the Eden-Monaro electorate.

Department of Education, Training and Youth Affairs: Programs and Grants to the Eden-Monaro Electorate

(Question No. 3070)

Senator Mackay asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 9 October 2000:
(1) What programs and/or grants administered by the department provide assistance to people living in the electorate of Eden-Monaro.

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

(3) What is the level of funding provided through programs and grants that has been appropriated for the 1999-2000 financial year.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

Funding provided by the Department of Education, Training and Youth Affairs is not allocated or reported on the basis of electoral boundaries. The information provided below has therefore been compiled on the basis of data available at the postcode or regional level and in some cases a state basis. In addition, some information is only available on a calendar year, rather than a financial year basis.

Programmes which have a higher level national, research or policy development focus, and which cannot be readily attributed to a postcode, electorate or State are not listed.

Individuals or organisations benefiting from the programmes listed below may reside or carry out business at a location other than that used to identify funding against an electorate. Similarly there may be individuals or organisations that receive funding that benefits this electorate but is not included in the information provided because the identifying postcode is outside the electorate.

This table provides information for the electorate on a financial year basis:

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<td>$'000</td>
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<td>$'000</td>
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<tr>
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<td>Structured Workplace Learning</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>130</td>
</tr>
<tr>
<td>Career counselling for Targeted</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>Unemployed Young People</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>540</td>
</tr>
<tr>
<td>Job Placement, Employment and Training Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>Workplace English Language and Literacy (WELL)</td>
<td>73</td>
<td>56</td>
<td>-</td>
<td>22</td>
</tr>
<tr>
<td>New Apprenticeships Incentives Programme</td>
<td>-</td>
<td>-</td>
<td>1,215</td>
<td>1,376</td>
</tr>
<tr>
<td>Australian National Training Authority</td>
<td>545</td>
<td>-</td>
<td>-</td>
<td>250</td>
</tr>
<tr>
<td>Infrastructure Programme (Skill Centre Component)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School to Work</td>
<td>-</td>
<td>240</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Office of Overseas Skills Recognition</td>
<td>91</td>
<td>39</td>
<td>68</td>
<td>20</td>
</tr>
<tr>
<td>Bridging Programme – Bridging Courses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This table provides information for the electorate on a calendar year basis:
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Non-Government</td>
<td>4,823</td>
<td>5,943</td>
<td>7,361</td>
<td>9,207</td>
<td>9,388</td>
</tr>
<tr>
<td>Capital Grants – Government and Non-Government</td>
<td>1,708</td>
<td>874</td>
<td>4,995</td>
<td>3,590</td>
<td>1,227</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This table provides information at a State level on a financial year basis:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigenous Education Direct Assistance (c)</td>
<td>9,759</td>
<td>14,098</td>
<td>14,430</td>
<td>13,582</td>
<td></td>
</tr>
<tr>
<td>ABSTUDY (d)</td>
<td>24,086</td>
<td>29,407</td>
<td>26,748</td>
<td>(e)</td>
<td></td>
</tr>
<tr>
<td>School to Work Programme (State Component)</td>
<td>596</td>
<td>1,515</td>
<td>1,476</td>
<td>886</td>
<td></td>
</tr>
<tr>
<td>Assistance for Isolated Children (AIC) (b)</td>
<td>6,527</td>
<td>6,706</td>
<td>6,607</td>
<td>5,240</td>
<td></td>
</tr>
<tr>
<td>Australian National Training Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advanced English for Migrants (AEMP)</td>
<td>2,000</td>
<td>2,000</td>
<td>2,100</td>
<td>1,850</td>
<td></td>
</tr>
<tr>
<td>Literacy and Numeracy Programme</td>
<td>-</td>
<td>-</td>
<td>2,360</td>
<td>4,110</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Office of Overseas Skills Recognition</td>
<td>257</td>
<td>238</td>
<td>196</td>
<td>159</td>
<td></td>
</tr>
<tr>
<td>Bridging Programme – Assessment Fee Subsidy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This table provides information at a State level on a calendar year basis:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Australian National Training Authority</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VET In Schools</td>
<td>-</td>
<td>5,965</td>
<td>5,965</td>
<td>5,977</td>
<td>5,977</td>
</tr>
<tr>
<td>VET In Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Government Schools</td>
<td>319,494</td>
<td>345,254</td>
<td>357,711</td>
<td>322,242</td>
<td>399,447</td>
</tr>
<tr>
<td>Grants to Schools for Literacy</td>
<td>N/A</td>
<td>60,598 (c)</td>
<td>63,838 (c)</td>
<td>68,037 (c)</td>
<td>77,119 (c)</td>
</tr>
<tr>
<td>Special Education</td>
<td>25,378</td>
<td>29,009</td>
<td>30,049</td>
<td>27,933</td>
<td>32,500</td>
</tr>
<tr>
<td>Full Service Schools</td>
<td>N/A</td>
<td>N/A</td>
<td>50</td>
<td>4,033 (c)</td>
<td>2,458 (c)</td>
</tr>
<tr>
<td>English as a Second Language - New Arrivals</td>
<td>18,799</td>
<td>15,125</td>
<td>15,311</td>
<td>14,933</td>
<td>(a)</td>
</tr>
<tr>
<td>Country Areas Programme</td>
<td>3,983</td>
<td>4,613</td>
<td>4,826</td>
<td>5,834</td>
<td>6,266</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td>Indigenous Education</td>
<td>21,091</td>
<td>23,380</td>
<td>29,793</td>
<td>28,025</td>
<td>(a)</td>
</tr>
<tr>
<td>Strategic Initiatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students with Disabilities</td>
<td>4,021</td>
<td>4,581</td>
<td>5,815</td>
<td>5,527</td>
<td>6,828(a)</td>
</tr>
<tr>
<td>National Asian Languages and Studies in Australian Schools</td>
<td>N/A</td>
<td>9,703 (c)</td>
<td>6,093 (c)</td>
<td>14,097 (c)</td>
<td>9,089 (c)</td>
</tr>
<tr>
<td>Priority Incentive</td>
<td>1,446</td>
<td>1,539</td>
<td>1,570</td>
<td>1,719</td>
<td>1,185</td>
</tr>
<tr>
<td>Community Languages</td>
<td>3,826</td>
<td>4,109</td>
<td>4,298</td>
<td>4,533</td>
<td>4,611</td>
</tr>
</tbody>
</table>

Notes:
(a) Allocations for the year have not been finalised or expenditure is dependant on application/tender or other process not completed.
(b) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.
(c) Does not include National Office Expenditure which cannot easily be broken into State components.
(d) Based upon location of the office in which the payment is made.
(e) 1999-2000 data for ABSTUDY is currently unavailable.

**Department of Communication, Information Technology and the Arts: Motor Vehicle Fuel Expenditure**
*(Question No. 3086)*

**Senator Cook** asked the Minister for Communications, Information Technology and the Arts, upon notice, on 9 October 2000:

1. For the financial year ended 30 June 2000, what was the total of monies expended by the department and each of its agencies on fuel purchased for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown by each month of the financial year).
2. What has been the total amount of monies expended to date for the 2000-01 financial year on fuel for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown for each month up to and including September 2000).
3. Has the department and its agencies budgeted for fuel bills; if so: (a) what is the budget for the current financial year; and (b) how much has been spent to date.
4. How does this year’s fuel expenditure budget compare to last year’s fuel expenditure budget for the department and each of its agencies.
5. How did the last financial year’s fuel expenditure budget compare to the actual outcome for the financial year for the department and each of its agencies.
6. (a) What is this financial year’s fuel expenditure budget for both the department and each of its agencies; and (b) how much has been spent to date.

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

The Department of Communications, Information Technology and the Arts and its agencies have provided the following details of expenditure on fuel for the periods ending 30 June 2000 and July to September 2000.

**DEPARTMENT OF COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS**

1. For the financial year ended 30 June 2000, the total of monies expended on fuel by the Department was $84,474
Expenditure on fuel for each month of the financial year is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>6,056</td>
</tr>
<tr>
<td>August</td>
<td>6,718</td>
</tr>
<tr>
<td>September</td>
<td>7,374</td>
</tr>
<tr>
<td>October</td>
<td>5,568</td>
</tr>
<tr>
<td>November</td>
<td>4,901</td>
</tr>
<tr>
<td>December</td>
<td>2,618</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>12,093</td>
</tr>
<tr>
<td>February</td>
<td>7,687</td>
</tr>
<tr>
<td>March</td>
<td>3,694</td>
</tr>
<tr>
<td>April</td>
<td>10,423</td>
</tr>
<tr>
<td>May</td>
<td>8,818</td>
</tr>
<tr>
<td>June</td>
<td>8,524</td>
</tr>
<tr>
<td>TOTAL</td>
<td>84,474</td>
</tr>
</tbody>
</table>

(2) The Department has paid fuel invoices of $21,923 in the period July to September 2000.

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>1,717</td>
</tr>
<tr>
<td>August</td>
<td>11,032</td>
</tr>
<tr>
<td>September</td>
<td>9,174</td>
</tr>
<tr>
<td>TOTAL</td>
<td>21,923</td>
</tr>
</tbody>
</table>

(3) The Department does not have a specific budget for fuel costs. Fuel costs are included in the budget for vehicle hire.

(a) N/A

(b) N/A

(4) Not applicable as the Department does not have a specific budget for fuel.

(5) Not applicable as the Department does not have a specific budget for fuel.

(6)

(a) The Department does not have a specific budget for fuel. Fuel costs are included in the budget for vehicle hire.

(b) The total spent to the end of September 2000 for the Department is $21,923

**SCREENSOUND AUSTRALIA**

(1) For the financial year ended 30 June 2000, the total of monies expended on fuel by ScreenSound was $14,644.

Expenditure on fuel for each month of the financial year is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>857</td>
</tr>
<tr>
<td>August</td>
<td>1,473</td>
</tr>
<tr>
<td>September</td>
<td>1,033</td>
</tr>
<tr>
<td>October</td>
<td>856</td>
</tr>
<tr>
<td>November</td>
<td>736</td>
</tr>
<tr>
<td>December</td>
<td>1,202</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>1,859</td>
</tr>
<tr>
<td>February</td>
<td>1,211</td>
</tr>
</tbody>
</table>
(2) ScreenSound has paid one fuel invoice of $1,758 in the period July to September 2000.

(3) ScreenSound does not have a specific budget for fuel costs. Fuel costs are included in the budget for vehicle hire.
   
   (a) N/A
   
   (b) N/A

(4) Not applicable as ScreenSound does not have a specific budget for fuel.

(5) Not applicable as ScreenSound does not have a specific budget for fuel.

(6) Not applicable as ScreenSound does not have a specific budget for fuel.

ARTBANK

(1) For the financial year ended 30 June 2000, the total of monies expended by ArtBank was $1,182

Expenditure for each month of the financial year is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>81</td>
</tr>
<tr>
<td>August</td>
<td>42</td>
</tr>
<tr>
<td>September</td>
<td>88</td>
</tr>
<tr>
<td>October</td>
<td>84</td>
</tr>
<tr>
<td>November</td>
<td>113</td>
</tr>
<tr>
<td>December</td>
<td>98</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>132</td>
</tr>
<tr>
<td>February</td>
<td>132</td>
</tr>
<tr>
<td>March</td>
<td>86</td>
</tr>
<tr>
<td>April</td>
<td>32</td>
</tr>
<tr>
<td>May</td>
<td>202</td>
</tr>
<tr>
<td>June</td>
<td>92</td>
</tr>
</tbody>
</table>

TOTAL 676

(2) ArtBank has paid one fuel invoice of $304 in the period July to September 2000.

The total amount of monies expended to date for the 2000-01 financial year on fuel for motor vehicles for which ArtBank is responsible for maintaining, broken down by month, is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>96</td>
</tr>
<tr>
<td>August</td>
<td>70</td>
</tr>
<tr>
<td>September</td>
<td>138</td>
</tr>
</tbody>
</table>

TOTAL 304

(3) ArtBank has budgeted for fuel:
   
   (a) Budget for the current financial year is $1,200;
   
   (b) Spent to date $354

(4) This year’s fuel expenditure budget has been increased by $200 over last year’s.

(5) Last year’s actual fuel expenditure was $182 over budgeted fuel expenditure.

(6) (a) This financial year’s fuel expenditure budget is $1,200
(b) $354 has been spent to date.

**NATIONAL SCIENCE AND TECHNOLOGY CENTRE**

(1) For the financial year ended 30 June 2000, the total monies expended by The National Science and Technology (NSTC) for fuel was $1,2450.

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>882</td>
</tr>
<tr>
<td>August</td>
<td>822</td>
</tr>
<tr>
<td>September</td>
<td>1,316</td>
</tr>
<tr>
<td>October</td>
<td>609</td>
</tr>
<tr>
<td>November</td>
<td>655</td>
</tr>
<tr>
<td>December</td>
<td>94</td>
</tr>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>January</td>
<td>2,493</td>
</tr>
<tr>
<td>February</td>
<td>1,195</td>
</tr>
<tr>
<td>March</td>
<td>185</td>
</tr>
<tr>
<td>April</td>
<td>1,802</td>
</tr>
<tr>
<td>May</td>
<td>1,307</td>
</tr>
<tr>
<td>June</td>
<td>1,090</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,450</strong></td>
</tr>
</tbody>
</table>

(2) The total monies expended to date for the 2000-01 financial year on fuel for motor vehicles for which the NSTC is responsible for maintaining, broken down by month is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>469</td>
</tr>
<tr>
<td>August</td>
<td>1,094</td>
</tr>
<tr>
<td>September</td>
<td>1,484</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,047</strong></td>
</tr>
</tbody>
</table>

(3) The NSTC has budgeted for fuel bills:

(a) The budget for the current financial year is $13,000;
(b) Spent to date $3,047

(4) Last financial year’s (1999-2000) budget was $12,000, compared to $13,000 this financial year (2000-2001).

(5) Last financial year the expenditure was $452 over budget, as the budget was $12,000 and expenditure was $12,450.

(6) (a) This year’s fuel expenditure budget is $13,000
(b) Expenditure to end of September 2000 was $3047

**THE NATIONAL ARCHIVES OF AUSTRALIA**

(1) For the financial year ended 30 June 2000, the total of monies expended by The National Archives of Australia was $31,912

Expenditure for each month of the financial year is as follows:

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2,151</td>
</tr>
<tr>
<td>August</td>
<td>2,254</td>
</tr>
<tr>
<td>September</td>
<td>2,911</td>
</tr>
</tbody>
</table>
October 1,984
November 1,754
December 859
2000
January 5,746
February 3,065
March 776
April 4,629
May 2,307
June 3,476

TOTAL 19,999

(2) The National Archives of Australia has paid a fuel invoice of $9,641 in the period July to September 2000.

<table>
<thead>
<tr>
<th>Month</th>
<th>Fuel Expenditure ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>1,037</td>
</tr>
<tr>
<td>August</td>
<td>4,358</td>
</tr>
<tr>
<td>September</td>
<td>4,246</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,641</td>
</tr>
</tbody>
</table>

(3) The National Archives of Australia does not budget separately for fuel costs. The vehicle fleet budgets are for the overall monthly lease costs, which include fuel costs. The fleet cost estimates are based on the previous year’s expenditure plus or minus variations for known increases or decreases in the number of vehicles in the fleet.

(4) Not applicable as the National Archive does not have a specific budget for fuel

(5) Not applicable as the National Archive does not have a specific budget for fuel

(6) Not applicable as the National Archive does not have a specific budget for fuel.

Department of Agriculture, Fisheries and Forestry: Motor Vehicle Fuel Expenditure

(Question No. 3097)

Senator Cook asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 9 October 2000:

(1) For the financial year ended 30 June 2000, what was the total of monies expended by the department and each of its agencies on fuel purchased for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown by each month of the financial year).

(2) What has been the total amount of monies expended to date for the 2000-01 financial year on fuel for motor vehicles which the department and its agencies are responsible for maintaining (please provide a breakdown for each month up to and including September 2000).

(3) Has the department and its agencies budgeted for fuel bills; if so: (a) what is the budget for the current financial year; and (b) how much has been spent to date.

(4) How does this year’s fuel expenditure budget compare to last year’s fuel expenditure budget for the department and each of its agencies.

(5) How did the last financial year’s fuel expenditure budget compare to the actual outcome for the financial year for the department and each of its agencies.

(6) (a) What is this financial year’s fuel expenditure budget for both the department and each of its agencies; and (b) how much has been spent to date.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:
The amounts in the following tables include expenditure by the Australian Quarantine and Inspection Service (AQIS), Bureau of Rural Sciences (BRS) and Australian Bureau of Agriculture and Resource Economics (ABARE), as well as the Department of Agriculture, Fisheries and Forestry.

(1)  

<table>
<thead>
<tr>
<th>Month</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>11,768</td>
</tr>
<tr>
<td>August</td>
<td>29,183</td>
</tr>
<tr>
<td>September</td>
<td>146,456</td>
</tr>
<tr>
<td>October</td>
<td>80,729</td>
</tr>
<tr>
<td>November</td>
<td>239,216</td>
</tr>
<tr>
<td>December</td>
<td>91,894</td>
</tr>
<tr>
<td>January</td>
<td>78,393</td>
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<tr>
<td>February</td>
<td>242,463</td>
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<tr>
<td>March</td>
<td>176,841</td>
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<tr>
<td>April</td>
<td>103,428</td>
</tr>
<tr>
<td>May</td>
<td>80,006</td>
</tr>
<tr>
<td>June</td>
<td>214,292</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,494,669</strong></td>
</tr>
</tbody>
</table>

(2)  

<table>
<thead>
<tr>
<th>Month</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>28,704</td>
</tr>
<tr>
<td>August</td>
<td>123,721</td>
</tr>
<tr>
<td>September</td>
<td>107,618</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>260,043</strong></td>
</tr>
</tbody>
</table>

These are amounts paid on a cash basis and do not include accrual of invoices not yet received in respect of fuel expenses for the period.

(3) The department’s internal budget process does not capture the level of detail to identify expected expenditure on fuel.

(4) See the answer to question (3).

(5) See the answer to question (3).

(6) See the answer to question (3).

**Department of Employment, Workplace Relations and Small Business: Legal Advice from Dunhill Madden Butler**  
(Question No. 3128)

**Senator O’Brien** asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 31 October 2000:

(1) Since 1 January 1999, on how many occasions has the department sought legal advice from solicitors Dunhill Madden Butler.

(2) On each occasion: (a) what was the cost of the legal advice; and (b) what was the purpose of the advice.
(3) If advice was sought from Dunhill Madden Butler in relation to a legal dispute between the Australasian Meat Industry Employee’s Union (AMIEU) and G&K O’Connor meatworks at Pakenham since 1 January 1999, on how many occasions was advice on that matter sought.

(4) What was the cost of legal advice sought from Dunhill Madden Butler in relation to the dispute between AMIEU and G&K O’Connor meatworks at Pakenham.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) Since 1 January 1999, the Department has consulted Dunhill Madden Butler in relation to 16 matters.

(2) As confirmed from records supplied by Deacons Graham James (which purchased Dunhill Madden Butler earlier this year), the brief particulars of each matter and its total cost was:

<table>
<thead>
<tr>
<th>Matter particulars</th>
<th>Fees rendered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andrew McKellar &amp; Christopher Murray v Container Terminal Management Services &amp; Ors</td>
<td>$207,022.32</td>
</tr>
<tr>
<td>National Competition Council – Review of Exemptions under s.51 of the Trade Practices Act</td>
<td>$5,594</td>
</tr>
<tr>
<td>Coal Pricing Strike</td>
<td>$390</td>
</tr>
<tr>
<td>Public Service Act 1922</td>
<td>$3,135</td>
</tr>
<tr>
<td>Construction Forestry Mining and Energy Union v Jonathan Hamberger in his capacity as Employment Advocate</td>
<td>$41,210.04 (which includes $8,000 of counsel’s fees)</td>
</tr>
<tr>
<td>Construction Forestry Mining and Energy Union v The Commonwealth of Australia &amp; Ors</td>
<td>$53,152.12</td>
</tr>
<tr>
<td>National Tertiary Education Industry Union v The Commonwealth of Australia &amp; David Alistair Kemp</td>
<td>$42,997.51</td>
</tr>
<tr>
<td>Coal and Allied Operations Pty Ltd</td>
<td>$62,443.81</td>
</tr>
<tr>
<td>Nurses (NT) Private Sector Award 1989</td>
<td>$3,200</td>
</tr>
<tr>
<td>Hairdressing and Beauty Services Victoria – Interim Award</td>
<td>$6,000</td>
</tr>
<tr>
<td>Smorgon (Steel Mill) Award 1996</td>
<td>$35,042.20</td>
</tr>
<tr>
<td>Smorgon Wire award 1995</td>
<td>$25,042.20</td>
</tr>
<tr>
<td>Uranium Mining and Processing (NT) Award 1992</td>
<td>$34,607.71</td>
</tr>
<tr>
<td>Employee Entitlement Support Scheme</td>
<td>$4,016</td>
</tr>
</tbody>
</table>

(3) Not applicable, as advice was not sought from Dunhill Madden Butler in relation to the dispute between the Australasian Meat Industry Employee’s Union (AMIEU) and G&K O’Connor meatworks at Pakenham.

(4) Not applicable, as advice was not sought from Dunhill Madden Butler in relation to the dispute between the Australasian Meat Industry Employee’s Union (AMIEU) and G&K O’Connor meatworks at Pakenham.

Department of Employment, Workplace Relations and Small Business: Legal Advice

(Question No. 3129)

Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 31 October 2000:
(1) Since 1 January 1999, has the department sought legal advice from any law firm other than Dunhill Madden Butler in relation to the dispute between the Australasian Meat Industry Employee’s Union and G&K O’Connor meatworks at Pakenham.

(2) On each occasion: (a) who provided the legal advice; (b) what was the cost of the legal advice; and (c) what was the purpose of the advice.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) Since 1 January 1999, the Department has sought legal advice in relation to the dispute between the Australasian Meat Industry Employee’s Union and G&K O’Connor meatworks at Pakenham from the Australian Government Solicitor.

(2) (a) The Australian Government Solicitor

(b) $48,474.75

(c) Representation in proceedings AMIEU and Ors v Hamberger and G&K O’Connor.

Department of Employment, Workplace Relations and Small Business: Payments to G&K O’Connor

(Question No. 3130)

Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 31 October 2000:

Since 1 January 1999, have any payments by the department been made to G&K O’Connor; if so: (a) on how many occasions have payments been made; (b) on each occasion what was the purpose of the payment; (c) what was the quantum of the payment; and (d) who approved the payment.

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

Since 1 January 1999, no payments have been made by the Department of Employment, Workplace Relations and Small Business to G&K O’Connor.

G&K O’Connor Meatworks

(Question No. 3131)

Senator O’Brien asked the Minister representing the Minister for Employment, Workplace Relations and Small Business, upon notice, on 31 October 2000:

(1) On how many occasions, since 1 January 1999, have officers of the department met with employees or principals of G&K O’Connor meatworks.

(2) On each occasion: (a) when did the meeting take place; (b) what was the purpose of the meeting; and (c) who initiated the meeting.

(3) On how many occasions, since 1 January 1999, have officers of the department met with legal representatives for G&K O’Connor meatworks.

(4) On each occasion: (a) when did the meeting take place; (b) what was the purpose of the meeting; and (c) who initiated the meeting

Senator Alston—The Minister for Employment, Workplace Relations and Small Business has provided the following answer to the honourable senator’s question:

(1) Since 1 January 1999, officers from the Department and the Office of the Employment Advocate (OEA) have met with employees or principals of G & K. O’Connor Pty. Ltd. on four occasions.

(2) (a) The meetings took place on 19 February 1999, 2 August 1999, 16 August 1999 and 3 September 1999.

(b) The purpose of the meeting on each of the three occasions that officers of the Department met with G & K. O’Connor Pty. Ltd. was to inform the Government of developments in an industrial
dispute at the meatworks of G & K. O’Connor Pty. Ltd. The purpose of the fourth meeting, with officers from the OEA (which was the meeting held on 2 August 1999), was to discuss the logistical arrangements for the lodgement and processing of Australian Workplace Agreements (AWAs). (Employers planning to make large numbers of AWAs are encouraged in the OEA’s A How-to Guide to contact the OEA to expedite the processing of the AWAs.)

(c) The meetings involving the Department were initiated by G. & K. O’Connor Pty. Ltd. or their legal representatives on all occasions. The meeting with officers from the OEA was initiated by legal representatives of G. & K. O’Connor Pty. Ltd.

(3) Since 1 January 1999, there has been one meeting between officers from the OEA and legal representatives of G. & K. O’Connor Pty. Ltd. A legal representative of G. & K. O’Connor Pty. Ltd. was also in attendance at one of the meetings attended by Departmental officers referred to under 2(a) above.

(4) (a) The meeting with officers from the OEA took place on 2 August 1999. The meeting with officers from the Department attended by a legal representative of G. & K. O’Connor Pty. Ltd., was held on 3 September 1999.

(b) The purpose of the meeting involving officers from the OEA was to discuss the logistical arrangements for the lodgement and processing of Australian workplace agreements (AWAs). The purpose of the meeting involving officers of the Department was to inform the Government of developments in an industrial dispute at the meatworks of G. & K. O’Connor Pty. Ltd.

(c) The meeting involving the OEA was initiated by the company’s legal representatives. The meeting involving the Department was initiated by the legal representatives of G. & K. O’Connor Pty. Ltd.

**Environment Protection and Biodiversity Conservation Legislation: Tax Concessions**

(Question No. 3139)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 30 October 2000:

1. Under the Environment Protection and Biodiversity Conservation Act 1999 would the following actions by the Commonwealth require environmental assessment, if they are likely to result in a significant impact on the environment: (a) deciding to provide a tax concession to a project; and (b) approving the application of existing tax concessions to a project.

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

In accordance with s.524 of the Environment Protection and Biodiversity Conservation Act 1999 decisions of the type referred to in (a) and (b) are not actions for the purpose of the Act and therefore do not require environmental assessment or approval under the Act. The actual action (project or development) to which the tax concessions might apply may however require approval under the Act.

**Pelagic Pty Ltd: Blue Mackerel Harvest**

(Question No. 3144)

Senator Brown asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 30 October 2000:

1. (a) Has the Federal Government approved a $450,000 loan to an Eden-based company (Pelagic Pty Ltd) to harvest blue (slimey) mackerel (Scomber australasicus); (b) under what criteria was this loan secured and what are the conditions on which to pay it back; and (c) how much is Pelagic investing and when.

2. Was an environmental impact statement prepared; if not, why not.
(3) Was any notification given under the Environment Protection and Biodiversity Conservation Act 1999.

(4) Is it a fact that Heinz Watties closed their Eden plant as the 4,500 tonnes of tuna processed each year was economically unviable; why then, was Pelagic given a taxpayer loan to harvest 2,500 tonnes of an ‘inferior’ fish.

(5) Is the mackerel harvest derived by the purse seine fishing method, an indiscriminate and destructive fishing technique.

(6) Is there a cap on this mackerel harvest and what is its proposed end use.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s questions:

(1) (a) On 20 June 2000, the Hon Wilson Tuckey MP, Minister for Forestry and Conservation and Senator the Hon Ian Macdonald, Minister for Regional Services, Territories and Local Government, announced a grant of $405,000 under the Eden Region Adjustment Package (ERAP) to the company, Pelagic Fish Processors Pty Ltd, for a new fish processing factory in Eden. A grant of $50,000 was also awarded to the proprietors of the fishing vessel “Janet 1” for upgrading the vessel’s freezing capacity. Pelagic Fish Processors will process blue mackerel and other species. The vessel “Janet 1” will supply the new factory.

(b) The grants awarded to Pelagic Fish Processors and the proprietors of the “Janet 1” were made following a rigorous assessment process. An Advisory Committee assessed and ranked all applications against specific eligibility criteria. In addition, the advice of an independent financial assessor was sought in relation to some applications, including that of Pelagic Fish Processors.

The eligibility criteria for the ERAP are as follows:

“Applications for funding under the Eden Region Adjustment Package will be assessed on their capacity to advance the economic development of the Eden Region.

The key measure of a project’s contribution to economic development will be its capacity to create sustainable employment opportunities in the region.

Applications will also be assessed against the following criteria:

• The applicant must have sound management capability and must be able to demonstrate the organisational capacity and financial status to implement and complete the project.

• The applicant must be prepared to contribute at least 50 per cent of the cost of the proposal. The applicant’s financial contribution must be in new investment. In-kind contributions (for example, salaries and office accommodation not specifically and solely associated with the proposal) will not be considered as part of the applicant’s contribution.

• Evidence must be provided to substantiate how the applicant’s 50% will be funded.

• The proposal must be soundly researched and documented, including a detailed business plan that demonstrates the viability of the proposal.

• The application must include projections of employment generation.

• Infrastructure for the proposal must be available or easily provided.

• Proposals must have the support within the Eden Region. Such support could be indicated by letters of support from local government or regional development boards.

• If necessary, the Committee will invite applicants to make a presentation to the Committee.

• Proposals must comply with relevant planning and environment laws;

• Feasibility studies, environmental impact studies, research and the preparation of reports will not be funded under the package.”

Decisions on awarding grants under the ERAP are made jointly by the Hon Wilson Tuckey MP, Minister for Forestry and Conservation and Senator the Hon Ian Macdonald, Minister for Regional
Services, Territories and Local Government following recommendations received from the Advisory Committee.

(1) (c) Under the ERAP, grantees are required to contribute at least 50% of the cost of the project proposal for which they are receiving assistance. The grant of $405,000 to Pelagic Fish Processors has been awarded on the basis of an investment by the company of at least $810,000.

(2) No environmental impact assessment has been prepared. Fishing for blue mackerel in Commonwealth waters, along with several other small pelagic schooling fish species, is an ongoing activity which comes under the Australian Fisheries Management Authorities (AFMA) Jack Mackerel Fishery (JMF) management arrangements. I am informed that AFMA have not issued any new permits to take mackerel in the area off Eden. The marketing initiative which has been supported by ERAP is likely to increase the catches above present low levels and in response to increased interest AFMA have taken a precautionary approach by reducing trigger catch levels in a number of the JMF management zones from 5,000 to 2,500 tonnes. When the catch in aggregate of the JMF species in aggregate reaches 2,500 tonnes in a year there will be a management review of the data collected in the course of fishing. AFMA are to closely monitor catches to ensure the commercial harvest of the fishery is at sustainable levels.

(3) No. The fishing operations which may supply Pelagic Fish Processors will be conducted within the Australian Fisheries Management Authorities (AFMAs) existing management arrangements for the Jack Mackerel Fishery (JMF). Along with all Commonwealth fisheries, the JMF will be subject to strategic assessment under the Environment Protection and Biodiversity Conservation Act 1999 within the next five years.

(4) I am unable to comment on the reason for closure of the Heinz cannery. As can be seen in my answer to Question 1, applications for grant assistance were subject to a rigorous assessment of their viability.

A significant proportion of the supply to the Heinz tuna cannery was the catch by large American purse seiners fishing in the western and central Pacific Ocean. Major canneries in the Philippines and Thailand process the catch of tuna taken in this area and dominate the canned tuna market.

(5) No. I am advised that purse seining is neither indiscriminate nor destructive. It is an efficient fishing method utilised for catching pelagic (surface) schooling fish such as tunas and mackerels. In comparison with other methods of fishing, purse-seining allows for more accurate targeting, resulting in a minimum by-catch of non-target species.

(6) The catch of Pelagic Fish Processors Pty Ltd operation will be monitored within the trigger catch levels and total allowable catch set by AFMA.

I understand the new Pelagic Fish Processors venture at Eden, will be processing slimy mackerel for human consumption and value-added product will be exported to European and Asian markets.

Civil Aviation Safety Authority: Helicopters Australia
(Question No. 3161)

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

(1) Since 1 January 1999, on how many occasions has Perth-based helicopter operator, Helicopters Australia, been subjected to scheduled or unscheduled audits by officers of the Civil Aviation Safety Authority (CASA).

(2) Specifically, have CASA officers undertaken any investigations of the operation of the above company relating to the accuracy of pilots flight and duty time records.

(3) Have any of the above audits revealed any breaches or alleged breaches of Civil Aviation Regulations or Civil Aviation Orders; if so, in each case (a) when did the breach or alleged breach occur; (b) what was the nature of the breach or alleged breach; (c) what action has CASA taken in response to the breaches or alleged breaches; and (d) when did CASA take this action.
**Senator Ian Macdonald**—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:

The Civil Aviation Safety Authority (CASA) has provided the following advice:

(1) Since 1 January 1999, CASA has undertaken 10 scheduled audits and 6 unscheduled audits of Helicopters Australia.

(2) and (3) I do not believe it is appropriate to provide this level of operational detail regarding an individual operator. In addition, CASA holds the view that disclosure of information on the outcomes of an audit process could prejudice an operator’s commercial interests and could also prejudice CASA’s ability to obtain information from other operators during the course of normal investigations where compulsory extraction powers are not used.

CASA can however confirm that all matters raised with the operator have been addressed with the exception of audits recently undertaken in November 2000.

**Veterans: Herbicide Exposure**

(Question No. 3164)

**Senator Bartlett** asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 8 November 2000:

What conditions does the department recognise as being caused by exposure to herbicides such as Agent Orange.

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

The Repatriation Commission, not the Department of Veterans’ Affairs, is the body responsible for the granting of pensions and benefits to veterans in accordance with the provisions of the Veterans’ Entitlements Act 1986 (‘the Act’).

For claims made after 1 June 1994, section 120A of the Act generally requires that decisions in respect of claims for injury or disease be considered in accordance with any relevant Statements of Principles (‘SOPs’) made by the Repatriation Medical Authority (‘the RMA’). The RMA is an independent statutory authority established under section 196A of the Act and is composed of eminent medical and scientific specialists charged with determining Statements of Principles that causally link injury, disease or death to service where there is sound medical-scientific evidence for such a link.

Under subsection 196B(2) of the Act, the RMA has formulated Statements of Principle that, subject to the conditions set out in the SOPs, allow for the acceptance of the following conditions after exposure to herbicides such as Agent Orange:

Cancer of the Lung;
Cancer of the Larynx;
Prostate Cancer;
Hodgkin’s Disease;
Non-Hodgkin’s Lymphoma;
Porphyria Cutanea Tarda;
Chloracne;
Soft Tissue Sarcoma; and

Diabetes Mellitus (in those veterans who have a level of 2,3,7,8 – tetrachlorodibenzop-dioxin estimated at 5 parts per trillion at the time of diagnosis).

Under section 180A of the Act, in certain circumstances, the Repatriation Commission is able to make determinations that a kind of injury or disease is service related. The Repatriation Commission has made a determination under this provision that allows for the acceptance of the following conditions after exposure to Agent Orange (or its constituents or related compounds):
Acute Myeloid Leukaemia;
Chronic Myeloid Leukaemia;
Acute Lymphoid Leukaemia; and
Chronic Lymphoid Leukaemia.

Where a veteran claims that they suffer from some other medical condition (ie. being a condition that is not covered by a relevant SOP or the determination under section 180A of the Act) and that this condition is caused by exposure to herbicides such as Agent Orange, then such a claim is assessed on the available evidence in accordance with the generous standard of proof provisions contained in section 120 of the Act.

Australian Maritime Safety Authority: Uniform Shipping Laws Code
(Question No. 3165)

Senator Brown asked the Minister representing the Minister for Transport and Regional Services, upon notice, on 9 November 2000:
With reference to the answer to question on notice no. 2958
(1) (a) Who established that the modifications were made in accordance with the Uniform Shipping Laws Code and when; and, (b) to whom did they report.
(2) (a) Why did the Australian Maritime Safety Authority (AMSA) not do a direct inspection; and (b) who made that decision.
(3) What were the specific conditions levied by the AMSA and were they adhered to.
(4) Can a copy of the AMSA advice be provided.

Senator Ian Macdonald—The Minister for Transport and Regional Services has provided the following answer to the honourable senator’s question:
(1) (a) On or about 28 July 2000, an AMSA surveyor established that the modifications to the amphibious landing craft were made in accordance with the Uniform Shipping Laws Code.
(b) AMSA surveyors ultimately report to AMSA’s Chief Executive Officer.
(2) (a) The owner of the amphibious landing craft requested AMSA to issue a certificate of survey when the craft was about to commence commercial cargo operations at the Cocos (Keeling) Islands. AMSA advised the owner that a survey of the craft could not be performed within his requested timeframe as AMSA had no marine surveyor staff located on Cocos (Keeling) Islands. AMSA advised the owner and the Administrator of Cocos (Keeling) Islands that the craft could be permitted under specific conditions to conduct commercial cargo operations, pending survey.
(b) An AMSA surveyor.
(3) The specific conditions for commercial operation of the amphibious landing craft at Cocos (Keeling) Islands were specified by AMSA as follows:

1. The vessel is restricted to marine commercial operations within the lagoon area of Cocos Islands in sea states where under normal conditions the wave height does not exceed 0.5 metres from trough to crest.
2. When the vessel is engaged in marine commercial operations the vessel is to be manned in accordance with section 3 of the USL Code for vessels of 12 metres and over but less than 24 metres, and the following qualifications are required to be held:
   Master holding Master Class 5 Certificate of Competency
   Engineer qualification of MED 2 (Marine Engine Driver).
3. Maximum deck cargo capacity is restricted to 16 tons.
4. Commercial operations involving the LARC XV and the loaded barge JASA COCOS are to be conducted within the operational capacity of the LARC XV and it is the responsibility of the operator to consider the following safety aspects:

- sufficient available engine power of the LARC XV (recommended full engine power from both engines to be available when connected to loaded barge).
- visibility aspects when deck cargo carried on LARC XV or when LARC XV engaged to push loaded barge (lookouts and means of communication to be provided).
- weather conditions during the operational periods, with particular note of wave height, wind speed and current prevailing.

5. Safety equipment as required by the USL Code including lifesaving appliances, fire fighting appliances and miscellaneous equipment to be provided and available for use at all times.”

AMSA is unable to advise whether these conditions were adhered to during the craft’s commercial cargo operations on Cocos (Keeling) Islands. The owner of the amphibious landing craft is still to provide advice about the incident.

(4) Yes, provided in answer to question (3) above.

Pharmaceutical Benefits Advisory Committee: Aricept
(Question No. 3166)

Senator Crossin asked the Minister representing the Minister for Health and Aged Care, upon notice, on 10 November 2000:

Given that the drug Aricept, used for the treatment of Alzheimer’s disease, has been refused inclusion on the Pharmaceutical Benefits Scheme on three occasions by the Pharmaceutical Benefits Advisory Committee (PBAC): For each of these refused applications:

(a) was the refusal based on the ground of efficacy, safety, cost or a combination of these; and

(b) if the refusal was on the basis of cost, will the Government look at revising the current PBAC guidelines for estimating the indirect economic outcomes of drug approval to recognise the cost offsets of delayed nursing home admission, possible reduced use of respite services and health services by carers and other indirect costs related to Alzheimer’s disease.

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

(a) At its March 1998 meeting, the PBAC declined to recommend listing of Aricept because it did not accept that the cost-effectiveness and efficacy were adequate to support PBS availability for all patients with mild to moderate Alzheimer’s disease.

The manufacturing company collected additional data in late 1999 and submitted a further application for consideration by the PBAC.

The Committee deferred making a decision on the application considered at its March 2000 meeting pending the outcome of a meeting of relevant stakeholders, including expert clinicians, to develop prescribing criteria which would ensure that Aricept could be directed to those patients most likely to benefit from treatment.

At the September 2000 meeting, the PBAC decided not to recommend listing because the Committee considered the prescribing criteria and guidelines proposed by expert clinicians attending an April 2000 stakeholder meeting were impractical and too complicated to administer. Although the criteria for initiation of treatment were appropriate, the Committee was concerned that the cessation of treatment rule would not direct Aricept to those patients who experience an unambiguous clinical improvement on treatment.

(b) The PBAC’s guidelines currently allow for both direct and indirect costs to be taken into account provided evidence is produced to demonstrate that such cost effects exist. When considering these
applications to list Aricept on the PBS, the PBAC took into account projected cost offsets for delayed
nursing home admission and reduced use of health services submitted by the manufacturer of the drug.

Middle East: Humanitarian Assistance

(Question No. 3167)

Senator Bourne asked the Minister representing the Minister for Foreign Affairs, upon
notice, on 10 November 2000:

(1) (a) is the Government aware of a co-operative appeal by seven Australian aid agencies that has
been launched in response to the gravity of the humanitarian crisis in the Israeli-occupied Palestinian
Territories, with the aim to raise funds for medical relief for designated hospitals and clinics to assist
victims of the Middle East violence; and (b) does the Government intend to support this initiative.

(2) Given that the current overseas development assistance commitment by Australia to the Middle
East is about to end: in light of the long standing international commitment to help find a lasting
solution to the conflict, and especially due to the recent violence and destruction, can the Government
announce what its intentions are in relation to humanitarian assistance to the Middle East for the next
few years.

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

(1) (a) The Government is aware of the joint appeal by seven Australian NGOs to raise funds for
three hospitals in the Palestinian Territories. It is particularly pleasing to see a broad coalition of NGOs,
including Christian, Muslim and secular agencies, cooperating on this worthwhile initiative. (b) In
recognition of the seriousness of the ongoing conflict in the West Bank and Gaza, the Government has
decided to provide a further A$1 million to help provide medical care to people affected by the
violence. It has been agreed that $200,000 of this will be allocated to the ACFOA Joint Appeal. This
further funding is in addition to the $500,000 emergency assistance provided in October 2000. The
Government has contributed over $7 million in humanitarian and development assistance to the Middle
East this year.

(2) The Government is deeply concerned over the escalation of the conflict in the Middle East.
Clearly we are concerned by the tragic consequences for individuals and families. In addition, we are
concerned that the conflict is eroding the development gains that the Palestinian people have made with
the assistance of the international donor community, including Australia. While our aid program will
continue to respond to humanitarian needs, the Government’s overriding hope must be that both sides
will exercise restraint and resume peace talks. A priority must be our readiness to resume stalled
development activities when they can be conducted with reasonable safety and predictability. Our
assistance is also an integral part of the international effort. A joint donor review of humanitarian
assistance is planned in March 2001. We will consider the results of this review when determining the
future direction of our assistance.

Indian Ocean Tourism Organisation: Funding

(Question No. 3168)

Senator Crossin asked the Minister representing the Minister for Sport and Tourism, upon
notice, on 10 November 2000:

With reference to the Indian Ocean Tourism Organisation (IOTO):

(1) Is the Minister aware that funding goes first to the Australian Tourist Commission and through
them to the state tourism bodies and that since IOTO is not a state entity it does not qualify for such
support.

(2) Why does the Federal Government provide support for the Western Australia-based Indian Ocean
Centre, an accredited tourism body for the region under the Indian Ocean Region - Association for
Regional Co-operation, but fail to provide support for IOTO, which is also accredited under the Indian
Ocean Rim Association for Regional Co-operation.
(3) Why does the Government not provide support to IOTO.

(4) Is the Government concerned that the organisation may be forced to the Seychelles, whose government is willing to fund its operation.

(5) If the Government is serious about the Northern Australian Summit achieving economic development, why will it not support such an important organisation as IOTO.

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

(1) I am aware that Commonwealth funding is provided to the Australian Tourist Commission (ATC). While the ATC engages in joint marketing activities with state and territory tourism bodies, Commonwealth funding is not passed to state tourism bodies by the ATC.

(2) The Department of Foreign Affairs and Trade (DFAT) has portfolio responsibility for the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). DFAT advises that: The Federal Government no longer provides funding for the Indian Ocean Centre, which ceased to operate in July 2000. The Centre was not an accredited tourism body under IOR-ARC.

The Department of Foreign Affairs and Trade provided funding for the Indian Ocean Centre from June 1995 to July 2000 to support its role as Australia’s National Focal Point within IOR-ARC. In this capacity the Centre provided academic research and undertook various outreach activities in support of Australia’s foreign and trade objectives in the Indian Ocean region.

However, in line with the practice adopted by other IOR-ARC member countries, the National Focal Point responsibilities were moved to the Department of Foreign Affairs and Trade. The research work previously carried out by the Indian Ocean Centre is now put out to competitive tender across Australia.

(3) The ATC is the Commonwealth agency with responsibility for marketing Australia internationally as a tourist destination. The Government has provided $91.7 million to the ATC in the current financial year. The ATC works with state and territory tourism organisations and the private sector to develop opportunities for presenting Australia as a total package rather than focusing on specific sectors or states.

(4) The Government would prefer that IOTO headquarters remained in Australia. However, the Government does not propose to provide funding for this organisation.

(5) The Northern Australia Summit (now known as the Northern Australia Forum) was not designed to provide funding to individual organisations such as the IOTO.

Telstra: Walhalla and Willow Grove

(Question No. 3172)

Senator Allison asked the Minister for Communications, Information Technology and the Arts, upon notice, on 17 November 2000:

What is Telstra’s timeframe for upgrading the telephone systems in Walhalla and Willow Grove so that businesses in the area can utilise Internet communications.

Senator Alston—The answer to the honourable senator’s question, based on advice from Telstra, is as follows:

Businesses in Walhalla and Willow Grove areas already have adequate access to the Internet.

Under the Telecommunications (Consumer Protection and Service Standards) Act 1999, Telstra as the Digital Data Service provider must take all reasonable steps to ensure that a digital data service (at 64 kbps) is accessible to all people in Australia on an equitable basis wherever they reside or carry on business. The Special Digital Data Service Obligation (DDSO) applies to the portion of the population who do not have access to ISDN services. The Special DDSO provides for the supply on-demand of a satellite downlink service comparable to a 64 kbps service and broadly equivalent to an ISDN service.
Telstra advises that under the DDSO, it currently offers a general digital data service to Willow Grove businesses using its on-ramp ISDN service. For Walhalla businesses Telstra currently fulfils the special digital data service by offering the BigPond internet asymmetric satellite service.

Telstra further advises that businesses in the Walhalla and Willow Grove areas can already access dial-up service to the Internet using the standard telephone service.

Telstra advised that it is currently undertaking a consultation process with Walhalla and Willow Grove residents, in conjunction with a local councillor, to address any problems that they may be experiencing with Internet access.

Telstra has no plans to upgrade the telephone exchange in Walhalla in the near future.

**3G spectrum Sales**

(Question No. 3180)

Senator Sherry asked the Minister representing the Minister for Finance and Administration, upon notice, on 30 November 2000:

(1) How does the Minister respond to reports in the media that recent sales of 3G spectrum have not met expectations.

(2) What changes have been made to the budget estimates in the Mid-year economic and fiscal outlook as a result of the latest auction results.

(3) Can details be provided of any slippage as well as reductions in the total estimated proceeds.

Senator Ellison—the Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:

(1) There have been no auctions of Australian spectrum in the 2 GHz band of the radiofrequency spectrum, the band that in 1992 was identified for 3G services by the International Telecommunications Union. I am aware of numerous media reports of 3G spectrum sales in other countries, where some sales have exceeded market expectations and others have fallen short. The budget estimates are based on a professional analysis of the market.

(2) It is not usual for the government to disclose the estimated proceeds from any asset sale. Changes to estimates were released at the time of the 2000-01 Budget prior to any of the auctions occurring, however as some spectrum licence auctions are now complete and others are currently in train, it would not be appropriate for the Government to speculate on such market sensitive information at this time.

(3) No, see (2) above.

**Tasmanian Electronic Commerce Centre**

(Question No. 3186)

Senator Brown asked the Minister for Communications, Information Technology and the Arts, upon notice, on 30 November 2000:

(1) Is it a fact that Telstra has provided funds to the Tasmanian Government to create a private company, in conjunction with the University of Tasmania, called the Tasmanian E Commerce Centre (TECC) to develop ‘Tasmanian Business Online’.

(2) Does TECC involve American interests such as the companies M2M or Ariba; if so, are further Telstra funds being used to fund overseas companies.

(3) Is it a fact that local companies were excluded from the tender process.

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

(1) No, the funding for the Tasmanian Electronic Commerce Centre and Tasmania Business Online was provided from the Networking the Nation program, established by the Commonwealth Government in 1997 with proceeds from the part sale of Telstra.
TECC itself does not involve outside interests. Tasmania Business Online has as majority partners the Tasmanian Electronic Commerce Centre and the Tasmanian partners of KPMG, with Ariba (a USA company) and the m2m Corporation (Australian listed company with international affiliations) having a smaller interest. The Networking the Nation grants are funding activities only within Australia.

(1) No, tender processes were open to all companies.

Education: Non-government Schools

(Question No. 3199)

Senator Carr asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 6 December 2000.

(1) Has the Minister circulated to non-government schools in Queensland a package of material including press clippings. A paper entitled ‘Building up Government Schools’ and a copy of a Saulwick survey ‘Attitudes to the funding of education’, carried out on behalf of the Association of Independent Schools of Victoria.

(2) Did the Government pay for the printing and circulation of this material.

(3) (a) How was it distributed; and (b) by what agency.

(4) Where, and to whom, has it been distributed.

(5) How much did it cost to print and distribute.

Senator Ellison—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

(1) This material has not been circulated to schools, however the Minister’s Office may have made this material available to his colleagues.

(2) No

(3) NA

(4) NA

(5) NA.

Education: Schools Funding

(Question No. 3201)

Senator Carr asked the Minister representing the Minister for Education, Training and Youth Affairs, upon notice, on 7 December 2000:

(1) Is it the case that a school must be registered by the relevant state authority before it can: (a) make an application for Commonwealth financial assistance; or (b) be eligible to receive Commonwealth financial assistance.

(2) Is the relevant administrative guidelines provision, as follows, in referring to ‘State recognition’, in fact referring to State registration: ‘After the proponent of a new or changing school has received State recognition, the proponent may apply for general recurrent grants’.

(3) Is it the case that, in the period immediately prior to 11 May 1999, the Department allowed new schools to lodge applications for Federal funding, even if those schools had not completed the process of State registration.

(4) Which schools were allowed to apply in these circumstance, please provide names of the schools and the outcomes of their applications.

(5) Is it the case than an officer of the Department stated, at the Senate Estimates hearing of 23 November 2000, ‘Schools need first to get State registration and then, when they have students sitting in the classroom, they apply for Commonwealth funding’.
(6) (a) Did the officer then go on to assert that the Blue Gum School had ‘not yet applied. They are not in a position to apply’; (b) what was meant by this; and (c) why, and in what respect, was Blue Gum School not in a position to apply.

(7) (a) Did a Commonwealth officer, Mr George Kriz, write a letter to the Commonwealth Ombudsman, dated 23 November 2000, saying, ‘A newly commencing school can lodge an application for GRG funding before it has received State or Territory registration’; and (b) did the letter state that ‘The ACT Department of Education and Training has advised that Blue Gum School has applied for registration as a school from 1 January 2001 and that this application is currently under consideration’.

(8) Is a school eligible to apply for GRG funding if it is in the process of becoming registered, but is not yet registered.

**Senator Ellison**—The Minister for Education, Training and Youth Affairs has provided the following answer to the honourable senator’s question:

1. (a) A non-government school can apply for Commonwealth General Recurrent Grant (GRG) funding before it has State recognition.

   (b) A non-government school cannot be approved for Commonwealth GRG until it has State recognition for the year for which funding is sought.

2. Yes. State recognition is taken to include State registration.

3. New schools are able to apply for Commonwealth GRG before they have State recognition.

4. The names of new schools which applied for Commonwealth GRG funding for 1999 prior to 11 May 1999 follow. All those schools provided the Department with evidence of State recognition prior to 11 May 1999 and were approved for funding for 1999.

<table>
<thead>
<tr>
<th>School Number</th>
<th>School Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>15429</td>
<td>Good Samaritan Catholic College</td>
</tr>
<tr>
<td>15795</td>
<td>Magdalene Catholic High School</td>
</tr>
<tr>
<td>15811</td>
<td>Mount Annan Christian College</td>
</tr>
<tr>
<td>16049</td>
<td>Holy Cross Primary School</td>
</tr>
<tr>
<td>16304</td>
<td>Australian International Conservatorium of Music High School</td>
</tr>
<tr>
<td>16320</td>
<td>St Catherine of Siena Primary School</td>
</tr>
<tr>
<td>16322</td>
<td>Xavier College</td>
</tr>
<tr>
<td>16350</td>
<td>Armidale Boys Primary School</td>
</tr>
<tr>
<td>16361</td>
<td>Liberty College</td>
</tr>
<tr>
<td>16412</td>
<td>Dunmore Lang Christian Community School</td>
</tr>
<tr>
<td>16467</td>
<td>Bob Hughes Christian School</td>
</tr>
<tr>
<td>16519</td>
<td>Orchard Hills Preparatory School</td>
</tr>
<tr>
<td>16520</td>
<td>Bishop Tyrrell Anglican College</td>
</tr>
<tr>
<td>16526</td>
<td>The Riverina Anglican College</td>
</tr>
<tr>
<td>16530</td>
<td>St Mary and St Mina Coptic Orthodox College</td>
</tr>
<tr>
<td>16588</td>
<td>William Cowper Anglican Primary School</td>
</tr>
<tr>
<td>16324</td>
<td>Aitken College</td>
</tr>
<tr>
<td>16452</td>
<td>Open House Christian School</td>
</tr>
<tr>
<td>16515</td>
<td>Heatherton Christian College</td>
</tr>
<tr>
<td>16523</td>
<td>Dandenong Ranges Steiner School</td>
</tr>
</tbody>
</table>

**NEW SOUTH WALES**

**VICTORIA**
(5) Yes.

(6) (a) Yes.

(b) If Blue Gum School had applied for Commonwealth general recurrent grant funding for 2000 or for a previous year as a commencing school, the application would have been refused. That is, an application cannot be processed without evidence of State recognition for that year.

(c) The Department received advice from the ACT Department of Education and Training that Blue Gum School would not receive Territory recognition before 2001 at the earliest.

(7) (a) Yes.

(b) Yes.

(8) See answer to Question (1).

**Totally and Permanently Incapacitated Ex-service Men and Women: Compensation**  
*(Question No. 3202)*

**Senator Harris** asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 7 December 2000:

With reference to an anomaly in the Veterans’ Entitlements Act 1986 by which we now have very wealthy totally and permanently incapacitated (TPI) recipients receiving massive defence force retirement death benefits and/or superannuation together with the special rate of compensation, while others receive only the meagre special rate and service pension, and some do not even receive the service pension:

(1) Why is the Government reluctant to provide adequate compensation to totally and permanently incapacitated ex-servicemen and women.

(2) Is it because it is politically unpalatable to increase the special rate of compensation for the vast majority of TPIs when a wealthy few will also benefit from further expenditure of public funds.
Senator Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:

(1) The Government is not at all reluctant to provide adequate compensation to totally and permanently incapacitated servicemen and women. It already provides a comprehensive range of compensation and support to these veterans and their dependents. However, the government is aware that the TPI Federation has some concerns about TPI entitlements. In view of this concern the Repatriation Commission and my Department have recently held extensive consultation with the Federation. The Federation has now lodged a formal submission to me which is under consideration. In December 2000 I wrote to the President of the Federation inviting him to meet with me to discuss this submission as soon as possible.

(2) An extension of benefits to any group within the Repatriation community is always considered in line with principles which have been developed by successive Governments over many years and with due regard to the Government’s other commitments and responsibilities within the broader Repatriation community.

Aboriginal Sites: Lake Miranda
(Question No. 3206)

Senator Greig asked the Minister for Environment and Heritage, upon notice, on 14 December 2000:

With reference to an application under the Aboriginal and Torres Strait Islander Heritage Protection Act 1984, for the Lake Miranda Matinjirri site in the North-Eastern Goldfields, Western Australia:

(1) Can details be provided of the information before the Minister that lead to the decision to not give protection from injury or desecration to the highly significant Lake Miranda Matinjirri site, a very important Aboriginal site which is linked to the Waigal’s spiritual dreaming as part of a larger Rainbow Serpent dreaming.

(2) How did the Minister decide that the site would not be permanently injured or desecrated by Cosmos Nickel Mine pumping more than 8.5 million litres of highly saline water a day into Lake Miranda, normally filled with fresh water from seasonal rains.

(3) Given the concerns over salinity, an increasing problem in Western Australia threatening large areas of land, does the Minister have any concerns about the deliberate pumping of highly saline water into a source of fresh water in the area that supplies the vegetation site known as Matinjirri.

(4) Can the Minister explain why he has not appointed any independent person to investigate and report, to the Minister directly, on the significance of the Matinjirri Lake Miranda site and the threat of injury or desecration.

(5) Can the Minister give any assurance to the Ngalia people and the Koara people that there will be no injury or desecration to the sacredness of Lake Miranda by the pumping of highly saline water, as the Minister states in his letter to Dolly Walker, and in particular any injury and desecration of the sacred significance of ‘the verdant green growth of vegetation that normally occupies an area of the actual lake bed’ and its spiritual meaning to the Ngalia and Koara people.

(6) Can the Minister provide all the information, letters, reports, and documents he received from the mining company, Cosmos Nickel of Sir Samuel Mines, and all the reports and other information the Minister had before him when making his decision.

(7) Does the Minister agree with the Federal Court (Chief Justice Black, Full Court of the Federal Court of Australia, Tickner v Bropho, 114 ALR 409 at page 419, 1993) that it is in the national interest to protect Aboriginal sites.

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

(1) I understand the honourable senator refers to my decision made on 18 November 2000 to decline to make a declaration under section 9 of the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Heritage Protection Act) in relation to an application by the Ngalia Heritage Research Council (NHRC). I will provide a copy of the reasons for my decision to the applicants in the near future and this will outline the material on which I relied when making my decision.
(2) The evidence provided to me about the water in Lake Miranda is that although fresh water enters the lake from rainfall, that water naturally becomes highly saline due to the salt naturally present in the subsoil and entering the lake naturally from hypersaline groundwater. Lake Miranda is a salt lake. On the basis of all the evidence available to me about the additional salt load and its effect on the Lake, I was not satisfied that the Lake, including the Matinjirri site, would be subject to a serious and immediate threat of injury or desecration. Under section 9 of the Heritage Protection Act, I am not able to make a declaration unless satisfied of the existence of such a threat.

(3) The problem of salinity is one that this Government takes very seriously and is addressing in concert with the States through the National Action Plan on Salinity and Water Quality. Total funding for the action plan is $1.4 billion over 7 years. In relation to the application under the Heritage Protection Act, I had to be satisfied of the matters required by section 9, before I could make a declaration. As I have indicated, having carefully considered all the evidence in this case I was not satisfied that the release of saline water into the Lake would give rise to a serious and immediate threat of injury or desecration.

(4) The Heritage Protection Act provides for the appointment of a reporter in relation to applications for long-term protection under section 10 of the Act. No application was made under section 10 by the NHRC. The decision to which the honourable senator refers related to an application by the NHRC for a short-term declaration of protection under section 9 of the Heritage Protection Act. Section 9 does not provide for appointment of a reporter. However, applications have since been made in relation to Lake Miranda on behalf of the Swan Valley Nyungah Community under both sections 9 and 10. I have declined to make a declaration under section 9, on the ground that I was not satisfied of the existence of a serious and immediate threat of injury or desecration. With regard to the application under section 10, I have nominated an independent person to investigate and report on the significance of the area and the threat of injury and desecration.

(5) I am satisfied on the evidence before me that the release of water into the Lake does not give rise to a serious and immediate threat of injury or desecration to Lake Miranda including the area which the senator mentions.

(6) Since I have nominated an independent reporter to consider this matter in detail it would not be appropriate to release the documents. The final report will be made available to the applicants and other affected parties.

(7) The Chief Justice in Tickner v Bropho referred to the fact that the exercise of the Minister’s discretion under the Act “may well involve the consideration of competing interests”, some of which “will properly be described as matters of the national interest”. He pointed out that “the purpose of the Act reflects the Parliament’s identification of another element of the national interest”, that is, the preservation and protection from injury or desecration of areas and objects of particular significance to Aboriginals in accordance with Aboriginal tradition. I do not disagree with the Chief Justice’s remarks. However, my decision in relation to Lake Miranda did not involve weighing competing interests, since I was not satisfied of one of the preconditions for making a declaration.

Department of Veterans’ Affairs: Programs and Grants to the Gwydir Electorate

(Question No. 3227)

Senator O’Brien asked the Minister representing the Minister for Veterans’ Affairs, upon notice, on 18 December 2000:

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

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

(3) What level of funding was appropriated for the above programs and/or grants for the 2000-01 financial year.

Senator Newman—The Minister for Veterans’ Affairs has provided the following answer to the honourable senator’s question:
(1) Assistance is available for people within the federal electorate of Gwydir under the following programs administered by my Department:

**Veteran & Community Grants**
- Their Service – Our Heritage commemorative program which includes assistance for community projects that honour and acknowledge the service of Australians in war. It includes the following discretionary grants programs -
  - Regional War Memorials Project (RWMP) – this grant program enables the Government to assist communities to have a war memorial that can serve as the community focus during remembrance services. Funding assistance may be provided for the preservation, restoration or updating of existing memorials or, where no memorial exists in the town or suburb, the construction of a new memorial. Funding may also be provided to dedicate or restore commemorative plaques and honour boards, or to improve access to, and safety of, memorials and their immediate surrounds.
  - Local Commemorative Activities Fund (LCAF) – this grant program enables the Government to support requests from veteran and community organisations for assistance with local commemorative activities, such as education initiatives, public awareness activities, the commemoration of special anniversaries and significant reunions and the restoration and display of wartime memorabilia.
- Commemorative Activities Program (CAP) – this grant program provides for greater levels of assistance for commemorative proposals that have a national or regional, rather than local, impact.

- Building Excellence in Support and Training Program

The Claims Assistance Grants Scheme (CAGS) was an initiative announced in the 1996-97 Budget to provide assistance to ex-service organisations throughout Australia to employ advocates and to obtain resources such as computer equipment to assist veterans and their dependants in accessing Veterans’ Affairs benefits and services. The Scheme expired at the end of the 1998-99 Financial Year.

In the 1999 Budget the Government announced the Building Excellence in Support and Training (BEST) program. The BEST program replaced the lapsed CAGS program and provides support and resources to ex-service organisations for pension and welfare work to assist veterans and war widows/widowers. This takes the form of funds for the employment of pension/welfare practitioners, the leasing of computers and printers, the provision of internet access and other costs relating to the lodgement of claims and appeals (e.g. travel and office equipment).

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran &amp; Community Grants</td>
<td>$77,777</td>
<td>$53,808</td>
<td>$20,000</td>
<td>Nil</td>
</tr>
<tr>
<td>Their Service – Our Heritage</td>
<td>$8,200</td>
<td>$14,620</td>
<td>$15,000</td>
<td>$5,255</td>
</tr>
<tr>
<td>BEST (Previously (AGS))</td>
<td>$4,500</td>
<td>$5,000</td>
<td>Nil</td>
<td>$1,720</td>
</tr>
</tbody>
</table>

The grant of $1,720 was made in June 2000 in the second round of BEST funding.

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

In 2000-01 grants have been made in the electorate of Gwydir for the above programs and/or grants as follows:

<table>
<thead>
<tr>
<th>Program</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veteran &amp; Community Grants</td>
<td>$35,855</td>
<td>The final round will be held in March.</td>
</tr>
<tr>
<td>Their Service – Our Heritage</td>
<td>Nil</td>
<td>The third round of BEST funding will be announced in June 2001.</td>
</tr>
<tr>
<td>BEST</td>
<td>$6,000</td>
<td>(year to date)</td>
</tr>
</tbody>
</table>
Cockle Creek, Tasmania: Proposed Resort
(Question No. 3244)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 21 December 2000:

With reference to the proposed 80 unit resort in Tasmania’s Southwest National Park at Cockle Creek under the aegis of the World Heritage Ministerial Council:

(1) What is the source of water and volume required per diem.
(2) (a) How will sewage be disposed of; and (b) what will be the (full occupancy rate) amount/volume per diem.
(3) What is the absolute limit for sewage disposal and seepage.
(4) (a) What impact will the water extraction and sewerage disposal have on the national park or sea environment; (b) who has made this assessment; and (c) can details be provided.
(5) What impact will the visual pollution of the proposal have on the park and on World Heritage environments.
(6) What will be the direct (rental or lease) returns to World Heritage management from this commercial operation and when does this income begin.

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

(1) to (5) A comprehensive Environmental Impact Statement (EIS) for the proposed Cockle Creek development has been prepared by the proponents in accordance with the New Proposals and Impact Assessment Process of the Tasmanian Wilderness World Heritage Area Management Plan 1999.

The Tasmanian Wilderness World Heritage Area Ministerial Council has considered the EIS and has given ‘in-principle’ approval to the Cockle Creek ecotourism development. Final approval of the proposal is subject to Ministerial Council consideration of an Environmental Management Plan (EMP) which will address, inter alia, those matters raised by the honourable senator.

(6) The consideration of financial returns to World Heritage Management as a result of this commercial operation is a matter to be determined by the Tasmanian National Parks and Wildlife Service and negotiated as part of leasing arrangements.