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Thursday, 8 February 2001

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

PETITIONS

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

**Australian Broadcasting Corporation: Independence and Funding**

To the Honourable the President and Members of the Senate in the Parliament assembled:

The petition of the undersigned calls on the Federal Government to support:

(i) the independence of the ABC Board;
(ii) the Australian Democrats Private Members’ Bill which provides for the establishment of a joint Parliamentary Committee to oversee ABC Board appointments so that the Board is constructed as a multi-partisan Board, truly independent from the government of the day;
(iii) an immediate increase in funding to the ABC in order that the ABC can make the transition to digital technology without undermining existing programs and services, and that it will be able to do this independently from commercial pressures, including advertising and sponsorship;
(iv) news and current affairs programming is made, scheduled and broadcast free from government interference, as required under law; and
(v) ABC programs and services which continue to meet the Charter, and which are made and broadcast free from pressures to comply with arbitrary ratings or other measures.

by Senator Reid (from 89 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 Online 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 McLucas (from 236 citizens).
Administrative Appeals Tribunal
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned draws attention to the House concerns over the proposal to abolish the Administrative Appeals Tribunal to be replaced by the Administrative Review Tribunal. This proposed legislation will disadvantage many workers and their families and is legislation solely designed to protect and look after the employer.
Your petitioners therefore request that the powers of the Administrative Appeals Tribunal as enshrined in the Safety Rehabilitation and Compensation Act 1988 be preserved and that the proposed changes to this Act be rejected.

by Senator Conroy (from 233 citizens).

United Nations Convention on the Elimination of All Forms of Discrimination Against Women
To The Honourable the President and the Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
Our deep concern at the Australian Government’s decision not to ratify the Optional Protocol to the Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) which provides a significant opportunity for women who have suffered from discrimination to seek justice through the United Nations;
Our disagreement that improvement and reform of the Human Rights Treaty System is best achieved by Australia restricting its participation in the system.
Your petitioners ask the Senate to call upon the Australian Government to:
Review its decision not to ratify the Optional Protocol to CEDAW;

by Senator McLucas (from 14 citizens).

National Youth Roundtable: Environment Topic Group
To the Honourable the President and Members of the Senate in Parliament assembled:
The petition of the undersigned shows:
Young people in Australia, and their supporters, would like to draw to the attention of this House their concerns about the Minister’s decision to omit the environment as a topic group in its own right from the 2001 National Youth Roundtable.
We find the proposal to incorporate discussion on the environment in the six proposed topic groups: Health and Well-being; Participating in the Community; Education; Rural and Regional Communities; Employment; and Communities and Families, unacceptable as the environment will not be given the priority it deserves, and big-picture environmental issues will not be addressed.
As the National Youth Roundtable is the primary method by which the Government consults with young Australians, it is vital that young people have the opportunity to voice their concerns about the environment within this forum.
Numerous studies have documented high levels of environmental concern amongst young Australians, and this concern must not be undermined by government decisions to control National Youth Roundtable topic groups.
Your Petitioners request that the Senate support the re-instatement of an environment topic group in the 2001 and future National Youth Roundtable programs in order to demonstrate a commitment to both national environmental issues and freedom of expression for Australia’s youth.

by Senator Lundy (from 202 citizens).

NOTICES
Presentation
Senator BROWN (Tasmania) (9.30 a.m.)—I give notice that on the next day of sitting, I shall move:
That the Senate—
(a) notes the report in the Sydney Morning Herald of 8 February 2001 that Special Air Service troops were deployed in plain clothes and without ministerial authority at the Sydney Olympics; and
(b) calls:
(i) on the Government for an explanation as to why, and
(ii) for the release of the new operations manual for Defence forces deployment in the civilian domain, which the Government has stated was to have replaced the Australian Army Manual of Land Warfare Part 1, Volume 3, Pamphlet no. 2, Aid to the Civil Power.

Senator Lightfoot—You are on the side of the terrorists, are you?
Senator BROWN—No, I am on the side of the parliament, Senator, and so should you be.

BUSINESS

Government Business

Motion (by Senator Ian Campbell) agreed to:

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

No. 7 National Museum of Australia Amendment Bill 2000 [2001].


No. 9 International Monetary Agreements Amendment Bill (No. 1) 2000.

General Business

Motion (by Senator Ian Campbell) agreed to:

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

(1) general business order of the day no. 92 – Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and Customs Tariff Amendment (Petrol Tax Cut) Bill 2001; and

(2) consideration of government documents.

NOTICES

Postponement

Items of business were postponed as follows:

General business notice of motion no. 786 standing in the name of Senators Bourne and Allison for today, relating to nuclear weapons, postponed till 27 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 27 February 2001.

General business notice of motion no. 807 standing in the name of Senator Evans for today, proposing an order for the production of documents by the Minister representing the Minister for Health and Aged Care (Senator Vanstone), postponed till 27 February 2001.

COMMITTEES

Economics References Committee

Extension of Time

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

That the time for the presentation of the 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.

AUSTRALIAN COMPETITION AND CONSUMER COMMISSION: GROCERY RETAILERS

Motion (by Senator Murray) agreed to:

(1) That there be laid on the table, as soon as practicable after 30 June 2001, a report by the Australian Competition and Consumer Commission on the prices paid to suppliers by Australian grocery retailers for the goods that they re-sell, and whether retailers and wholesalers of a similar scale, as customers of suppliers, are offered goods on like terms and conditions, and including:

(a) an assessment, based on a sampling of key suppliers and major retailers of:

(i) the extent of any price differences,

(ii) the impact of any such price differences on competition in the relevant markets, and

(iii) whether there is public benefit in the existence of price differences;

(b) subject to paragraph (2)(b), identification of any conduct found by the commission in the course of preparing the report that is likely to be in breach of the Trade Practices Act 1974, together with an account of action taken or proposed to be taken by the commission in respect of such conduct; and

(c) an outline of the circumstances in which, in the commission’s view, differences in prices paid to suppliers by the various industry participants would amount to a breach of the anti-competitive conduct provisions of the Act.
(2) That, in carrying out the requirements of paragraph (1), the commission:
(a) is to take ‘prices’ to include all aspects of the terms and conditions of dealings between retailers or wholesalers and their suppliers, including the total funding support given by suppliers to the major retailers and wholesalers; and
(b) may withhold genuinely commercially sensitive information from the report provided that the withholding of such information does not prevent the commission from giving the Senate a clear account of the matters mentioned in paragraph (1).

MANDATORY SENTENCING LAWS: NORTHERN TERRITORY

Motion (by Senator Brown) agreed to:
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

Superannuation and Financial Services Committee

Extension of Time

Motion (by Senator Calvert, at the request of Senator Watson) agreed to:
That the time for the presentation of the report of the Select Committee on Superannuation and Financial Services on the provisions of the Family Law Legislation Amendment (Superannuation) Bill 2000 be extended to 8 March 2001.

AUSTRALIA NEW ZEALAND FOOD AUTHORITY AMENDMENT BILL 2001

First Reading

Motion (by Senator Ian Campbell) agreed to:
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

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

Bill read a first time.

Second Reading

Senator IAN CAMPBELL (Western Australia—Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts) (9.36 a.m.)—I table the explanatory memorandum and move:

That this bill be now read a second time.

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

Leave granted

The speech read as follows—

This Bill implements the Government’s commitment to make the legislative changes necessary to commence the food regulatory reforms agreed to by the members of the Council of Australian Governments on 3 November 2000. The signing of the Food Regulation Agreement 2000 was the culmination of lengthy consideration by all governments of the recommendations of the Food Regulation Review Committee, chaired by Dr Bill Blair OAM.

The Prime Minister announced a review of food regulation in his March 1997 statement, More Time for Business. The Food Regulation Review Committee was tasked with making recommendations to Government on how to reduce the regulatory burden on the food sector and improve the clarity, certainty and efficiency of the current food regulatory arrangements whilst, at the same time, protecting public health and safety. After considering the recommendations made by the report of the Food Regulation Committee, COAG agreed to a package of food regulatory reforms that ensure a nationally coordinated approach to food regulation, to apply across the whole food supply chain.

The new food regulatory reform package will ensure that:
The new food regulatory framework is designed to operate efficiently by reducing costs to industry, government and consumers. In particular, it seeks to improve the timeliness and responsiveness of the food standards setting process while maintaining the transparency of, and community confidence in, the food regulatory system.

The new food regulatory framework is designed to strengthen Ministerial authority and accountability. The Ministerial Council will develop and promulgate policies that are consistent with the objectives and other matters set out in section 10 of the Australia New Zealand Food Authority Act 1991, in order to give clearer guidance to the Authority in its development of food standards. This will enable the Ministerial Council to direct, rather than react to, proposals by the Authority. It will also have the capacity to direct the Authority to review any standard, and can reject any proposed draft standard, in accordance with the arrangements set out in the Food Regulation Agreement 2000.

The Bill sets out the process for the development of food standards that takes into account these roles of the Ministerial Council. The Bill also makes provision for the transition from the Australia New Zealand Food Authority (ANZFA) to the statutory authority Food Standards Australia New Zealand, and other amendments that are consequential on the re-naming of the Act and the creation of the new Authority.

The new food regulatory framework is designed to ensure that food businesses produce food that is safe and suitable for human consumption. To be effective, it must apply across the whole food supply chain. The Authority will therefore eventually be able to develop all domestic food standards that are to be adopted nationally and with New Zealand, including those that under current arrangements are or would be established by the (Ministerial) Agriculture and Resource Management Council of Australia and New Zealand.

The arrangements for the development of these primary product standards will be developed by the new Ministerial Council and may require further legislation. New Zealand has indicated that it will not be adopting these primary product food standards because it has other systems in place for their development.

The Ministerial Council will also determine the arrangements to provide for high level consultation with key stakeholders.

The new arrangements are designed to enable food standards to be developed more quickly, if agreed by the members of the Ministerial Council. All standards (except those urgent standards that must commence immediately to protect public health and safety) will commence if the Council has informed the Authority that it does not intend to request a review of a draft standard approved by the Authority, if a period of 60 days has expired without the Council requesting the Authority to conduct such a review, or, in rela-
tion to an approved draft standard that has already been reviewed twice, the Council does not reject the draft standard.

Because of the proposed capacity of the Authority to eventually develop all domestic food standards to be adopted nationally, the Board will be able to have a wider range of expertise than does ANZFA (for example, the Bill enables the appointment of members with expertise in primary food production and small business).

It should be noted that consumer rights are protected in this Bill. The Amended Act will require that the FSANZ Board must have a member with expertise in consumer rights. At the same time, the new regulatory model maintains the existing open and publicly accountable arrangements which allow input by all interested groups. Within the Act there is a set process for FSANZ to follow when developing standards that require public consultation through calls for submissions on the draft standard as it goes through the assessment process.

Here are other key elements of the new food regulatory system that do not require legislative change. First, a Food Regulation Standing Committee will support the Council. The membership of this Committee consist of heads of health departments, and heads of other government departments that reflect the membership of the Council, as well as a senior representative from the Australian Local Government Association. The Committee is to be chaired by the Secretary of the Commonwealth Department of Health and Aged Care. Secondly, the Council will establish a mechanism for the provision of stakeholder advice by representatives of the interests of consumers, small business, industry and public health.

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

BUSINESS

Consideration of Legislation

Motion (by Senator Ian Campbell) agreed to:

That the provisions of paragraphs (5) to (7) of standing order 111 not apply to the Australia New Zealand Food Authority Amendment Bill 2001, allowing it to be considered during this period of sittings.

BUDGET

Consideration by Legislation Committees

Additional Information

Senator CALVERT (Tasmania) (9.38 a.m.)—On behalf of the Chair of the Employment, Workplace Relations, Small Business and Education Legislation Committee, I present the transcript of evidence and additional information received by the committee relating to the supplementary hearings on the budget estimates for 2000-01.

On behalf of the Chair of the Legal and Constitutional Affairs Legislation Committee, I present additional information received by the committee relating to supplementary hearings on the budget estimates for 2000-01.

COMMITTEES

Publications Committee

Report

Senator LIGHTFOOT (Western Australia) (9.38 a.m.)—I present the 22nd report of the Standing Committee on Publications.

Ordered that the report be adopted.

Corporations and Securities Committee

Report

Senator CHAPMAN (South Australia) (9.39 a.m.)—I present the report of the Joint Parliamentary Statutory Committee on Corporations and Securities on fees on electronic and telephone banking, together with the Hansard record of the committee’s proceedings and submissions received by the committee.

Ordered that the report be printed.

Senator CHAPMAN—I move:

That the Senate take note of the report.

There can be no doubt that electronic banking is here to stay. Undoubtedly, there will always be an important role for bank branches. However, there can be no doubt that the efficiency and convenience that the various electronic forms of banking provide will see increasing numbers of bank customers opting for these types of transactions, especially as the proportion of computer literate people in our community increases and newer technology makes the
process simpler. Given this, it is essential that customers are fully informed about the cost of each and every transaction before it is undertaken so they can exercise choice about which bank offers the best deal for them. Only then will market forces operate as they should to ensure that competitive pressures keep fees for electronic banking as low as possible. It was in this context that, as Chairman of the Corporations and Securities Committee, I foreshadowed an inquiry on this issue just over 12 months ago. I became aware that a proposal in the draft code of conduct for electronic funds transfer being negotiated between the financial institutions and the Australian Securities and Investments Commission to require up-front, real-time disclosure of electronic banking fees had been removed from the draft. This was unacceptable to me and, in calling for disclosure to be restored, I foreshadowed an inquiry if it was not.

In May, the research group Cannex released its report showing a dramatic increase in electronic banking fees during the past two years. Meanwhile, there was no progress in restoring to the draft code the real-time disclosure provision. Hence, the committee accepted my proposal for this inquiry. The committee received 30 submissions in relation to the inquiry, with strong representation from all of the major players—financial institutions, rural and urban consumer groups and experts, as listed in chapter 1 and appendix 2 of the report. These witnesses represented a very comprehensive and balanced selection of expertise and personal experience, which is reflected in the conclusions and recommendations of the report.

The first issue, which the report addresses, is the reason for fee increases on electronic banking. The committee concludes that increases have been due primarily to the adoption by banks of a user-pays fee structure on most banking products in place of the margins between borrowing and lending rates cross-subsidising transaction costs and other services provided by financial institutions. Nevertheless, substantial cross-subsidies remain, which make it difficult for customers to know whether they are paying a fair or competitive price. Once a substantial body of customers had been attracted to electronic banking, our evidence shows that financial institutions, having initially under-priced these transactions, substantially increased fees. This indicates market failure, which we find is largely due to the absence of real-time disclosure of electronic banking fees.

American research clearly shows that customers will vote with their feet and change behaviour and service provider if given adequate information on costs. While the overall lack of specific electronic transaction fee information concerns the committee, a particular concern is fees charged for the use of foreign ATMs, which are those operated by financial institutions other than the one with which the customer holds an account. Banks may be making abnormal or supranormal profits on so-called foreign ATM withdrawals, possibly through collusion and certainly from a disinclination to compete, as a result of the interchange fee system that operates. Evidence from the Reserve Bank and the ACCC confirms that oligopoly profits are being earned through the ATM interchange fee system. Accordingly, we recommend that all interchange fees between banks in relation to foreign ATM transactions be abolished immediately and replaced by direct charging, to reduce foreign ATM fees from approximately $1.50 to approximately 50c. While this may seem a drastic step, it is essential to protect consumers against possible collusive practices and certainly against a lack of competition and pricing unrelated to cost.

The committee also recommends that all ATMs immediately display a warning notice indicating that a fee will be charged on foreign ATM transactions. Westpac is to be commended for moving in this direction, no doubt in anticipation of this report. It is confirmation of the significance and effectiveness of parliamentary inquiries. On the impact of increases in fees on electronic banking, for those who choose to engage in serial bank bashing, it is pertinent to record that not all the news is bad on this front. Certainly, there have been substantial fee increases. However, the committee con-
cludes that the majority of fee revenue has been reinvested into new and innovative electronic banking services, resulting in a substantial increase in access to these services with associated benefits to users. Also, the impact of fee increases on lower income groups has been reduced by safety net services which have been voluntarily offered by banks.

We accept evidence that up to 75 per cent of bank customers pay no fees at all and that there are substantial fee exemptions and discounts for people who are financially disadvantaged or disabled and for pensioners and students. As to the availability and transparency of fee information for consumers of electronic banking, there also is some positive news. The committee concludes that the general provision of information is good, being based on ASIC approved codes. These codes are market based and self-regulatory, providing more effective outcomes than direct regulatory intervention. Banks publish more information than the codes require, expressly to assist customers to minimise fees. Increasingly, banks are providing account statements which break down fees and charges, rather than providing just one amount. They are also publishing more fee information on the Internet, a particularly effective channel of disclosure.

All these practices considerably assist consumers. However, our report also finds that there is a lack of fee disclosure at the point of transaction—usually called real-time disclosure, which is often the most important time for informed consumer decisions. This is a major shortcoming which should not continue. The issue of real-time disclosure, or disclosure at the point of transaction, was one of the most important matters raised during the inquiry. Both the banking industry and the consumer groups agreed that it was a key area in relation to the availability and transparency of fee information. However, the banks claimed that real-time disclosure was not possible in the near future because of technical difficulties and costs. They acknowledged that, with advances in technology, real-time disclosure of fees on electronic banking should be available in the medium to long term. The consumer groups, on the other hand, regarded a time frame of one to two years as appropriate.

ASIC, as the coordinator and facilitator of the Transaction Fee Disclosure Working Group, advised that its initial view was that guidelines should provide principles which banks should meet within three to five years. The committee considered this conflicting evidence and concludes that consumer interests demand an earlier rather than later implementation of real-time fee disclosure. Consumers would benefit from all aspects of such disclosure, in particular because it would result in downwards pressure on fees and charges. The committee accepts that there would be substantial costs if real-time disclosure were introduced immediately, but we also emphatically find that a five-year delay would be quite unacceptable.

Accordingly, the committee recommends that a real-time disclosure framework for Internet, telephone and ATM banking should be established within two years and implemented within six months of the finalisation of the framework. We consider that this timetable is so important that we also recommend that ASIC report back to us on a quarterly basis on its progress in implementing the recommendation, with the committee to review progress at the two-year period. We are willing to exclude EFTPOS transactions from the timetable, with ASIC and the consumer groups advising that there is no pressing need to provide real-time disclosure for EFTPOS and that the technological challenge is much greater.

The committee recommends several other ways to improve the availability and transparency of fees and charges. We also addressed surcharging, which has the potential to become an important consumer issue. Surcharging is a practice widespread in the United States, and is becoming so in Australia, whereby ATMs are operated by independent owners rather than by banks and who charge a fee every time the ATM is used. There are recommendations regarding implementation, and I seek leave to have my remarks on these matters incorporated in Hansard.
Leave granted.

The remarks read as follows—

The Committee also recommends several other ways, to improve the availability and transparency of fees and charges. First, banks should provide to customers, through web sites and ATMs, a transaction statement setting out the number of previous transactions undertaken in at least the last month. Also, monthly account statements provided to customers should include a breakdown of all fees and charges, not a simple lump sum amount, and these should be displayed in a prominent manner. These are relatively straightforward procedures, but would provide an immediate and significant benefit for consumers.

The Report also addresses surcharging, which has the potential to become an important consumer issue. Surcharging is the practice widespread in the United States, and becoming so in Australia, whereby ATMs are operated by independent owners rather than by banks and who charge a fee every time the ATM is used. This fee is unrelated to the maintenance of any bank account, being imposed solely for the use of the ATM.

The Committee notes that the existence of these third party surcharges could be a risk for consumers and therefore recommends that any surcharge should also be subject to disclosure before the actual transaction is made. This will give consumers the option to discontinue the transaction if they wish to avoid the fee. It will protect consumers in an area which is likely to become more important. We also recommend that these third party ATM operators be brought expressly within the provisions of the EFT Code of Conduct.

The Committee recommends that all of its findings should be implemented through the existing ASIC procedures, in particular through the continuing review of the EFT Code of Conduct. We received evidence on the conduct of the review and of the agreed principles under which the ASIC Transaction Fee Disclosure Working Group, which has the general carriage of this matter, operates. We have confidence in the processes of the Working Group, especially the recognition of the competitive nature of the market and the need for flexibility and innovation. The details of the core Committee recommendations should be finalised through these processes.

The Committee did not agree with submissions which argued that fee disclosure should be subject to direct legislative intervention to impose a prescriptive bureaucratic solution on banks and customers.

In conclusion, the committee has confidence in the effectiveness of market pressure in causing financial institutions to reduce fees for electronic transactions. However, market forces can only operate in a situation where the consumer has adequate information. Real-time disclosure of fees is an essential component of that information. My thanks to all members of the committee for their work on this inquiry. I welcome the Democrats support for the report and the qualified support of the opposition, who I hope might resist last minute temptations to indulge in some bank bashing and indeed give the report unqualified support. My thanks to the committee staff—the committee secretary, David Creed, and his staff—along with my own staff, Rob Young and Andrea Bell, for their tireless work in ensuring an effective inquiry and a quality report. I commend the report to all honourable senators. (Time expired)

Senator CONROY (Victoria)  (9.49 a.m.)—I would also like to start by thanking David Creed and the committee secretariat and members of the Joint Parliamentary Committee on Corporations and Securities for all the hard work that has gone into producing this report. Labor members of the Joint Parliamentary Committee on Corporations and Securities are unable to join the government and the Democrats in unanimously agreeing to all aspects of the chairman’s report on fees on electronic and telephone banking, but we certainly support many of the recommendations in it.

There are some recommendations and findings of fact that we are unable to agree with. We have therefore produced our own report, which we have called Bank fees: up, up and away. The committee received a great deal of evidence on the impacts of bank fees. Probably the most significant piece of evidence the committee received came from the Commonwealth Bank, which in their submission stated that bank fees generated only a third of the costs of providing banking services. The Commonwealth Bank stated:
On an industry wide basis, the costs involved in providing these transaction services are still at least three times the level of fees collected. Reserve Bank research has shown that $460 million is recovered from the Australian household sector by way of deposit and transaction fees, compared to total costs of the order of $1.5 billion. These comments should send a chill down the spine of every pensioner and every consumer who uses a bank branch. What they tell us is that, if the banks get their own way, over-the-counter transactions in a bank branch would increase from their current level of around $3 to around $9. Consumers who use ATMs and EFTPOS could expect that fees would go up from around $0.60 a transaction to $1.80. Levels of fees such as these would be socially unacceptable. What these comments tell us is that banks have not finished increasing fees. While banks earned fee revenues from households of $1.8 billion last year, and have increased some fees by 400 per cent in the last five years, this is only a drop in the ocean compared with what they could, and want, to earn.

The warning to consumers is that bank fees will increase until action is taken by the government. Labor members of the committee say that it is time to draw a line in the sand on bank fee increases. A moratorium on bank fee increases is needed to allow the federal government to bring the banks together with pensioner groups, consumer groups, the National Farmers Federation and trade unions to establish a social charter of community obligations.

One of the main areas of the committee’s inquiry focused on whether it was possible to improve the disclosure of ATM fees at the time of transaction. The committee received a great deal of evidence from the banks on this issue. The Commonwealth Bank submitted to the committee that, in many situations, it was technically impossible for the Commonwealth Bank to quote a fee at the time of the transaction. The bank concluded its submission by warning the committee that:

... further imposition of disclosure practices may inhibit the ability of the Bank to offer customers the ability to receive rebates and concessions on transaction fees they would otherwise have to pay.

I should pause at this moment because I would like to congratulate Senator Chapman. I think it is important to note Senator Chapman’s patience and perseverance in working his way through the undermining and the grandstanding by some of his colleagues in the other place—some senior colleagues—trying to grandstand and jump on board the inquiry by Senator Chapman and the committee.

Earlier this week Mr Hockey heralded the move as ‘a very important step’. He was able to announce to the House of Representatives—interestingly, on behalf of the Commonwealth Bank—that the Commonwealth Bank had agreed to join Westpac in committing to improve disclosure of ATM fees. He said:

The government has delivered real reforms for banks.

There is a pretty simple message: beware of banks bearing gifts, Mr Hockey. Let us be clear what the banks are actually proposing to do. They are proposing to put a sticker on an ATM which tells a customer from another bank that they may or may not be charged a fee by their bank for using the ATM. Labor welcomes any move that improves disclosure of ATM fees, but this falls short of real reform.

Mr Hockey seems to have missed what the debate about fee disclosure was all about—or perhaps he was not even following the debate and just jumped in at the end to try to grandstand. The issue for consumers is that at any stage they never know how many transactions they have made in a month, so they are unable to plan their transaction behaviour to minimise fees. If, prior to making the transaction, consumers knew the fee they were to be charged, they would have the ability to cancel. Placing a sticker on an ATM will not fix the broader issue of real disclosure of ATM fees. There has been a great deal of debate as to whether real-time disclosure is technically possible, and there are some issues, as Senator Chapman acknowledged.

On the other hand, the banks are currently testing new ATMs which will enable banks
to advertise products. These new ATMs will enable banks to sell tickets, stamps, prepaid phone vouchers and on-screen advertising and use screens to cross-sell other financial products and services. It would be unthinkable that a bank could provide its customers with the ability to buy a movie ticket before it provided information on how much it is charging to use its own teller. I believe that it is technically possible to introduce a new fee disclosure regime for ATMs within a period of 12 to 24 months. In this area we are in complete agreement with and in support of where Senator Chapman is coming from.

There are costs involved in establishing a better fee disclosure regime, but these should be weighed against the benefits of a more informed market. Without the introduction of a real-time fee disclosure regime, consumers will increasingly be uncertain as to how much they will be charged for using an ATM and will continue to find it difficult to manage their own transactional behaviour. The recent introduction of Internet banking by the major banks has demonstrated that, if the banks think that they can make a buck, they can implement a new initiative quickly and efficiently. If the banks applied the same commitment that they applied to the introduction of Internet banking to introducing a new fee disclosure regime for ATMs, there is no doubt that a disclosure regime would soon be operational.

As well as announcing this week that it would improve ATM fee disclosure, Westpac raised the issue of ATM fees. They publicly stated that they supported the introduction of a new direct charging fee regime for ATMs. Westpac told the media that this would reduce ATM fees to ‘around $1’ when it was introduced. The government’s report into bank fees has also recommended that a direct charging fee regime be adopted. The government recommended in their report that:

... interchange fees between banks in relation to foreign ATM transactions be abolished immediately and replaced by direct charging with the effect of reducing ATM transaction fees from approximately $1.50 to 50 cents.

However, Labor members of the joint parliamentary committee are concerned that, without an agreement with the banks on the level of bank fees, the introduction of a direct charging regime for ATMs will actually lead to some ATM fees increasing. I will quote from the ACCC and the Reserve Bank’s report Debit and Credit Card Schemes in Australia: a study of interchange fees, which discussed direct charging of ATMs. On page 41 of their report they state:

Under current arrangements the ATM owner receives the same interchange fee for an ATM withdrawal from a given issuer, regardless of where that transaction is undertaken. High cost locations are therefore subsidised by low cost ATMs. Under a direct charging regime, in contrast, ATM owners could vary the transaction fee according to the per unit cost of individual machines. This would provide an incentive to place more ATMs in higher cost (eg remote) locations, offering greater convenience for consumers willing to pay.

There is no doubt that rural and regional Australians have higher costs for ATMs than Australians in the city. Firstly, the cost of delivering cash to ATMs in rural and regional areas is greater. Telecommunication costs are also greater. In Collins Street in Melbourne it is rare to see an ATM without a queue of three to four people. This increases the profitability of city ATMs. In contrast, in rural and regional areas, the volume of transactions is likely to be significantly lower. For all John Howard’s talk that a ‘red light’ will go on if services are reduced in the bush, we now have a government report that is expressly recommending a proposal that would hit regional and rural Australian consumers.

I will now turn to another aspect of the government’s report on bank fees. One of the comments that received publicity from the committee’s inquiry was the ABA’s evidence to the committee that up to 75 per cent of consumers do not pay bank fees. Firstly, let us be clear what the ABA actually said about bank fees. They stated:

ABA analysis shows that, depending on the provider, 30-75% of customers do not pay fees and charges for services associated with transaction accounts.
One way of reading this statement is to say that up to 75 per cent of customers do not pay bank fees. *(Time expired)*

**Senator MURRAY (Western Australia) (9.59 a.m.)—** In speaking on this report, *Bank fees: up, up and away*, I am not going to repeat the observations made by Senators Chapman and Conroy, which covered much of the material that needs to be covered. This is a unanimous report but with additional remarks by the Labor senators, which add to the depth of the content of the report and give a perspective that the Labor Party wish to add. I have some additional perspectives, but I have chosen to use this opportunity to express them rather than to put them in the report.

The Joint Statutory Committee on Corporations and Securities is, in my view, not just a committee of the parliament with the normal functions of such a committee. It is a regulatory body; it is part of the regulatory matrix. I say that not only because it has oversight of ASIC but also because it has a particular ability to influence the bodies and the markets with which it deals, by virtue of its conclusions. We are already seeing that in the reaction of the banks to the terms of reference of the committee. In that sense, the committee has a need for, and has developed, considerable expertise. It is a committee to be valued and the members of that committee are certainly able, in their combination, to produce a range of wisdom and expertise which contributes very materially to good outcomes. Senator Chapman is the chair of that committee. These are his terms of reference and, on behalf of the Democrats, I wish to thank him for advancing this particular course. It is a difficult course, it is a technical area, and it is an area where vested interests are amassed on the other side. I think he has shown some political courage in exercising his right to take up these terms of reference and, in the process of this inquiry, he has again proven a careful and consultative chair in the way in which he manages these things.

Moving onto the report, when you deal with banking issues inevitably the broader issues do emerge—partly because they intertwine by the nature of the industry but also because banks are extremely high profile in a political and market sense. One of those issues is whether monopoly profits, in the economic meaning of that phrase, are being taken by banks. There is a view that, based on such comparisons as are available, the Australian big four generate a rate of return which is ahead of international standards. In other words, they are far more profitable than their competitors. Whether that view is accurate or not I do not know, but there is a feeling in the community that banks can be described as greedy as a consequence. If they were generating significantly higher profits, economic and competition theory would expect that those high profits would attract competitors who, in turn, would be willing to accept lower rates of return, resulting in greater competition and therefore lower prices for customers. That is standard economic theory. In banking in Australia, with the exception of home lending, there is a fear that that has not happened.

While the chair has quite rightly pursued the issues of transparency—and we are in agreement with the recommendations of the committee and we think that they will have useful outcomes on pricing—there does remain the larger question of whether the banks are generating monopoly profits, in the economic sense of that phrase, and whether they are making excess profits. It is therefore important that the government—and perhaps the Reserve Bank, the ACCC or even the Productivity Commission—keep an eye on whether there are any market failures due to a lack of competition, and why, in the banking sector. The why is not at all clear to me, given that, broadly speaking, the competition and other regulatory systems we have in Australia, and the laws, should have generated greater competitiveness than seems apparent on the surface of things. Therefore, I would be surprised if market failure should be a consequence of that. If it is not a consequence, you would have to ask whether it is regulatory failure.

There is also a question about whether the market of providing electronic and telephone banking services is sufficiently accessible to new entrants: are there extraordinary
barriers to entry into this industry? Why is the sector overall not subject to low-cost competitors in the same way as home loans were subject to a low-cost competitor such as Aussie Home Loans—and there are others in that market. These questions should not be avoided by government, and I would urge the backbench, of which Senator Chapman is a considerable member, to raise them. I think the very substantial disquiet in the community about banks does need some proper appraisal from a policy perspective.

That leads you to the expectations of the community which we would commonly describe in the sense of community service obligations. This is another issue that was raised in evidence to us. It was not a term of reference and we could not deal with it on that basis, and that is fair enough. The community service obligation means, in government terminology, that you impose a requirement on an industry or a sector and you compensate them for it. From the community’s point of view it has a different meaning. To them a community service obligation is the requirement that an industry or a sector provide a service, whether it is from government or from the private sector. There is no doubt that the community in rural and regional Australia and, indeed, in some urban areas of Australia, feel underdone by the banks. They feel that the services that they want are not available, particularly as regards branches and other forms of supply. That may reflect the technological or non-technological ability of large numbers of Australians, but if large numbers of Australians want branches, you have to ask why they cannot be provided.

From the perspective of the banks, closing branches, cutting staff numbers, maximising profits and adopting user-pays approaches are sound commercial behaviours and you cannot condemn them for looking after the interests of the shareholders. But if the government has to respond to the needs of the community it will have to look at whether it is going to legislate at some stage for banks to provide certain minimum standards to all sectors of the Australian community, simply because it is regarded as an essential service, similar to the essential services of water and electricity, for instance. It would be better if the government did not have to do that. It would be much better if the banks found a way to meet as many of the genuine needs of Australians as is required.

Our committee is not in the position to evaluate what community service obligations or what minimum service provisions should be made available but perhaps it is time that the government had a look at that and, in a sense, put the banks out of their agony and advised them what minimum, mandated banking community service obligations the government thinks would need be provided unless the banks themselves provided them. I leave that thought with you as well. My last thought is in terms of the real-time remarks made by Senator Conroy. I must say that I share a doubt that this can work well at this time given the evidence that we have received but it is a worthy objective and I think one the committee should keep its eye on.

Debate (on motion by Senator Carr) adjourned.

COMMUNICATIONS AND THE ARTS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

First Reading

Bill received from the House of Representatives.

Motion (by Senator Kemp) agreed to:

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

Bill read a first time.

Second Reading

Senator KEMP (Victoria—Assistant Treasurer) (10.09 a.m.)—I move:

That this bill be now read a second time.

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

Leave granted.

The speech read as follows—

The purpose of the Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000 is to amend certain offence provisions in legislation within the Communica-
tions, Information Technology and the Arts portfolio to reflect the application of the Criminal Code to all Commonwealth criminal offences. The amendments are intended to ensure that when Chapter 2 of the Criminal Code Act 1995 (the Code) is applied to all Commonwealth criminal offences, from 15 December 2001, those provisions will continue to operate in the same manner as they operated previously. If legislation containing offence provisions were not amended to have regard to the Code, the Code may have altered the interpretation of existing offence provisions.

The Criminal Code is contained in Schedule 2 to the Criminal Code Act 1995. It sets out the general principles of criminal responsibility that will apply to all Commonwealth criminal offences once the Act comes into force, on and after 15 December 2001. Chapter 2 of the Criminal Code codifies the general principles of criminal law and adopts the common law approach of subjective fault based principles. It adopts the traditional distinction of dividing offences into actus reus and mens rea but uses the plainer labels of physical elements and fault elements. The general rule is that for each physical element of an offence it is necessary to prove that the defendant had the relevant fault element. The prosecution must prove every physical and fault element of an offence. The physical elements are conduct, result of conduct and circumstances of conduct and the fault elements specified in the Criminal Code are intention, knowledge, recklessness and negligence. The default fault elements which the Criminal Code provides will apply where a fault element is not specified and where the offence (or an element of the offence) is not specified to be a strict or absolute liability offence. The default fault elements set out in the Criminal Code are intention for a physical element of conduct and recklessness for a physical element of circumstances or result.

Fault elements will not be applied where an offence is specified to be one of strict liability or absolute liability. This Bill specifies where an offence is one of strict liability. This is necessary to ensure that offences currently interpreted as strict liability continue to be interpreted as such after the Code is applied. In addition the Bill amends certain offence provisions to remove the defence and restate it as a separate subsection. This is to ensure that the defences are not interpreted as an element of the offence.

In addition, the Communications and the Arts Legislation Amendment (Application of Criminal Code) Bill 2000 will make other minor amendments to offence provisions in the Communications, Information Technology and the Arts portfolio which are consistent with the general criminal law policy to simplify offence provisions and improve the operation of offence provisions. These amendments fall into the following broad categories:

- amendments to restructure provisions where part of the conduct element of the offence includes ‘breach of a condition of a licence, authorisation, permit, certificate or declaration’;
- amendments to restructure offences relating to non compliance with a notice, requirement, rule, direction or order;
- amendments to restructure offence provisions which include an inappropriate physical element of conduct;
- an amendment to alter a legal burden of proof;
- amendments which create a new offence;
- amendments to make certain fault based offences ones of strict liability; amendments to ensure the meaning of ‘engaging in conduct’ includes omissions;
- an amendment so as not to require knowledge of the law;
- amendments to repeal false or misleading statements or false or misleading documents provisions; and
- amendments to convert dollar amounts to penalty units.

Subject to several minor exceptions, noted in the Explanatory Memorandum, this Bill does not affect the operation of the current criminal offences. It ensures that the current criminal offences are not altered following the application of the Criminal Code to Commonwealth legislation.

Debate (on motion by Senator Ludwig) adjourned.

TAXATION LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS) BILL 2000

In Committee

Consideration resumed from 7 February.

The CHAIRMAN—The committee is considering the opposition amendment on sheet 2085 moved by Senator Sherry.

Senator SHERRY (Tasmania) (10.11 a.m.)—We are shortly to move to the vote on the Labor amendment. The Labor amendment proposes to omit 30 June as the operative date for the changes, which the
government have advocated, and substitute 28 October 1998. The effect of that is to make the changes that the government are proposing retrospective. We are faced with quite extraordinary circumstances in dealing with this legislation. Labor believe that making the proposed changes to tax law that are presented before the chamber today retrospective to this date is fully justified. What are the reasons for that? We are faced with the situation, as admitted by the tax office, that there has been $1.5 billion laundered through a variety of schemes to evade, minimise or in many cases not pay tax that the vast majority of Australians are required to do. This $1.5 billion is a loss of revenue of some $600 million. That is the tax office admission with respect to the figures we are dealing with with this legislation. The figures may be higher. The tax office have not finished counting. So it is a very substantial amount of money. Evidence before the committee from other witnesses indicates that it may be substantially more than $1.5 billion.

The money is being laundered through a variety of schemes, including noncomplying offshore superannuation funds. It is very clear, not just to the Labor opposition but to the government, to the Liberal-National Party and indeed to all political parties represented in this Senate, that the intention of superannuation funds is for retirement purposes. Moneys in superannuation funds are required to pay a variety of taxes. Those taxes include contributions tax and in some cases for higher income earners the so-called surcharge tax. The evidence before the committee is that there are perhaps some 2,000 to 3,000 individuals who have been involved in laundering money through a variety of schemes to avoid these taxes. And not only to avoid those taxes, which every other Australian is obliged to pay, but also to not pay income tax.

Apparently, according to the evidence before the committee, in the case of offshore noncomplying superannuation funds, moneys are moved offshore, avoiding the contributions tax—which is 15 per cent when you put your money in and 15 per cent when you take your money out—and avoiding the so-called surcharge tax, which is up to 15 per cent for higher income earners. Then the moneys are brought back into Australia and no income tax is paid. In other words, a significant number of high income earners are not paying any tax through these very dodgy arrangements. It is a massive tax scam. I must say in passing that it surprises me that, with a few exceptions, the media has not been more vigilant on this issue, because this represents one of the major tax minimisation scandals of the last 20 years.

As I said earlier, it was never the intention of parliament, nor is it indeed the policy of any political party represented in this place, for superannuation funds and other employee benefit arrangements to be used in this manner. Indeed, we are confronted with the somewhat intriguing situation of the tax office not believing that these arrangements are legal. The tax office has said that these arrangements are illegal. The Assistant Treasurer has said these arrangements are not legal, and yet they continue to be marketed. So we are confronted with the rather contradictory position, never adequately explained by the minister, Senator Kemp, or by the tax office, as to why we are in fact passing law to change the regulation in this area when the current law, apparently, is fine. The activities are illegal under current law. It seems to me to be a basic contradiction that has never been properly explained.

The Labor opposition believes that the government and the tax office should be fully armed to collect this money. There should be no doubt that these moneys can and will be collected. And to remove any possibility of doubt that these moneys cannot be collected, the Labor opposition is taking the very unusual step of proposing to make this amendment retrospective to 28 October 1998. Why 28 October 1998? Well, that was the first occasion on which the tax office gave a view publicly that these arrangements were illegal.

We are faced with another fairly intriguing contradiction, that is, it is clear from evidence from the tax office that, on six or eight occasions, the tax office itself, through the process of private binding rulings, had ruled that some of these schemes were in
fact legal. It certainly puts a question mark over the way in which these private binding rulings were issued by the various officers of the tax office. So Labor is proposing 28 October 1998 as the date for amendments that, apparently, the tax office and the government admit are not necessary in order to enforce the existing law.

We wish to see this massive amount of revenue collected, backdated from 28 October 1998 through until obviously today—some 2½ years. We are critical of the Assistant Treasurer, Senator Kemp, not the tax office. The tax office is the servant of the Assistant Treasurer, Senator Kemp, who is responsible for the administration of the tax office. Here we are 2½ years later considering critical legislation which will, apparently, wipe out a massive tax scandal and scam. It is 2½ years since the initial view was issued by the tax office—2½ years, Senator Kemp. Frankly, the Labor opposition does not know what you do. This legislation should have been presented much earlier. It should have been considered much more urgently than is the case. Now, 2½ years later, these scams are still going on, despite the fact that you, Senator Kemp, claim that they are illegal.

So the purpose of the Labor opposition in moving our retrospective amendment is to ensure that the tax office is fully armed in collecting a significant amount of revenue—from these schemes that, it is very clear, were never intended to be utilised by a relatively small number of high income earners. They were never intended to be utilised to wipe out the tax that everyone else in Australia—low and middle income earners, and most high income earners, for that matter—is required to pay through employee benefit arrangements, including their superannuation contributions. So we urge the chamber to accept the Labor amendment to hopefully put this matter beyond any doubt whatsoever and to fully arm the tax office to let it get on with its job. The Labor opposition—the tax office is well aware of this, and I know Senator Kemp is—will be pursuing this issue on an ongoing basis to ensure that every cent of this $600 million—it is possibly a larger figure—is collected.

Senator ALLISON (Victoria) (10.21 a.m.)—I just want to indicate that the Democrats will not be supporting this ALP amendment, as I indicated in my speech on the second reading. We think that we need to be extremely cautious about retrospectivity and only support it back to a clear statement of principle of what the law is intended to be. As I said yesterday, the October 1998 draft ruling by the ATO, which is what the ALP is relying upon for this amendment, did not necessarily deal directly with the issue dealt with in this bill. It did at that stage deal primarily with the associate provisions of the FBT law. I foreshadow our amendment which will make this bill more retrospective, but not back to October 1998, and I will argue that 19 May 1999 is the appropriate date from which this measure should be effective.

Senator KEMP (Victoria—Assistant Treasurer) (10.22 a.m.)—The government, as I indicated in my second reading speech, will not be accepting this amendment by the Labor Party. I explained in some detail in the second reading debate the government’s position on this matter. I will briefly summarise it. The government’s view is that retrospective law should only be used as a last resort—there is no debate—and Senator Sherry was quite frank in indicating this is retrospective. The ATO is confident that the law operates in a way which is effective in dealing with the abusive arrangements which Senator Sherry has alluded to in his remarks.

Question put:
That the amendment (Senator Sherry’s) be agreed to.

The committee divided. [10.27 a.m.]
(The Chairman—Senator S.M. West)

Ayes.............  24
Noes.............  38
Majority.........  14

AYES

Bishop, T.M. Brown, B.J.
Buckland, G. Campbell, G.
Carr, K.J. Collins, J.M.A.
Cook, P.F.S. Crossin, P.M.
Crowley, R.A. Denman, K.J.
Faulkner, J.P. Forshaw, M.G.
Thursday, 8 February 2001

Senator ALLISON (Victoria) (10.30 a.m.)—I move Democrats amendment No. 1 on sheet 2112:

(1) Schedule 1, item 11, page [6] (lines 4 to 6), omit subsection (1), substitute:

(1) The amendment made by item 3 of this Schedule applies to contributions made after 4pm (by legal time in the Australian Capital Territory) on 19 May 1999.

(1A) The amendments made by items 1, 2 and 4 and Part 2 of this Schedule apply to contributions made after 4pm (by legal time in the Australian Capital Territory) on 30 June 2000.

I wish to make it clear that that is an amended amendment. As I have said already in this debate, we believe that making this measure retrospective to 19 May 1999 is more appropriate than either the government’s proposal or the ALP’s amendment that we have just voted on. We locate that date at the time when the tax commissioner put out a detailed statement making it very clear that the tax office, following a review of aggressively marketed employee benefit arrangements, had concluded that there were clear attempts to frustrate the law and that they would be defeated. As I said in my speech during the second reading debate, the tax commissioner made a very clear statement at that time. It is our view that 19 May 1999 ought to be the commencement date instead of 30 June last year.

The CHAIRMAN—Could I get you to read your amendment, please, because we have several different pieces of paper here that do not make it clear. You said it was ‘an amended amendment’.

Senator KEMP (Victoria—Assistant Treasurer) (10.32 a.m.)—Could I seek some clarification from Senator Allison. The Democrat amendment is not one that the government is supporting, but the amendment should include on it, as a check list, under item (1A), ‘The amendments made by items 1, 2 and 4 and Part 2 ...’ I think that was the amendment you raised.

Senator ALLISON (Victoria) (10.33 a.m.)—The sheet does not have 2112 on it; it is dated 7 February and the time is 5.31 p.m. Would you like me to read that through?

The CHAIRMAN—Everybody now seems to have a copy of the amended Democrat amendment, which can be identified on the bottom as sheet 1, and the time is 5.31 p.m.

Senator SHERRY (Tasmania) (10.34 a.m.)—The sheet does not have 2112 on it; it is dated 7 February and the time is 5.31 p.m. Would you like me to read that through?

The CHAIRMAN—Everybody now seems to have a copy of the amended Democrat amendment, which can be identified on the bottom as sheet 1, and the time is 5.31 p.m.
some knowledge of. They refused, which is not surprising, I suppose, but disappointing. It would have been useful to have had the promoters, some of which are leading accounting firms in this country, justify how and why some high income earners have placed at least $1.5 billion in these tax avoidance schemes to minimise or not pay tax that the vast majority of Australians are required to pay. Nevertheless, that has occurred and—short of attempting to subpoena those companies and get some evidence—they refuse to appear.

There is one question I would put to Senator Allison. The Labor Party have made it clear that, if this amendment is passed—and we are supporting it, so I anticipate that it will—we will continue to insist on this amendment if the government, in its weakness in respect of this taxation evasion issue, insists on knocking the amendment back in the other place. What will be the position of the Australian Democrats: will it continue to insist on its amendment, which apparently will pass this chamber?

Senator ALLISON (Victoria) (10.36 a.m.)—I find it extraordinary that the ALP would even ask this question. If you were being sensible and clever about your strategy in terms of amendments in this place, you would not want to flag them at this very early stage. We are persuaded that this is an important amendment, and we are persuaded that the rulings are clear. At this stage, Senator Sherry, I could not think of any reason why we would not want to insist on those amendments.

Senator SHERRY (Tasmania) (10.37 a.m.)—If we listen to that and read it in the Hansard, I do not believe that is an unequivocal statement. ‘Yes, we will be insisting on our amendment,’ so I will have another go, Senator Allison. In supporting your amendment, the Labor Party will continue to insist on it. I give that undertaking to the Australian Democrats. We do not want to be in the position we were in with that infamous attempt to put the GST on swimming lessons late last year, when we backed you to the hilt and then there was a last-minute compromise. Anyway, that is now, sadly, history. So we put it on the record unequivocally that, in supporting your amendments, we will continue to insist that they be attached to this piece of legislation.

Senator KEMP (Victoria—Assistant Treasurer) (10.38 a.m.)—Again, the general issue of retrospectivity was extensively canvassed in the second reading speech. The principles which apply to the Labor Party amendment apply also to this amendment, although it is perhaps not quite as retrospective as the Labor Party amendment is. The government will be opposing this amendment.

Amendment agreed to.

Bill, as amended, agreed to.

Bill reported with an amendment; report adopted.

Third Reading

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

COMMITTEES

Allocation of Departments and Agencies

Motion (by Senator Kemp, at the request of Senator Hill) proposed:

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 CARR (Victoria) (10.40 a.m.)—The opposition do not support this proposition by the government. While acknowledging the principle that governments allocate portfolio arrangements within administrative arrangements, the question that needs to be examined is whether this is an appropriate allocation within the Senate committee system. We have a simple situation, which I think the Senate should appreciate. There is a new department being created, the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs, and, as a consequence of the creation of that new entity, some 12 pieces of legislation which were formerly administered by the Prime Minister’s department—that is, the Aboriginal Affairs (Arrangements with the States) Act 1973, the Aboriginal and Torres Strait
Islander Commission Act 1989, the Aboriginal and Torres Strait Islanders (Queensland Discriminatory Laws) Act 1975, the Aboriginal and Torres Strait Islanders (Queensland Reserves and Communities Self-management) Act 1978, the Aboriginal Councils and Associations Act 1976, the Aboriginal Land Grant (Jervis Bay Territory) Act 1986, the Aboriginal Land Rights (Northern Territory) Act 1976, the Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989, the Council for Aboriginal Reconciliation Act 1991, the Hindmarsh Island Bridge Act 1997 and the Native Title Act 1993—are all being transferred to this new entity, the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs, for administration.

It may well be reasonable to ask whether this is an appropriate reorganisation within the government. I think the opposition are entitled to question that. This country has had great difficulty dealing with the issue of reconciliation as a result of this Prime Minister's failure to face up to some fundamental issues with regard to justice for Aboriginal communities. But now it is being proposed that this new entity be created and it be moved across, in effect, to the Department of Immigration and Multicultural Affairs. The issue then is the third area—that of the Legal and Constitutional Legislation Committee—where, it seems, the questions would be more logically put with regard to the legal questions that have to be dealt with and the broader issues that have traditionally been dealt with by those with expertise on that committee. A decision has been made by the government and, I understand, is supported by the Democrats to stick this issue with one particular committee, the Finance and Public Administration Legislation Committee. That is the essence of this motion.

We need to consider whether the government is now caught out, as a result of its own inaction, with regard to its ministerial allocation within this chamber. There is the legitimate question of whether the government has ensured that the ministerial provisions in this chamber are adequate to meet the requirements of the chamber itself. I have no doubt that Senator Ian Campbell would agree fully with me on that proposition. The other issue that concerns me is how much consultation there has been with the committees themselves about where this might best be dealt with and whether it might be appropriately considered by looking at other options. It strikes me that the Legal and Constitutional Committee is a more appropriate place to put it in terms of the expertise that is available. It is reasonable that the general issues, particularly the legal concerns, should be dealt with in the framework of our Legal and Constitutional Committee.

The government will argue that, in essence, it is difficult for Senator Hill to go to two committees. The problem is that the officers of the department, who would normally be considering issues within the context of the legal and constitutional commit-
tee—which handles immigration and other issues associated with that department—will be appearing before the legal and constitutional committee. So, instead of the minister moving, the departmental officers will be required to move. If this is the way in which the government wishes to allocate the department—and it clearly has the support of others in the chamber—then, presumably, that is what will happen. But proper consideration ought to be given to the availability of the committees, the availability of the expertise within each chamber and the capacity of the government to proxy ministers into these committees.

One understands the pressure of time on particular ministers, and Senator Hill may well argue that case, but Senator Ellison will be required to deal with all the other issues before the Legal and Constitutional Committee and is more than able, I would have thought, to delegate for Senator Hill with these officers, particularly given that these officers will be from not PM&C but the new entity of the Department of Reconciliation and Aboriginal and Torres Strait Islander Affairs. In that context, the government is making a decision conditional upon the convenience of one particular minister rather than the best allocation of departments to the resources of this chamber so that the acts administered by this new department can be properly scrutinised within the most appropriate committee framework. For those reasons, we are concerned about the proposition advanced by the government today and we oppose it.

Senator ROBERT RAY (Victoria) (10.48 a.m.)—I say to the Manager of Government Business that the more appropriate action here would be to adjourn this matter, mostly because we had set views on it a couple of hours ago but, as more information has come in, we are now more likely to be flexible. There is a problem of a lack of information here. Where is the funding base for these two areas—OIP and ATSIC? That determines where they go in the estimates process. If, as we understand, a new department is going to be created, there is no problem with putting it in the FPA area. If the funding is going to remain in PM&C and if Mr Ruddock is going to represent it there, there is no problem with it staying there. But if the funding and organisation is moving to the Department of Immigration and Multicultural Affairs as a subset of that then Senator Carr has hit it right on the head: it should be in the Legal and Constitutional Committee area.

These things have not been gazetted yet and, therefore, we cannot be certain of where this should sit. We have been extremely flexible in the arrangements and allocation of ministers in the estimates process. They always take number one priority and shadow ministers take second priority. Initially, it seemed that this was being done just for the convenience of Senator Hill. As more information comes in, it appears to be more complex than that. I also think Senator Hill has too high an estimates load, representing Prime Minister and Cabinet, his own Environment portfolio, Foreign Affairs and now this area. Maybe when we get around to having parliamentary secretaries there, the next Labor government will not have to repeat this error and will have a more even distribution of areas. We are starting to shift on this as information comes in. We could never agree to it just for the convenience of a minister if it stood in such contrast with the way it is normally done. That may not be the case. We would like to know exactly what is happening, and then we can deal with it.

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (10.51 a.m.)—I will not delay the Senate long. The suggestion made to the Manager of Government Business by Senator Carr was a very sensible one. Courtesy of Senator Carr—and I thank him for his courtesy and I thank the clerks, who provided this to him—we have been handed a schedule of the amendments to the administrative arrangements order. It is very important that we place on record the fact that these administrative arrangement orders have been made and have not been gazetted. That is their status and that was not known to the opposition prior to this issue being brought forward for debate. Given these
circumstances, this can probably be worked through fairly quickly. I think adjourning this matter to a later hour this day is an appropriate course of action, and if that finds favour with the Manager of Government Business, I would be happy to propose moving accordingly.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (10.52 a.m.)—I would be happy with that. We have been seeking to resolve this. There is certainly no animosity here. As Senator Faulkner would know best as a former Manager of Government Business and through his own involvement in discussions and negotiations over the structuring of the estimates committees during the past nearly five years, we invariably work these things out. There are a number of factors. It certainly does come down to the availability of ministers. The administrative arrangements of course are important, as are the workloads of the committees and the workloads of the shadow ministers. I think Senator Ray outlined very accurately the priorities that take place in these discussions.

Practically speaking, we have just had a reshuffle of ministers, portfolios and administrative arrangements and those details have only just been made available. They had not been the subject of discussion between the Manager of Opposition Business and myself. We were basically trying to find a compromise. The government’s position is that we prefer, for a range of reasons, to leave all of these issues within the Finance and Public Administration Legislation Committee. We are of course happy, as we always are, to review this after this round of estimates, but for a range of reasons, including Minister Hill’s workload—which is an issue, undeniably—and also these administrative arrangements, we have come to the conclusion that the Finance and Public Administration Legislation Committee is the best committee at this stage.

I say for the record that we are not dogmatic about this. We are happy to keep these matters under review. The workload of the Legal and Constitutional Affairs Legislation Committee needs to be considered as well. I agree with the proposition put by Senator Ray and supported by Senator Faulkner, which is to postpone this matter until a later hour.

Debate (on motion by Senator Ian Campbell) adjourned.

AUSTRALIAN RESEARCH COUNCIL BILL 2000
AUSTRALIAN RESEARCH COUNCIL
(CONSEQUENTIAL AND TRANSITIONAL PROVISIONS)
BILL 2000
Consideration of House of Representatives Message
Consideration resumed from 7 December 2000.

Motion (by Senator Ellison) proposed:
That the committee does not insist on its amendments to which the House of Representatives has disagreed in respect of each bill.

Senator CARR (Victoria) (10.56 a.m.)—These are quite serious amendments that need to be considered, and the opposition is, in essence, pressing its argument that it maintained in the original consideration of these issues before Christmas. I have a number of documents that I would like to table today. I left them with the government to consider, and I would appreciate it if I could get some indication from the minister whether leave will be granted for those documents to be tabled.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (10.57 a.m.)—I have only just been given those documents, and I would ask for a short time to have a look at them. In the meanwhile, we could deal with other issues, and I will address this matter shortly.

Senator CARR (Victoria) (10.57 a.m.)—Sure. I will begin by outlining the opposition’s general approach to these amendments that we are seeking to press. The message from the House concerns the two Australian Research Council bills, and it might seem to a number of senators here that this is a bit of a bad dream in so far as
we went through this whole argument in the last sitting week of last year. Unfortunately, the nightmare is still with us. Our amendments have not been accepted by the government in the House of Representatives. The government has in fact ensured an unreasonable delay in the passage of these bills as a result of its decisions in regard to some of the issues.

This is especially important given that the government in this chamber voted for a number of the propositions that we advanced last December, but it now feels that it is not able to support them now that the matter has come back to us after the amendments were rejected by the government in the House of Representatives. We will have to examine in some detail the apparent change in the government’s attitude.

This is despite the fact that the government, before the Senate committee that examined a number of these issues, received acknowledgments from the departmental officers and the persons who were presumably responsible for issuing the drafting instructions, through of course the minister, to the legislative draftspeople that they had created a situation where they were not intending to undertake actions that the bill specified the government was undertaking.

This situation is particularly odd given the Prime Minister’s recent innovation statement and given such an attempt by the government to present itself as having reformed its attitudes on research and development. Given that research and development is central to our economic prosperity, it is not surprising that these issues ought to be attracting such concern within this chamber itself. The government, as I say, has caused the delay in the introduction of these bills into law as a result of its own actions.

The drafting errors in the bill have yet to be attended to by the government. I am referring to the way in which the Commonwealth will be seeking to allocate funds to various entities. The drafting area here suggests that the minister will have the power to bypass the whole institutional framework established in other parts of the legislation to the point where the government can allocate moneys to organisations other than those registered on the Australian framework register. This means that companies or organisations that are not registered may receive funds from the government to undertake research and development work which ought to be properly undertaken through their own resources. So under this scenario we could see funds being made available to BHP or to Coles Myer or even McDonald’s. They could absolutely bypass the university system in toto.

When these matters were raised, every witness appearing before the Senate committee that considered these issues made it perfectly clear that the sector as a whole did not support these proposals and that the provision was contrary to the opinion and wisdom of every responsible party and organisation in the higher education sector. The First Assistant Secretary of the department, the senior officer responsible for higher education, Mr Michael Gallagher, in evidence to the inquiry referred to the new national protocols applying to the creditation of higher education institutions. He said:

He—

the minister—

has no interest in circumventing those procedures. Without subsections (1D)(b) and (1E)(b)—

that is, the offending subsections—

the bill would not be substantially altered.

So the senior officer of the department responsible for administration of this legislation says that, if we were to accept these amendments and change the bill to reflect the intentions of the government’s stated policy, the bill would not in any way be substantially altered in its impact. Mr Gallagher went on to say in response to questioning that the department would be recommending to the minister that he accept amendments to the bill and remove those subsections. I can only presume that that recommendation was made. One can follow from that, given the government’s current position, that the recommendation was rejected. Senator Ellison, who is here today handling this matter for the government, is recorded in *Hansard* as saying, in terms of the amendments that we pursued on the last occasion:
The government will not oppose this provision. It is quite apparent that the government have had a change of heart and have dug their toes in and will not accept the opposition's amendments designed to fix up this drafting error. I take the government at their word—maybe that is a mistake. But I am always a generous person when it comes to this government and one has to assume that they mean what they said—that the government, at their word, did not intend these things to happen. Therefore, one would have to argue that the government should have no trouble accepting what Senator Ellison said the last time this matter was considered—that is, the government will not oppose this provision. 

The amendments agreed to by the Senate go largely to the question of transparency and accountability. I think these are important issues when we are talking about the allocation of very substantial sums of public money. The government and Dr Kemp have asked us, in effect, to swallow the news that, while they are prepared to double the funds available to the ARC, they want the new look ARC to be less accountable, less transparent, less independent, less authoritative than it was under the old legislation. That is essentially the proposition we have been asked to cop here. While they are claiming to spend an extra $3 billion over five years on research and innovation, they do not want to tell the public, nor this parliament, what they are going to do with that money or why they are doing it. It strikes me that that is something we cannot accept.

The ALP and Democrat amendments—and on most of these issues there is probably broad agreement across this side of the chamber—have the effect of actually strengthening the ARC and providing it with greater independence. They require the tabling of certain decisions relating to research and funding on behalf of the minister and the reasons for those decisions. They will seek to add a student member representing higher degree students to the ARC. They will remove the subsections containing the drafting error, which I have referred to today. They will allow the council to initiate its own inquiries and reports. It strikes me that none of those propositions are particular revolutionary. They are straightforward and they are reasonable. They are positions that this government ought to accept. In part, the government has accepted them in the past but now, because of some reasons which are yet to be explained to us—and I look forward to the minister's explanation on this point—the government has backflipped on this issue.

The ability for the ARC to initiate its own inquiries is a very important matter in all of this. It is critical that the ARC be able to provide independent advice to government. Unless it has the power to do this, we will have a serious situation whereby a public institution is required to give advice to government but is restricted in the capacity in which it gives that advice. The minister could presumably find himself in the situation where he could hear advice only of the nature that he wants to hear. That is very dangerous for any government. Frankly, I think governments do better when they have access to independent advice, and I suggest the country would do a lot better. This is an incredibly short-sighted view by the government. It has the potential to do damage to the whole country if the government is not incredibly careful.

This minister will not be here forever. These provisions will apply to ministers until this law is changed. For those reasons, we ought to look very carefully at what the government is seeking to have us accept. It strikes me that, under this arrangement, if the ARC wanted to undertake a study or an inquiry on a matter that has been identified as important to research policy, it would be obliged to go cap in hand to the minister and to seek a reference from him. Under the old legislation, it did not have to do that. The minister says that no reasonable request of this kind would be refused by the minister. I am sure every minister would say that. It would be a very strange minister indeed who did not make that claim. I have yet to see a minister say, ‘I acted unreasonably.’ The problem is determining what is reasonable and what is unreasonable in these circumstances. It may be that, if a piece of research is not liked by the minister, that in itself becomes unreasonable.
There are a couple of parallels to be drawn when considering these issues. There is a whole series of Commonwealth acts that set up statutory bodies to provide advice to government—the National Health and Medical Research Council Act 1992, the National Gallery Act 1975, the National Museum of Australia Act 1980 and the Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989. At least one of these acts—the National Museum of Australia Act—is the product of a coalition government. I understand it is before the parliament at the moment. These acts are therefore indicative of the government’s thinking in other areas. None of these restricts the capacity to provide independent advice. In the case of the museum act, the museum powers are much broader than are being proposed under this measure by this government. Frankly, the government’s position makes no sense.

I presumed that the government’s abject refusal to remove the unintended errors with regard to the Australian Research Council (Consequential and Transitional Provisions) Bill 2000 was unintentional, but its refusal now is nothing short of stunning. The minister has a few moments to consider this issue and to explain to us why it is the case. Minister, will you reconsider this position? What we are saying on those two matters is quite critical, and we will be pressing these amendments. I need to say a few other things, Minister. I trust you have had a look at those documents and will now indicate whether leave will be granted.

The CHAIRMAN—Is leave granted?

Senator Ellison—We are still looking at the document.

Senator COONEY (Victoria) (11.12 a.m.)—I will follow on from what Senator Carr was saying. I think the issues of transparency and accountability are very central points. The structure of this legislation would enable a minister—I use the word ‘enable’ advisedly; I am not saying for one minute the minister would do this—to act in an arbitrary, indeed capricious, manner. Minister, perhaps when you answer the issues raised by Senator Carr, it would be useful to go through the mechanisms by which a decision is reached and whether there is any process at all that could be effectively subjected to scrutiny either in the courts or in parliament. The proposition put in the government’s material is that these matters will be set out in an annual report. Putting matters in an annual report is hardly the sort of process that Senator Carr was talking about. How do people know how public money is being spent? How do people know whether their application for research funds has been properly looked at? How do people know that money that is going to research is going to the proper research?

How is it that the government can say that this is a matter where transparency and accountability prevail? Because, when you look at it, what you have is a very thin act that simply sets up a board that makes recommendations to the minister, and it is left to the minister to decide how the money is to be spent and to what grants the money will go. I think this is part of a much broader problem that must be answered at some stage. It is comparable, I think, to the tendering process in government, where commercial-in-confidence is used as a means of prohibiting people from seeing what happens. So people tender for a particular contract—it may be a contract to supply goods or it may be a contract to supply IT material, and I note that sitting in front of me here is Senator Lundy, who is perhaps the most outstanding mind in this parliament on the issue of IT, so I will not press on with that illustration because she would soon pick up any errors I made about it. I simply use that to bring out what I am trying to say—that is, in a tendering process the person who loses the tender does not know why he or she lost or why, if it is a company, it lost, and that is not a good thing when there is public money being expended and where accountability and transparency are preached but never, it seems, carried out.

I think there is a danger in this legislation, as there is in much legislation—and I have been reading the schedules of the amendments made by the Senate and the government’s comments—and there is oftentimes a great tendency in government to use matters of virtue to produce outcomes.
that are really outcomes of vice. I would like to know from the minister just what the process is that translates the minister’s decision into a payment of a research grant and whether any part of that process is open to scrutiny at a public level.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.17 a.m.)—I have had a chance to look at the document that Senator Carr wants to table and, with some reluctance, I am prepared to agree to leave to table it. I notice that it does refer to various individuals and I think that, in these situations, it is always very important that those individuals are given an opportunity to put forward their case and that they are not prejudged, and under privilege they can be unfairly judged. But I do realise that perhaps tabling the document is a more appropriate way to deal with this rather than simply reading it into the Hansard.

I do not want to hold up the passage of this bill but, in agreeing to leave, this document does touch on a matter that relates to fee paying students. I know that Senator Carr is saying there is an allegation that fee paying students are given some favouritism. This government is deeply concerned about the quality of the higher education sector and will take any documented allegation seriously. Should the allegation raised by the Australia Institute be appropriately documented, I am advised that the minister will instruct the department to contact the vice-chancellors directly at all relevant universities regarding the allegations. But we must remember that Australian universities are autonomous institutions and are fully responsible for their own academic standards.

The Commonwealth government has played an integral role in the establishment of a new, independent university audit agency, the Australian Universities Quality Agency. The Australian Universities Quality Agency will focus, as part of its academic audits of universities, on the internal mechanisms in place to ensure high academic standards for all students. This will include scrutiny of the processes an institution has in place to investigate allegations in relation to academic standards. With those remarks, I agree to leave for tabling of the document. I do not want to delay the passage of this matter, but the document is not really relevant to the ARC.

Leave granted.

Senator ELLISON—I will now move on to put the government’s position on record in relation to both of these bills. The Australian Research Council Bill 2000 and the Australian Research Council (Consequential and Transitional Provisions) Bill 2000, as put forward in this parliament, have the intention of broadening and strengthening the Australian Research Council’s role in both providing strategic policy advice to government and administering a new financial regime of support for excellent research. The amendments proposed by the Senate threaten to jeopardise the key function of the ARC by overwhelming it with paperwork and red tape. Furthermore, the government is of the view that these amendments potentially have jeopardised the consultative relationship between the government and the ARC, altering the balance between the performance of the ARC’s statutory duty to inform the government on particular priorities rather than on those priorities of the ARC’s choosing. Furthermore, these amendments expand the membership of the board in a manner that is unworkable. That is another aspect of these amendments that the government is not prepared to concede at this stage. Finally, although not related to the operations of the ARC, the amendments impose unnecessary restrictions on the availability of funding to support research and research training. In particular, they remove the access to Commonwealth funding for research and research training from at least one university currently in receipt of it.

In relation to those who can be funded—and I think Senator Carr referred to the transitional bill and the register that was mentioned there—the government would say that that is an appropriate way to deal with the matter because it is a transitional bill dealing with the implementation of these measures. Senator Carr also concentrated on the question of references and the question of whether the ARC on its own initiative could embark on a particular area of research. There is nothing in these proposed
bills which prevents the ARC from drawing the minister’s attention to an issue which should be referred to them for further investigation and advice. Such an approach ensures that there is regular consultation between the minister and the primary advisory body on research matters. The function of making recommendations to the minister about matters related to research and education effectively duplicates the other functions of the ARC—namely, to provide recommendations on proposals for approval for funding assistance and the funding of providing advice to the minister. So the government would reject any notion that what it proposes limits or truncates the ability of the ARC to function effectively as an advisory body. With those comments, I advise that, at this stage, the government does not propose to agree to the amendments as put by the opposition.

Senator CARR (Victoria) (11.24 a.m.)—It is appropriate that we consider in the debate on the Australian Research Council Bill 2000 the issues covered by the documents that have been tabled today. In the context that the Prime Minister has made statements where he has sought to represent the government’s position as a major reversal on higher education and research, it is important to note that the government is going to have to do a great deal more if it is to mend the damage that it has done to our universities.

The desperate rush to commercialisation in response to the funding starvation is seriously threatening the international reputation of our higher education system as a whole. The Australian higher education institutions are deservedly respected here and overseas for their high standards of teaching and research. But this reputation cannot be taken for granted; it must be earned genuinely and nurtured carefully. Amongst the private colleges operating within the international education industry, it has taken only a small minority of disreputable operators to threaten the health of the industry as a whole. One must avoid any similar unfortunate development occurring in the broader higher education sector.

Australian universities once had an unquestioned reputation for excellence. Australians in the past could be heard scoffing at the variable quality of American universities. But now, thanks to this government’s policies, there are question marks over the presumption that Australian university courses offer universally high quality. The New South Wales Ombudsman has revealed that the number of complaints about higher education that he has received has doubled since 1996 and that such complaints are now a weekly occurrence. Based on the available reports, my information is that the number of complaints to the ombudsmen in Western Australia and Queensland has also doubled since 1996. The recent cases of alleged soft marking and preferential treatment at the Sydney University and the Queensland University of Technology reinforce the view that concerns about quality assurance are more widespread than might be supposed. Claims that the integrity of the Australian qualification system has been compromised are very grave. These are matters that go to the heart of our international reputation for excellence in education. The reputation of our universities and their graduates is crucial to our economic health and our future in global markets.

I personally have received a considerable number of complaints and depositions on these particular issues from university staff, students and others associated with the universities. These complaints have been referred—in fact, I encouraged members of the public, citizens, to do so—to the current Senate inquiry, although it may be necessary for me to raise further matters in this chamber. Serious allegations made in good faith about misconduct and falling standards for our universities need to be promptly, thoroughly and publicly investigated. Pretending that these events do not occur does nothing to address the central problems. The Australian government has responsibility to ensure the quality of our universities. Tragically, this government does not appear to care.

By way of a case study of possible outcomes of the pressures facing Australian university staff, let me cite a recent example
of the Department of Accounting and Finance at the University of Melbourne. The facts of this case appear not to be in dispute with the university—they have been acknowledged by the university. In 1998-99 a mature age postgraduate full fee paying student, Mr Paul Marks, was enrolled in a Master of Applied Finance at the University of Melbourne. This person was not an international student. On a number of occasions between August and September 1998, this student put a proposal to Kevin Davis, the Colonial Mutual Professor of Finance and head of the department. The proposal was that a sum of $2 million be made available from the student’s father’s estate to finance a research centre headed by Professor Davis. The money was to be made available in June or July 1999. The $2 million offer was communicated to the Dean of the Faculty of Economics and Commerce, the academic director of the masters program and the head of the finance cluster in the department. Others within the university were also made aware of these offers. The nature and the length of the negotiations entered into between members of the department and the student suggest that the offer was viewed as genuine and likely to come to fruition.

The proposed donation of $2 million was given credence by the faculty insofar as the dean of the faculty wrote to the student confirming in detail the terms of the donation. That letter is dated 29 September 1998, and it has been tabled here today. The letter confirms that the $2 million was to be paid in June or July 1999 and that the research centre was to be headed by Professor Davis. The tax act requires that donations of this type, if they are to attract deductible status, must be anonymous; yet the senior management of the department clearly knew of the source of this proposed donation. In fact, they offered to host a dinner for Mr Marks at the university.

In addition to the $2 million donation, offers of lucrative consultancies were made by the same student and discussed with academic staff teaching the Master of Applied Finance subjects in which the student was enrolled. Several consultancies were offered to the student’s lecturers, with varying values from $50,000 to $250,000. The student proposed that a team of consultants be assembled for one of his company’s clients, Hitachi, and fees of $250,000 were discussed with each of the student’s two lecturers who participated in a lunch with him in July 1998. The student also discussed with another of his lecturers the possibility of rendering assistance for that lecturer to secure a scholarship for a prestigious program at the University of Chicago. Only one lecturer indicated to the student that a discussion of these matters was inappropriate and should cease. A number of these approaches by the student took place less than a week before the date of his examinations. Of the 10 subjects undertaken by the student, five were upgraded. One mid-semester exam result, in corporate finance policy, was raised from a fail to a pass. Without a pass in this subject, the student would not have satisfied the requirements for a masters degree. That these events occurred is beyond dispute.

On 9 December 1998, the Vice-Chancellor of the University of Melbourne asked the Head of the Law School, Professor Michael Crommelin, to undertake a closed review of allegations of possible impropriety in the department of finance and accounting. The Vice-Chancellor, Professor Alan Gilbert, in a letter of 28 May 1999, directed that ‘staff not discuss the report with anyone that does not have a legitimate interest in the issues raised’. Staff were directed that they were not to copy the report or allow others to read it. The report, while recommending that staff be more careful with ‘apparent conflicts of interest’ found that there had been no misconduct by staff or students.

My reading of the report suggests to me that, during the conduct of the inquiry, not all staff members involved directly in the events surrounding these claims were interviewed. The inquirer did not directly ask staff whether consultancy agreements were entered into or whether money was exchanged. I have reason to believe that not all consultancies offered were declared in this report. It appears that not all relevant correspondence was called for to be provided by
all members of the university. It appears that the inquirer believed that seeking a disclosure of all consultancy activities by staff in the department was not relevant. The implicit assumption is that no donations, gifts or consultancies were accepted. I repeat: staff were not asked the relevant questions and not all staff were spoken to. I can just imagine the public response if this same level of partiality were applied to the inquiry into cricket match fixing.

The inquiry did not deal with the fact that the main beneficiary of the proposed donation—the head of the department—presided over the determination of grades. Nor does the report acknowledge that the academic director of the program knew of the offered donation, that other lecturers probably knew of the donation—and certainly knew of the proposed consultancies—and that the student, contrary to normal practice, sought to identify himself on exam scripts by including his name as well as his student number. It defies credibility to assert that offers of donations and consultancies were made without any attempt to influence lecturers, examiners and those who had direct control over the determination of grades.

It will be argued that, in this case, no evidence has been brought to light that the student in question did in fact receive any beneficial treatment. It is arguable, however, that these events constitute the offence of solicitation of secret commissions under section 176 of the Crimes Act 1958 (Victoria). It would appear that the university’s internal inquiry did not examine any of these issues. There is some evidence that offences of corruptly receiving or corruptly giving secret commissions have been committed or attempted. However, in the absence of documentary evidence or other evidence of concluded contracts between the parties, it may well be that these offences would not be proved in a court of law. It remains unclear as to whether such evidence was actually sought, just as the matter of contradictory advice provided to the inquirer remains unresolved. The veracity of the assertions to the inquiry may well be open to question.

While the University of Melbourne has in recent times, on legal advice, referred to the police other matters involving university members, it would appear that this option was not considered in this inquiry. It is also clear that serious issues involving apparent conflicts of interest do arise in this case. The university seems to have ignored the fact that there is possibly a case of misconduct within the meaning of section 10.3.1 of the university’s personnel policies and procedures manual. Also, the university does not seem to have taken into account section 13.1 of the statute in regard to the considerable body of evidence concerning attempts to gain an academic advantage or advancement. The university’s inquiry report is silent on these matters as well.

Let me stress that my intention is not to engage in a witch-hunt or to cause harm to individuals. My concern is to highlight a case which, I believe, demonstrates that it is questionable whether universities themselves—as this government has just asserted—can be relied upon to deal internally with allegations of serious impropriety. It is for this reason that a closer examination of the university’s inquiry is warranted.

A careful reading of the report of the internal inquiry may well suggest that the conclusions drawn are not supported by the accounts of events presented within the report. As far as I am concerned, many unanswered questions remain, and it would appear that the inquiry is incomplete. There are still questions relating to what has been done with the inquiry report within the university itself. Why was the inquiry conducted outside the formal process of the statute of the university and the personnel manual of the university? Further, why has this report not been submitted to the academic board for consideration? Given that the university chose not to follow its own formal procedures, why did it not have an inquiry external to the university, as has now occurred in the case of the Queensland University of Technology?

The case was partially reported in the *Age* in September last year. Subsequently, I have undertaken my own research on this matter. The university’s response to the *Age* report
was to suggest that, some 18 months after the report had been concluded, a new policy would be established whereby students would not be able to give a gift within five years of being a student at the university. Twenty-five months after the completion of the report, the university has yet to take that policy to its governing bodies. It has yet to implement that report. It is apparent to me—while there are a few other matters I need to say on this issue, as the Prime Minister has asked me to put up or shut up in this regard—that there are serious concerns and a coalition of concern developing within Australian higher education. It needs attention by this government and it needs the government to go beyond its glib statements that it is up to the universities to fix themselves up. After all, they are effectively responding to government policy. It is the government that has starved the universities of funds and I am concerned that the universities may well have responded to that policy direction from Canberra in ways that not all of us would welcome.

Senator COONEY (Victoria)  (11.39 a.m.)—I was listening to what Senator Carr said and I can say this about Professor Crommelin—I have met him and he is a man of integrity and honesty. I just wanted to say that before going on to the other issue that was raised before and that the minister did not answer. In a certain sense, it flows from what Senator Carr said. What is in this legislation that stops the minister being able to act in an arbitrary and capricious fashion? As I said before, Minister, I am not saying that the minister will. That is not the thrust of what I say at all. I am not accusing the minister of anything. But what I am saying is that if the system is such that it allows capricious decisions to be made then it is not a good system. We went through this before and I am not sure why you did not address that issue. It seems, particularly given the sort of matters that Senator Carr was talking about, that there ought to be transparency, as you yourself said, in the giving of grants. But you have not as yet pointed out the system that could operate to do that. As I said before, other than the publication of these matters in the annual report, there seem to be no proper facilities whereby the public, and indeed the parliament, can scrutinise these important issues. Unless you have transparency and accountability, how are you going to make everybody content at least that what is being done is being done according to what is fair and reasonable?

The other matter I have to pick up with Senator Carr before I sit down, besides the issue of Professor Crommelin, is the use of the word ‘industry’ in this context. I would have thought that he would talk about the ‘profession’ of teaching, having been a teacher himself. When he talks about the education industry, that puts a tone into it that may well lead to the problems that he is talking about at the moment. Anyhow, Minister, I would be interested to hear what sort of processes there are to lead from a consideration by the council to a decision by the minister to appropriate money to the research body.

Senator ELLISON (Western Australia—Minister for Justice and Customs)  (11.42 a.m.)—In relation to Senator Cooney’s question, I can say that the minister has to approve funding rules for Australian Research Council projects. These are public documents and they are widely disseminated in the sector. These funding rules have to set out procedures for funding, the process of application and also a procedure of appeal if an application is not successful. The minister is only able to approve funding for grants that have gone through the process set out in these funding rules and I believe that this tightens the current process, where the minister may fund any research or research related project that meets any term or condition set by the minister. I am referring to section 23 of the Higher Education Funding Act.

So what we have here is a situation where the minister has to set out these rules for funding, there is a process and any applicant has to go through that process. I suppose if a minister is set to be difficult in this and was capricious, as Senator Cooney said, then that minister would be running foul, no doubt, of the rules and if it was a capricious refusal of application there would be an appeal process provided for in those rules. No
doubt the minister’s actions would be subject to public scrutiny and that scrutiny would be conducted with the background of the funding rules and the process which had previously been set out. The government believes that there is transparency in that regard and that the process that I have mentioned would be a safeguard against any inappropriate exercise of the minister’s discretion.

Senator COONEY (Victoria) (11.44 a.m.)—So what you are saying is that there is a means—you would hardly call it a process—whereby the minister’s decision can be subject to criticism in the public and in the parliament. But that seems a poor substitute for what is really needed, which is a tight system whereby grants go to where they are needed and whereby people can say, ‘This grant has been given, it has been given on the basis that this particular research grant has more merit than those that are underneath it and it has been given to competent people.’ What you have really said is, ‘Yes, the minister has got the ability to be capricious but the parliament and the public would know all about it and regard him badly if he was.’ I am not saying that he would do this, but the fact that the ability is there is the problem. That is hardly a system of enforcing accountability and transparency.

Senator CARR (Victoria) (11.45 a.m.)—I support Senator Cooney on these essential questions of accountability and transparency. I think they go to the heart of the opposition’s concern about why the government is failing to understand the importance of the questions that are being pursued. We have still yet to hear a ‘reasonable explanation’—to use that term—as to why the government has done this backflip from what it said at the Senate committee, that is, what the minister and the officers said at the Senate committee, what the officers have indicated to us that they recommended to the government and what the minister himself, representing Dr Kemp, should emphasise, has said in this chamber. I understand there is obviously a degree of separation in terms of intention and action, and that is the issue we are trying to get to the bottom of: how is it that the government has suddenly done this reversal?

On the question of accountability, and on the issue of transparency similarly, there are more general issues affecting the operations of public institutions which the government, ultimately, has to take responsibility for, given that it is government policy that sets the framework in which our higher education system actually functions. It may well be that these are issues that states have direct control of insofar as they administer various acts that affect our universities, but the funding framework and the policy framework are determined through this parliament, through this government. I think in that process we are entitled to question what is actually occurring in higher education, and it is the government’s response on this particular bill that has brought to public attention the discrepancies in the government’s own attitudes.

It is in that context that I have raised this issue at Melbourne University that troubles me greatly. Despite these processes being established internally in the university, secret reports have been issued, have not been discussed with anyone, and have been shunted off to try to ensure that concerns are in fact pushed under the carpet and not fronted up to or addressed. This government seems to embody that approach. You would have to argue that it gives encouragement to that approach. It is understandable that universities respond to government initiatives in this context. This is why I come back to this problem at Melbourne University. You would have to ask yourself: are there any other incidents occurring there that reflect a change in the culture of our higher education institutions, at least in part?

Let us look at the composition of the Melbourne University Council, which was significantly altered under the Kennett government. It moved from 39 members down to about 21 members on the basis that we wanted it to be more business friendly, more flexible and more commercially orientated. Perhaps the university would have taken a different approach on these issues if it had had a more representative council. Let us consider, for instance, the issues that have
arisen around the case of Melbourne IT, where, as I understand it, at least three members of the council have been allegedly accused of, in terms of the share register, receiving shares in a float of a university company. The suggestion is that perhaps these issues would not have gone unquestioned if the council had been more representative. These issues of the alleged insider trading remain, frankly, unresolved. It is quite clearly arguable that the university has breached its own act—a Victorian act of parliament—in regard to decisions taken on pecuniary interests of its council members. The operations of the Melbourne University council, it would seem, have been criticised by the Victorian Administrative Appeals Tribunal and the Victorian Ombudsman. I think it is now appropriate that a review of the council’s operations perhaps be examined.

For that reason, I am calling upon the Victorian minister for education to review the effects of Jeff Kennett’s reorganisation of the university council. It really is odd that the former minister responsible for the administration of universities in Victoria received shares in this particular float. It is a matter that does concern me. As I understand the situation, Mr Phil Honeywood appears on the share register list, and I have reason to believe that it is the same Phil Honeywood that was formerly the minister responsible. It seems to me that the case that I have referred to at Melbourne University is one of many. As I said, there is a coalition of concern developing over the numerous cases of, one could only suggest, inappropriate behaviour at institutes of higher earning, I mean, learning—not higher earning, in fact that is probably what many of them have had a look at. These cases are serious and ought to be addressed by government. As I said, universities are operating in the context of government policy. Since coming to office, this government has in fact extracted $5 billion from the higher education and research development systems in this country. It has asked universities to fund their operations increasingly from private sources of income. It has set in place no checks and balances as to how the money is to be raised and precious little on how it is to be used.

Despite Dr Kemp’s best efforts, Australian universities remain public institutions. For this reason I argue that the principles of accountability and transparency of operation ought to be insisted upon. You can understand why it would be difficult for a government to do that. It has proposed to this parliament a situation in regard to the ARC Bill where it is not insisting on those principles itself. This government has suggested—as this minister has earlier today—that complaints, such as the ones I have raised, be referred to this new Universities Quality Agency. Yet the agency’s own charter spells out that it is not going to have a look at individual cases and will not, in fact, be up and running for a while. The Melbourne University could well, in my judgment, be an example of how the Howard government’s savage cuts to higher education have left universities scrambling desperately for funds from commercial sources.

Recent policy announcements made by governments do not change that. Competitive pressures in this particular sector are intense. In this climate complacency about the maintenance of academic and ethical standards is far from appropriate. The government’s policy has changed the environment in which universities operate, particularly in relation to research and international education. More and more higher educational institutions have been forced to rely upon the revenue brought in by fee paying students, which has inevitably changed their focus and their priorities and maybe even their standards. The existing regulatory regime is seriously inadequate.

The government has recognised this fact in regard to private colleges operating in international education to the extent that last year it finally responded to Labor’s concerns by a complete overhaul of the regulatory framework through the ESOS Act. I have raised before the potential and the actual problems of poor quality, private virtual universities which are nothing more than degree mills. I look forward to further debate in this parliament on the still unresolved issue of Greenwich University, that interloper established by statute on Norfolk
Island that the opposition exposed here in 1999.

I look forward to the minister explaining how his colleague directed the administrator of Norfolk Island to sign into law that statute that allowed people to fundamentally challenge the existing quality assurance regime in this country. I look forward to that, Minister, and I am sure that you will have plenty to say on the matter as well—I trust that that is the case.

It is possible that under the unprecedented strains imposed by Dr Kemp’s starvation policies our reputable universities might just buckle. I sincerely hope they have not already done so. But none of us can be sure of this unless genuine claims of malpractice and misconduct are honestly and openly examined. The attempt to sweep them under the carpet would be irresponsible in the extreme. That is why Labor has called for an independent inquiry into the allegations of academic fraud with guaranteed protection for whistleblowers—and that is a critical component. Failing the establishment of an independent inquiry, the Senate education committee inquiry into higher education provides—perhaps in some ways unfortunately—the only venue in which these matters can be dealt with. That is why I have urged those who have information on similar practices to come forward and use the vehicle of the Senate to approach their parliament about their concerns and allow these issues to be examined at least through that process. It is important for the future state, reputation and integrity of Australian higher education that this is done and that these issues are dealt with thoroughly, comprehensively and impartially through a process whereby we can genuinely guarantee quality assurance.

Senator GREIG (Western Australia) (11.57 a.m.)—I, too, wanted to comment on part of the minister’s answer to Senator Carr’s question earlier. The minister expressed his concern about what he described as the enormous strain on universities and I concur—most Australians do, I think. There is a real and legitimate concern about the quality of education in Australia and its funding. It is appropriate that we can and do address the issues of compromised standards at another time. But I do want to make a specific point in response to one of Senator Ellison’s comments and that is the Australian Universities Quality Agency will not have the capacity to investigate individual complaints. This has been made very clear in the terms of reference and was explicitly iterated by the chair of the AUQA, Professor Beanland, in the Australian in the higher education supplement in yesterday’s paper, 7 February. I ask the minister to confirm for the record that that is the case: that is, the Australian University Quality Agency does not have the capacity to investigate individual complaints.

The TEMPORARY CHAIRMAN (Senator Murphy)—The question before the chair at the moment is that the Senate not insist on its amendments. I intend to separate questions for the minister.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (11.58 a.m.)—I am just taking instructions on that because I did mention earlier that the Australian Universities Quality Agency did have as part of its focus the internal mechanisms which are in place in relation to academic standards for students and that its role would be to audit institutional approaches and processes. Any individual allegations relating to academic standards received by the AUQA will be forwarded to the relevant institution for appropriate investigation. It would seem from the advice that I have that, if you have an individual complaint, that is referred to the institution to be dealt with. I am also advised that a person could also go to the state ombudsman as well—that is another avenue which is available.

Senator Carr—So they investigate themselves?

Senator ELLISON—By referring it to the institution for appropriate investigation, you still have the overview of the AUQA, and that provides some check. You hear Senator Carr say that it is self-regulation or self-investigation, but I do not think that is quite so, from the mechanism that I have described. I will take that question on notice and get back with further detail, if necessary.
The CHAIRMAN—The question is that the Senate does not insist on its amendments. This question is to be separated three ways as there are two bills and I understand that there are some amendments that the opposition and the Democrats wish to move. The first question is that the Senate does not insist on amendments Nos 1, 2, 8 and 9.

Question resolved in the affirmative.

The CHAIRMAN—The next question is that the Senate does not insist on amendments Nos 3 to 7, 10 and 11.

Question resolved in the negative.

The CHAIRMAN—The question now is that the amendments to the Australian Research Council (Consequential and Transitional Provisions) Bill 2000 not be insisted on.

Question resolved in the negative.

The CHAIRMAN—We shall now move to the amendments to the Australian Research Council Bill 2000. Senator Carr, you have amendments to former amendment No. 1.

Senator CARR (Victoria) (12.02 p.m.)—I move:

(1) Clause 3, page 2 (after line 19), at the end of paragraph (a), add:

(iv) that may, on its own initiative, conduct inquiries into matters related to research and research education and publish the results provided that the performance of this function does not prejudice the performance of its functions under subparagraphs (i), (ii) or (iii); and

This is in relation to the matter of the capacity of the ARC to conduct independent inquiries. I think the arguments have been spelt out. I understand that the issues are clear in the minds of the government as to why we are pushing these issues. I think we have made the points abundantly clear. I will not delay the chamber any longer on that matter. I seek your support.

Senator GREIG (Western Australia) (12.02 p.m.)—I indicate that the Democrats are supportive of the amendment moved by the opposition through Senator Carr. For that reason, specifically, we are not insisting on or not pressing ahead with the original amendment first passed, amendment No. 1, because this amendment effectively replaces it and is a better system.

Amendment agreed to.

Senator GREIG (Western Australia) (12.03 p.m.)—by leave—I move Democrats amendments Nos 1 to 4:

(1) Clause 12, page 8 (line 17), omit paragraph (c), substitute:

(c) 9 other persons, including one higher degree research student.

(2) Clause 14, page 9 (line 2), omit “The 8 Board members”, substitute “The 8 non-student Board members”.

(3) Clause 14, page 9 (line 6), omit “this section”, substitute “subsection (1)”.

(4) Clause 14, page 9 (after line 12), at the end of the clause, add:

(4) The higher degree research student referred to in paragraph 12(c) is to be appointed by the Minister by written instrument for a period of one year from a list of at least three nominations made by the Council of Australian Postgraduate Associations.

On behalf of Senator Natasha Stott Despoja, whose portfolio this is, I am pleased to promote these Democrat amendments as what we consider to be considerable improvements to the bill. As the government has acknowledged in its white paper, postgraduate higher degree research students are crucial to Australia’s research efforts. For example, they do approximately 60 per cent of the research within universities, they author approximately 35 per cent of publications, they play an important role in many ARC funded projects, they are at the cutting edge of new knowledge, they make significant contributions to developing national and international research networks, and they constitute the rejuvenation of the research community.

The Democrats believe the perspective that a research student can contribute will be a valuable addition to the ARC board and will complement the views of the research, academic and industry stakeholders the government has identified for the board. The intent is that this is not a narrowly representative position, but rather a position that enables a crucial perspective in the research
endeavour to contribute to the board’s deliberations.

There are a number of options as to how a research student can be identified. The Democrats believe that the most appropriate mechanism is for the minister to make an appointment selected from the list of at least three nominations put forward by the Council of Australian Postgraduate Associations. By virtue of being an association of associations, the CAPA has the relevant structure to bring forward appropriate nominees. That is the core intent of these four amendments moved by us on this occasion.

Senator CARR (Victoria) (12.06 p.m.)—The opposition is supporting the Democrats amendments Nos 1 to 4, which go to the issues of representation on the board and appointments to the board.

Amendments agreed to.

Senator CARR (Victoria) (12.06 p.m.)—Minister, I am concerned that I do not see before me any proposals in regard to the schedule. The amendments agreed to by the Senate inserted a schedule in the Australian Research Council (Consequential and Transitional Provisions) Bill that had the effect of confining research and training infrastructure funding to a list of duly established higher education institutions, which was, of course, identical to schedule A of the Higher Education Funding Act.

As I understand the situation—and I am open to correction on this matter—the Australian Vice-Chancellors Committee has publicly indicated that it would like a further two institutions added to that list, which I understand are also covered by their own memberships. It would appear that AVCC does operate like many other organisations in these matters. It is seeking to add Bond University and the Melbourne College of Divinity, which I understand is established in association with the University of Melbourne and has existed more or less in this form for over 100 years. It has been around for quite a while. I am wondering whether the government has a view on these matters. We certainly have no objection to this proposal, and we invite the government to accordingly put forward an amendment to our own amendment in this area. Minister, that matter does need further clarification before we can close proceedings on this bill.

Senator ELLISON (Western Australia—Minister for Justice and Customs) (12.08 p.m.)—The government has made it quite clear that it opposes opposition amendment No. 1 to the Australian Research Council (Consequential and Transitional Provisions) Bill 2000. Amendment No. 1 deals with the schedule that Senator Carr has referred to. The question of what is in that schedule is irrelevant, because the government opposes that amendment. So the government cannot take up Senator Carr’s invitation, because, in the first instance, it is opposed to the amendment which creates the schedule.

Senator GREIG (Western Australia) (12.08 p.m.)—Before this bill is finalised, I would like to make a few additional comments in relation to the Democrats perspective. The government’s white paper ‘Knowledge and innovation’ proposed to establish the Australian Research Council as an independent organisation with an enhanced strategic leadership and management role in Australian research. The original bill brought forward to this house was flawed in a number of respects, notably with respect to ministerial accountability and the failure to carry forward the ARC’s existing capacity to initiate its own inquiries into the new framework. To strengthen the ARC and to address the shortcomings in the proposed legislation, the Senate passed a series of perfectly reasonable, moderate and appropriate amendments.

We Democrats respond to the question before us today by saying that we have pressed ahead with all the amendments, apart from Nos 1, 2, 8 and 9. We were happy to dispense with No. 1 on the grounds that the Labor amendment suffices for that, and Nos 8 and 9 have effectively been updated by the four Democrats amendments which are about to be passed. Senate amendment No. 3, along with today’s passage of the ALP amendment, gives the ARC the capacity to initiate its own inquiries. This capacity, which it currently possesses, is essential if independence is to mean anything. If the role of the ARC were only to
provide advice to the government, there would possibly be a case for not including this capacity. However, by the government’s own admission in its message, the ARC is intended to have a broader role in this.

The government’s stated objection is that there is nothing to prevent the ARC from drawing the matter to the attention of the minister, who may then formally refer the matter to the ARC for further investigation. We Democrats believe that that response is unacceptable. The National Health and Medical Research Council can initiate its own inquiries. At no stage has the government advanced any sensible argument as to why this capacity is onerous or inappropriate or why the NHMRC is not a relevant analogue. Moreover, since the abolition of the National Board of Education, Employment and Training and thus the Higher Education Council, there is no independent body giving advice to the government on research and research education matters.

It has been claimed elsewhere that, as the current power has been rarely used, it is of minor consequence if it goes. This claim is both complacent and ill informed. It is complacent because, by simply having self-initiating capability in place, a minister cannot prevent investigation of an issue that the ARC board has identified as warranting investigation. Secondly, over the years the ARC has instigated and published a number of important and influential studies that have thrown light on a wide range of important issues. A recent example was the study *Inventing our future: the link between Australian patenting and basic science* in 2000.

Even if it is likely that the minister would give a specific reference for a study such as this, it does not change the fact that this capacity is essential if independence is to be taken seriously. The government also makes the comment that it is not necessary to specify research education as a separate aspect of research matters. The Democrats believe that the slightly broader scope implied in the Senate’s wording is desirable and note that this is supported by, amongst others, the Australian Vice-Chancellors Committee. It should be noted that the government itself saw fit to specify both research and research training in its requirement in the *Australian Research Council (Consequential and Transitional Provisions) Bill 2000* that institutions must provide an acceptable research and research training management plan to access the contestable funding schemes in section 23 of the Higher Education Funding Act 1988. Accordingly, the Democrats have been pressing those two amendments.

In terms of ministerial accountability, the other fundamental flaw with the government’s initial ARC bill was the unacceptable lack of ministerial accountability and transparency. Senate amendments Nos 4, 5, 6, 7, 10 and 11 all went to that issue. The government claims that requiring the minister to table directions and requests to the ARC in parliament within 15 sitting days is an onerous requirement and that it would be more efficient to record such directions and requests in the ARC’s annual report. The government’s position beggars belief and is unacceptable to us. The Democrats have consistently argued for greater transparency and accountability in government. We find it intensely disappointing that the government will not take fundamental issues such as ministerial accountability seriously. Simply recording requests in the ARC annual report means that there could be a window of up to 15 to 18 months before the community is aware of such requests. The government recently announced a doubling of the ARC’s budget over five years. This is a significant amount of public money and makes ministerial accountability more urgent.

The reporting requirements in the Senate’s amendments are quite conventional. They do not infringe unreasonably on the minister and apply, for instance, to the minister for health in respect of the NHMRC. I might add that the minister was required to report directions and requests to the ARC to parliament in a timely fashion under the arrangements until December 2000. I would like to make a few specific comments on amendment (11). That requires the minister to table details of individual grant proposals that, firstly, were not recommended by the ARC and, secondly, were recommended but
were rejected by the minister. It also requires that the details include the name of the organisation, a statement of reasons and the names of all persons and organisations who gave advice to the minister other than the ARC. While the Democrats understand that the minister may have cause to seek advice outside the ARC, it is unacceptable that any decision in variance with the ARC’s recommendations should not be tabled in parliament.

Peer assessment is a crucial decision to the operations of the ARC. Any measure that undermines public confidence in peer review verification and quality is unacceptable. It potentially opens up the minister to accusations of cronyism if peer review has been bypassed in the approval of research grants. The Senate ought to be aware that, in the public hearing of the Senate inquiry into the ARC bills on 14 November 2000, the head of the research branch at DETYA, Mrs Jenni Gordon, stated that she was not aware of any minister overriding an ARC recommendation. However, the First Assistant Secretary, Mr Michael Gallagher, said that it had occurred once, when Minister Vanstone refused to approve a project on indigenous affairs—the point being that it is likely that instances like those covered by this amendment are very rare. Thus it is hardly an onerous constraint on the minister.

That such circumstances occur rarely, however, does not obviate the need to ensure community confidence in the processes of the ARC by insisting that the accountability and transparency measures of this amendment be pressed. Indeed, on all amendments that go to ministerial accountability, the Democrats will be pressing ahead. In summary, in view of our stated aim of maintaining some of the initial amendments passed by this chamber, as well as supporting those moved today by Labor in addition to the successful ones that the Democrats have moved today, I conclude my remarks.

Resolutions reported; report adopted.
bor senators’ minority report identified then the issues that I have just outlined as still requiring resolution. On the first issue of recognising the ABC’s role in online and datacasting services, it has been apparent for some time now that the ABC’s role in the digital environment needs to be clarified and expounded. The effect of the ABC’s act and charter needs to be extended to activities that the ABC conducts online, in its digital environment or when it moves to datacasting. The ABC is authorised to offer a datacasting service pursuant to clauses 39 and 40 of schedule 6 of the BSA. The Broadcasting Legislation Amendment Bill 2000 moves those provisions from the BSA to the enabling legislation of the ABC and the SBS. Last year, the Labor senators’ report for the inquiry into the digital TV bill recommended:

Specific provisions that might apply to datacasting by the ABC and SBS might more appropriately be contained within the Australian Broadcasting Corporation Act 1983 and the Special Broadcasting Service Act 1991.

The amendment to be moved by the opposition in the committee stage implements Labor’s recommendation by incorporating provisions affecting the ABC and SBS in their own legislation. The government has not seized the opportunity that this bill presents to amend and update the enabling act of the Australian Broadcasting Corporation consistent with technological advancements. The opposition, on the other hand, seeks to have the ABC’s role in online services incorporated into the act. The changes to the ABC Act need to go further than the government is proposing in schedule 2 of this bill. The amendments must address public concerns that future commercialisation or even privatisation of these ABC services is being contemplated and is possible under the existing legislation. We must ensure that this does not happen.

Concerns about the future of the ABC have arisen because these activities are not incorporated in and protected by the ABC Act and charter. Last year, there was considerable public concern at a proposed commercial arrangement between Telstra and ABC Online which resulted in a Senate committee inquiry into the matter and the deal being subsequently abandoned. Concerns raised during the inquiry were founded on the potential detrimental impact of such commercial arrangements on the ABC and its future independence and integrity. This was particularly worrying in the context of ongoing funding cuts by the current government. The appropriateness of allowing advertising on the ABC’s web site was questioned at that time and, by bringing these activities of the ABC within its act, advertising will be prohibited on new digital or online platforms, consistent with restrictions on the ABC’s domestic radio and TV services. This amendment proposed by the opposition will assist in ensuring the future independence of the ABC from commercial interests and influences.

I will move now to the second issue which we will discuss later in committee. The opposition is concerned to see that the ABC and SBS are not—I repeat, not—restricted in multichannelling services they choose to offer. The ABC and SBS indicated last year during the inquiry into the digital television bill that they believed the capacity to multichannel, pursuant to their charters, is important because it would (a) enable them to better fulfil their charters, giving viewers real additional choice by allowing more programming to be showcased and at times that suit their audience; (b) allow the ABC and the SBS to program content with a regional focus, and for the SBS to program additional Australian and multicultural content within that focus; (c) enable them to be cost effective; and (d) encourage take-up of digital technology to the benefit of the industry as a whole.

The failure of Australians to embrace digital television means that it is even more important now to remove the restrictions on the national broadcasters’ ability to engage in multichannelled digital programming. The rationale for the decision to restrict multichannelling by the national broadcasters is not easily ascertained or understood. Interestingly, the commercial stations indicated during last year’s inquiry into the digital television bill that they do not oppose
multichannelling by the ABC and the SBS provided that the multichannelling is:

... very definitely within their charters and provided that the focus was very much on complementary programming, rather than quasi commercial programming or programming that is likely to compete in a serious sense with commercial television.

The opposition believe that multichannelling complements the charters and see no valid justification for denying the national broadcasters the ability to multichannel in an unrestricted way within the constraints of their charters. This is particularly so when those arguments are balanced against the resultant benefits. For this reason, we will be seeking to remove the limitations that the government insisted on as a condition of permitting the ABC and SBS to multichannel when the digital television act was passed last year.

I will turn now to the third issue that I wish to discuss in the context of this Broadcasting Legislation Amendment Bill: the exemption of the ABC and SBS from the payment of datacasting licence fees. The national broadcasters indicated last year that imposition of the licensing charge on them would be illogical because, should government funded broadcasters be required to pay that fee to the government, the government will have to increase their funding accordingly. This is in the context of the triennial funding decision by the minister, which has not provided funding for the fee. In effect, the government’s refusal to provide funding for payment for the fee would be a reduction in the funding of the national broadcasters, whilst provision of the additional funding would be tantamount to the government paying the datacasting fee to itself. That is, there is no cost to the budget arising from this exemption, because if the government imposed licence fees on the ABC and SBS, its funding to these broadcasters would simply be transferred from the ABC and the SBS to consolidated revenue via the Australian Broadcasting Authority. This situation is nonsensical and requires resolution. Labor will be seeking government support for exempting the ABC and SBS from these datacasting licence fees and resolving this irrational situation.

The next issue for consideration in today’s debate is the need to replace the government’s restrictive genre based datacasting regime with a much more workable regime. The government has failed to successfully implement the introduction of digital television into Australia. This failure demonstrates the serious flaws in its digital television policy. We can tell the government now, just as we warned it seven months ago, that its datacasting regime will similarly be a dismal failure if it remains in its present form.

As we noted in our report to last year’s inquiry into the amendments to the BSA establishing the datacasting regime, the definition of datacasting as it stands is overly restrictive, complicated and goes beyond restricting datacasting to services that do not constitute broadcasting. The opposition accepts that datacasting cannot be de facto broadcasting. However, the definition needs to be amended to remove the artificial and unnecessary limitations on datacasting. It is crucial that this emergent industry is not stifled in its development and innovative capacity by overly restrictive regulation. If it is, the benefits for Australia’s technological advancement, improved consumer services and employment and economic opportunities will be constrained.

Labor oppose the genre based definition of datacasting, as we did last year, and instead support an approach that favours flexibility, minimises barriers to entry and allows new services to develop over time. The amendments to this bill that Labor will move implement this flexible approach, which will enable a new industry to develop and prosper. The Productivity Commission, in its comprehensive report on broadcasting last year, noted the flaws in the government’s policy. The commission’s report stated that the government’s policy relating to datacasting:

... stifles competition and innovation and is at odds with major tenets of mainstream broadcasting policy.

The commission considered the regulatory restrictions:

... will be costly to Australian consumers and businesses alike ... delay consumer adoption of
digital technology and deprive business of opportunities to develop new products and services for the world as well as Australian markets.

There was considerable support during the digital television bill inquiry for the Productivity Commission’s position that prescriptive regulation will be detrimental to the emergent industry and consumers. The regulatory regime will have particularly adverse consequences for consumers in rural and regional Australia who stand to gain so much from an effective and viable regime. These are serious concerns which need to be addressed so that Australian consumers will not be negatively impacted due to the inability to provide the full range of new digital services and so that the provisions of the BSA do not limit or suppress the viability of this emerging industry.

The opposition believes that excessive regulation in this instance will have consequences for Australia’s technological advancement, improved consumer services, employment and economic opportunities. As we said last May or June, and we restate today, it is critical that we avoid these harmful consequences. The opposition stands by the recommendations in the minority report that the definition should be amended to remove the artificial and unnecessary limitations on datacasting. For this reason, we will again move the alternative datacasting regime that we proposed last year when the digital television bill was debated in the Senate.

One final point on the issues arising out of the government’s definition of datacasting in the act. During the last year’s inquiry into the BSA amendments, the national broadcasters raised legitimate concerns that the genre based content definition of datacasting might impinge on programming decisions properly the province of their boards. This is another reason why the opposition is attempting to remove the government’s genre based datacasting restrictions and replace them with a general datacasting regime. Our regime, if passed, will benefit the ABC and SBS, along with all other prospective datacasters.

The final issue for discussion today is that the national public broadcasters should be allowed to develop and enforce their own codes of practice for the provision of datacasting services. The ABC and SBS have indicated concern about the imposition of the requirement to develop uniform codes of practice as part of the datacasting industry as a whole. All other program content by the national broadcasters is subject to codes of practice developed internally and notified to the ABA. This is in contrast to other parts of the broadcasting industry which are required to develop codes in consultation with the ABA and register them with the ABA. The ABC and SBS codes of practice reflect their charter responsibilities and, as a consequence, are necessarily different from those developed by other parts of the industry.

The Broadcasting Legislation Amendment Bill 2000 creates a new situation for the national broadcasters by giving the ABA power to impose datacasting licence conditions requiring compliance with its codes. The ultimate sanction for a breach of such a licence condition will be the loss of the licence. These arrangements are completely different from the existing broadcasting content regime for the national broadcasters. For this reason, we have indicated that we will support the government’s amendments to remove this code of practice requirement imposed on the ABC and SBS. This will ensure consistency between datacasting service and broadcasting service regulatory arrangements for the national broadcasters.

We have indicated support for another amendment, which seeks to extend the strong and important accountability measures under the BSA, unique to the national broadcasters, to datacasting services. This will provide consistency between datacasting and broadcasting services in terms of complaint mechanisms. In place of the industry codes of practice for datacasting, the ABC and SBS should be able to develop and maintain their separate codes of practice for datacasting, just as they do for broadcasting. The opposition has indicated support for government amendments to this effect.

In summary, the opposition will seek to amend the datacasting regime to avert the problems that will be associated with its
inevitable failure should it remain in its present form. We will also seek to make several amendments that will impact on the ABC and SBS, including ensuring the ABC’s role in the provision of online and datacasting services is recognised in its act and charter, removing restrictions imposed on the national broadcasters in relation to their multichannelling services, and exempting the ABC and SBS from payment of datacasting licence fees. The opposition supports giving the ABC and SBS control over development of their own regulatory codes of practice for datacasting services. Our amendments, if accepted, will ensure a fair and workable digital regime to the extent that the existing policy framework will permit.

Moving from our amendments to the bill that will be moved in committee, I now advise that I will shortly be moving a second reading amendment which calls on the government to postpone the auction of datacasting spectrum until the datacasting regime is finalised. I have already outlined in some detail the flaws of the existing scheme put in place last year—it is restrictive and unworkable. In view of the substantial changes that are necessary to ensure that Australia has a workable datacasting regime, we are seeking the Senate’s support for this motion calling on the government to suspend the auction of datacasting spectrum until consideration of this bill is complete. A number of the proposed amendments to the bill have the potential to significantly impact upon the auction process. By creating a viable framework for the datacasting industry, the datacasting spectrum will be considerably more valuable to potential datacasters than is presently the case.

The amount to be obtained from the datacasting spectrum auction will have a material effect on the budget. For this reason, we are not asking the government to delay the auction beyond this financial year. There is no reason why the auction cannot be delayed until later this financial year. This action will offer certainty to potential datacasters and seems entirely appropriate in light of the parliament’s continuing consideration of the datacasting regime.

The other issue addressed by the second reading amendment is the government’s failure to adequately resource the ABC to effect its digital transition. The parliament mandated the ABC’s conversion to digital broadcasting by the end of last year. This was, and is, a costly project. Additionally, last year the parliament acknowledged the importance of digital broadcasting to the ABC by authorising it to utilise multichannelling capabilities in the new digital environment. The digital television legislation empowered the ABC to multichannel when digital transmission began this year. Yet, again, the government has failed the ABC—this time in its duty to resource the broadcaster for this important role and this new technology into the future. In order to undertake these additional demands, the ABC has had to draw on the limited funds made available by the government. The government did not provide for these activities adequately, if at all. Inevitably, responsible management of the ABC has necessitated cuts to expenditure in other areas. We had a lengthy discussion last year in estimates as to where those cuts were falling.

The opposition is of the view that it is the government’s responsibility to ensure that the ABC is adequately resourced to fulfil its statutory responsibilities. The government has again dismally failed the ABC and the Australian public in this duty. Therefore, this second reading amendment calls on the government to finally take action to ensure that the ABC is able to operate effectively in the digital world. Accordingly, I move:

At the end of the motion, add:

“but the Senate calls on the Government:

(a) to suspend the auction of datacasting spectrum until the Parliament has completed its consideration of the bill while still allowing the auction process to be completed this financial year; and

(b) to rectify its failure to adequately resource the ABC to effect the national public broadcaster’s transition to the digital world”.

Debate (on motion by Senator Ian Campbell) adjourned.
COMMITTEES
Allocation of Departments and Agencies

Debate resumed.

Senator IAN CAMPBELL (Western Australia—Manager of Government Business in the Senate) (12.38 p.m.)—by leave—
As was foreshadowed a little while earlier, there have been discussions between parties in the Senate relating to the allocation of portfolios to the various legislation committees sitting as estimates committees. This was necessitated because of the change in administrative arrangements. The opposition and the government have held some discussions. As I indicated previously—and when the Manager of Opposition Business comes to the chamber, I will reiterate it—agreement has been reached on the proposal. For the record, as is always the practice, the government will review the allocation of portfolios to estimates. Effectively, eight committees sitting across two days, sometimes three, have to be balanced with the interests of ministers, shadow ministers and other people. It is an interesting matrix to try to get right as the Manager of Government Business. We do review that.

As Senator Carr has arrived in the chamber, I will reiterate. The allocation we have proposed is the best fit, as we see it, but I undertook previously that, if this motion goes forward, I am very happy to review—and undertake to do so—the arrangements as estimates rounds come up, as we would normally do. The experience in this coming round will be an important factor when we review these things. I thank my colleagues for granting me leave to make this speech.

Senator CARR (Victoria) (12.41 p.m.)—
by leave—The opposition were only given part of the story this morning. When I got to my feet this morning I was not in possession of all the facts on this issue. I have been able to clarify that the government is proposing to establish a new department, with separate lines of funding administering the acts that I referred to this morning. We have argued that there are possibly three options to consider regarding the allocation of this new department to either community affairs, finance and public administration or legal and constitutional affairs portfolio. As the details of the new administrative arrangements have been provided to us, we think it is reasonable to support the government’s motion.

Question resolved in the affirmative.

Privileges Committee

Message received from the House of Representatives requesting that the Senate give leave for certain senators to attend before the House of Representatives Committee of Privileges.

Ordered that consideration of the message be made an order of the day for the next sitting.

NATIONAL MUSEUM OF AUSTRALIA AMENDMENT BILL 2000 [2001]

Second Reading

Debate resumed from 6 December 2000, on motion by Senator Alston:

That this bill be now read a second time.

Senator BOLKUS (South Australia) (12.43 p.m.)—The opposition supports the National Museum of Australia Amendment Bill 2000 [2001] and supports the amendments. Items 2 and 3 of the bill provide the museum with power to develop and implement sponsorship, marketing and other commercial activities relating to the museum’s functions. Item 4 inserts a capacity to enable the museum to charge fees and impose charges for its services and to raise money through events. The National Museum has set a target for itself of some $4.2 million in its first year. The proposed amendments will enable the museum to engage in a range of commercial activities that will allow it to raise funds to meet the target.

Although we are supporting the legislation, we do have some concerns in relation to the ability of the museum to meet a $4.2 million revenue target—a target set by the government in light of the recent decision that the museum would not charge the general entry fee. Of course we support the decision not to charge a fee, but we are interested to know whether there will be a recalculation of the $4.2 million figure as a result of this decision. I understand that the Prime Minister has asked that a review of the museum’s financial position be conducted 12
months after it opens. We presume that the issue will be dealt with before then and we would like that information.

Amendments proposed by items 5 and 6 raise the threshold under which objects for disposal would require the minister’s approval, from some $20,000 to $250,000. We accept that the proposed figure of $250,000 will better reflect current values of museum items and is consistent with the limits for the National Library of Australia. I could go on to a couple of other provisions but I think it is best to indicate that we support the bill and that we will facilitate the quick passage of it.

Senator ALLISON (Victoria) (12.45 p.m.)—I indicate that the Democrats also support this bill. I do want to make a couple of cautionary remarks and to note that this bill allows for the museum, if it chooses—and there is no indication that it will do so in the short term—to charge entry into the museum. So the bill clarifies the museum’s power to impose fees and charges and to engage in other revenue-raising ventures—for instance, the holding of events. It increases the limits below which historical material can be disposed of by the museum without ministerial approval—from $20,000 to $250,000—and it enables the museum to develop a National Museum of Australia Fund. While that brings the National Museum into line with the National Maritime Museum as well as the National Gallery, we think it is supportable. But I want to point out that the Senate in 1998 conducted an inquiry into the question of access to heritage—in fact, that was the name of the report, Access to heritage: user charges in museums, art galleries and national parks. Quite a lot of evidence was provided to the committee and different opinions were given on the implications of charging for entry into galleries. It was pointed out, for instance, that if we charge for such places we discourage poorer people from coming along and being able to access that heritage. Other views were put forward to the effect that museums and galleries draw visitors who are disproportionately from the educated, and therefore more well-off, groups, so that not charging entries is, in a way, a subsidy for people on lower incomes through taxes of richer visitors.

One of the recommendations made as part of that inquiry was that a bit more work needed to be done—in fact, we said there needed to be research sponsored by the Department of Communications, Information Technology and the Arts—to look at the influence of user pays on access and equity in the regional, local and volunteer operated museums and galleries sector as well as the large national museums and art galleries, because we just do not know what the implications are for charging entry into these places. I note that the National Museum is not proposing to introduce those charges, but this bill does allow them to do that. If there were a cautionary note I would like to make in relation to this bill, it is on that question. I would urge those who are in a position to make a decision about entry charges to consider the question of equity and whether or not we would be discouraging people from going to galleries if they had to pay. That is the only point I want to make on behalf of the Democrats. We otherwise see this as a piece of non-controversial legislation.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.49 p.m.)—I thank honourable senators for their contribution. We have noted your concern, Senator Allison, and I commend the bill to the Senate.

Question resolved in the affirmative.

Bill read a second time.

In Committee

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.50 p.m.)—I table a supplementary explanatory memorandum relating to the government amendment to be moved to this bill. The memorandum was circulated in the chamber on 7 February 2001. I move the government’s amendment:

(1) Schedule 1, item 7, page 3 (line 28), omit “sections 27F to”, substitute “section 27F or”.

Amendment agreed to.
Bill, as amended, agreed to.
Bill reported with an amendment; report adopted.

Third Reading
Bill (on motion by Senator Heffernan) read a third time.

ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000 [2001]

Second Reading
Debate resumed from 6 December 2000, on motion by Senator Alston:
That this bill be now read a second time.

Senator BOLKUS (South Australia) (12.51 p.m.)—The Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000 essentially implements into environment legislation the harmonisation of the criminal code that the government has been sponsoring—and in fact the previous Keating and Hawke Labor governments sponsored—on a national level. In essence, what we are doing here is ensuring that, where the criminal code has been harmonised, environment legislation does pick up that degree of harmonisation and consistency. It is minor, it is technical and we support the legislation.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.52 p.m.)—Thank you, Senator Bolkus, for your contribution. I commend the bill to the Senate.
Question resolved in the affirmative.

Bill read a second time.

In Committee
The bill.

Senator BOLKUS (South Australia) (12.52 p.m.)—I have a question for the parliamentary secretary. The second reading speech states:
The rationale is to prevent future interpretation that the reasonable excuse element of the provision is an element of the offence, which would have to be disproved in the negative by the prosecution, and puts it beyond doubt that it is a defence to the offence.
I ask the parliamentary secretary whether he can make sense of that.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.53 p.m.)—I thought there would be a bit of a try-on here with Senator Bolkus. Could I go to St Vincents and get you a coat while I am at it? Of course I can make sense of it. A fault element can only be dispensed with in relation to one offence or in relation to a particular element of a defence if the offence specifies that it is a strict or absolute liability offence.

Senator BOLKUS (South Australia) (12.53 p.m.)—I challenge anyone else to try to make sense of that answer. Senator Heffernan, that has nothing to do with the question I asked you, which went to the rationale which apparently is to prevent future interpretation of the reasonable excuse element in the way that the second reading speech explains. So I will give you another chance.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.53 p.m.)—I have nothing to add to my first answer.

Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading
Bill (on motion by Senator Heffernan) read a third time.

INTERNATIONAL MONETARY AGREEMENTS AMENDMENT BILL (No. 1) 2000

Second Reading
Debate resumed from 8 November 2000, on motion by Senator Ian Campbell:
That this bill be now read a second time.

Senator BOLKUS (South Australia) (12.54 p.m.)—This is also a non-controversial measure, and we are happy to support the passage of the International Monetary Agreements Amendment Bill (No. 1) 2000 through the parliament. In some respects it is a unique occasion because it represents the Howard government at last and for the first time doing the right thing in the international arena. The issues of the bill relate to the IMF. The bill is im-
important because it seeks to give Australian legislative backing to amendments before the IMF to alter its articles of agreement. With its passage through the Australian parliament, it moves the IMF one step closer to gaining the required consent for the majority of its fund members to ratify these amendments. So we support this bill.

Senator HEFFERNAN (New South Wales—Parliamentary Secretary to Cabinet) (12.55 p.m.)—I thank Senator Bolkus for his contribution and commend the bill to the Senate.

Question resolved in the affirmative.

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

Sitting suspended from 12.56 p.m. to 2 p.m.

QUESTIONS WITHOUT NOTICE

Petrol Prices: Excise

Senator SHERRY (2.00 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. In light of the Treasurer’s repeated claim that he is only following Labor policy in indexing fuel excise, will the Howard Liberal-National Party government also follow the Labor policy when in government of cutting fuel excise? Given that the Labor government was able to cut the fuel excise on no less than eight occasions, why can’t the Treasurer follow this Labor policy and do it at least once by freezing the excise rise that occurred on 1 February?

Senator KEMP—Senator Sherry must be joking. I have not got the exact figures here but they will give you a broad measure of what happened under the Labor government. I think that in 1983 the excise on fuel was in the order of some 6c. When we came into office, the excise had risen to well over 30c a litre. I would have to point out to you that for Senator Sherry to get up and say that the Labor Party cuts excise, he truly must be joking. Let me just recall to you, Senator Sherry—

The PRESIDENT—Senator Kemp, your remarks should be addressed to the chair, not across the chamber directly to the questioner.

Senator KEMP—Thank you, Madam President. I will certainly follow your instructions on that matter. Senator Sherry must be joking. I can well recall that when I came into this chamber after the 1993 there was not an index rise in petrol at that time but there was a discrete rise in petrol—I think in the order of about 5c. The Labor Party ruthlessly used the excise to raise revenue so I am astonished that Senator Sherry is trying to give the impression that somehow we should follow Labor Party practice on this matter. I regard it as quite extraordinary.

Senator Cook—You do not know what you are talking about.

Senator KEMP—My old friend Senator Cook butts in. Normally, of course, I am rarely provoked by Senator Cook but Senator Cook did go on record as saying that the Labor Party was a high tax party. In that case, he was absolutely correct. There are some things you and I differ on, Senator Cook. In fact there are many things that Senator Cook and I differ on. But one thing that we do not differ on is that the ALP is a high tax party. We can point to excise and we can point to income tax—we can point to a whole range of areas—but what we have seen is a Labor Party which, when it discusses policy, points to its pathetic performance in the 13 years when it was in government. But I do recall that there was a comment of Mr Beazley’s. He was asked what his views were on the excise and petrol and if I could have a supplementary from Senator Sherry, and I ask that as a matter of courtesy, I might be able to share with him some quotes that Mr Beazley recently made on this very important issue.

Senator SHERRY—I do have a supplementary question. The minister says that I must be joking about the eight reductions. If he cares to go to the web site of the Australian Customs Service, he will find them. I am happy to table them if he wants me to. He obviously should not slavishly follow the Treasurer’s line. Hasn’t the Treasurer been deliberately misleading the Australian public by claiming that he has just been following Labor Party policy in his refusal to freeze the 1 February 2001 excise in-
crease? When will the Treasurer honour the Prime Minister’s promise that the GST will not increase the price of petrol? Given that the Labor government was able to cut the fuel excise increase on no less than eight occasions—which you obviously know nothing about—why won’t the Treasurer do it at least once and hand back the windfall to Australian motorists?

Senator KEMP—Senator Sherry did not deny the comment I made that excise under Labor rose from around 6c a litre when we went out of office and it was over 30c a litre when the Labor government went out of office. As the issue of Labor Party policy has been raised, let me read a recent transcript from the Neil Mitchell radio show. Mr Beazley was out, like Senator Sherry, making a song and dance. He was asked:

... you might look at taking the excise off?

Mr Beazley’s reply:

... nor the excise for that matter.

Mitchell:

... sorry, you said ‘nor the excise’. I must have misunderstood ... would you consider taking the excise off petrol?

Mr Beazley—listen to this—said:

If you took the excise off petrol, what particular schools would you start to shut?

Labor Party policy running hot! I regret to say that Senator Sherry has attempted to mislead the public on Labor Party policy.

Information Technology: Outsourcing

Senator EGGLESTON (2.06 p.m.)—My question is to the Minister for Communications, Information Technology and the Arts, Senator Alston. Will the minister inform the Senate of the significant achievement in IT industry development under the Commonwealth government’s IT outsourcing initiative? Is the minister aware of any alternative IT policy approaches? What would be the impact if these were implemented?

Senator ALSTON—I thank Senator Eggleston for the question because he highlights a report that we released which shows considerable industry development achievements under the Commonwealth government’s information technology infrastructure outsourcing initiative. It basically sets out the findings of three prime contractors—CSC, Advantra and EDS—who were required to report on new investment, employment opportunities for SMEs and expanded export business. What it found was that across the three contracts payments to SMEs were 67 per cent above target, total regional employment was 29 per cent above target and across the three contracts industry development outcomes for strategic investment, export and total employment were double the targets.

In other words, that is very good news indeed. Have you ever heard one word from the other side about IT outsourcing that has been other than entirely negative? Did Senator Lundy put anything out to acknowledge the fact that we have had considerable success on this front? Of course not, because, on this front, she has been captain and coach of the headless chook brigade for months. She is not interested in serious government policy. In fact, do you remember Whingeing Wendy—and you have to go back some years? Well, now we have Carping Kate.

The PRESIDENT—Senator Alston, you should not refer to senators in that fashion. I ask you to withdraw that reference.

Senator ALSTON—Perhaps I could refer to Senator Lundy’s policy position.

The PRESIDENT—Senator Alston, I ask you to withdraw that manner of speaking.

Senator ALSTON—All right. The Labor Party’s position on IT outsourcing is quite clear. As part of their party platform, they have said:

Labor will work to maximise the benefits for small firms that flow from the outsourcing of government contracts.

So they are clearly in favour of IT outsourcing. They have also stated in their party platform:

Outsourcing or privatisation—

I did not think anyone knew that they were still in favour of privatisation, but they are—

of government assets or services will only occur where it is demonstrably in the public interest.
In other words, Labor is in favour of outsourcing. That ought to be quite clear. But what do we find from the non-team player? Her view was that the Humphry review should call for the scrapping of the IT outsourcing program altogether. In other words, she was not waiting for the outcome of it; she was not quarrelling at the margin; she was out there stating her position, which was to scrap IT outsourcing altogether. And, in fact, she even manages to turn it into an ideological issue by saying:

There is no doubt that, under the Howard Liberal government ... we have seen an attack on a philosophical basis. We have seen a move to a market economy where the private sector takes over the service provision role formerly held by government.

So there it is in crystal clear language: Senator Lundy is personally opposed to IT outsourcing. She does not give a damn about what the party position is; Senator Lundy is simply opposed.

That is a very sad state of affairs, but it is not an isolated instance. For example, the Financial Review on 5 February said:

On the subject of universities, Kim Beazley would have been well advised to speak to his shadow minister, Kate Lundy, who knows something about these issues, before announcing his deeply bogus online university.

So there you are. She is out there bad-mouthing her leader and making it plain that she disagrees with official opposition policy and quite clearly running her own race. On IT outsourcing she said, ‘From Labor’s point of view, we are not opposed to outsourcing.’ Well, what is this? It this a policy hijack? Is this Senator Lundy saying, ‘I do not care what the party says. I am a wholly owned subsidiary of the CPSU and I will deliver the goods for them. I will get out there and state my position.’ Let us have it plain. If Senator Lundy is authorised to speak on these issues, on whose behalf is she speaking when she calls for the scrapping of IT outsourcing? Are we meant to interpret this as Labor Party policy, or is this simply Senator Lundy off on a frolic of her own? So let us be clear. There is some very good news on this front. I will not expect Senator Lundy to put out a press release on it, but I hope she will at least tell us in future what the Labor Party’s policy position is, instead of her own.

Senator EGGLESTON—Madam President, I ask a supplementary question. In relation to the government’s IT policy, is the minister aware of any criticism of the National Office for the Information Economy and is there any validity in these comments?

Senator ALSTON—Again, on the issue of industry development, it is very important to understand just what role it plays in the scheme of things and particularly the National Office for the Information Economy, which has been around now for some four years. It has been doing a great job in a whole range of areas and it is well understood and accepted by the industry. What does Senator Lundy do? Out she goes again, bags the salary level, which of course is set independently by the Remuneration Tribunal, and says:

NOIE has undergone some restructuring, but its role is still unclear. It is supposed to be about IT industry development.

Where on earth does that come from? In 1997 we put out a press release specifying what its role was. We said that it was to develop, coordinate and overview broad policy relating to the regulatory, legal and physical infrastructure environment, et cetera. In case the restructuring confused Senator Lundy, another press release went out on 11 October 2000 saying:

The National Office has played a vital role in development and coordination of government policy relating to the information economy ...

So where on earth does Senator Lundy get the notion that it is supposed to be about IT industry development? (Time expired)

Tax Reform: Business Activity Statements

Senator CONROY (2.12 p.m.)—My question is to Senator Kemp, the Assistant Treasurer. Does the minister recall the evidence of the deputy taxation commissioner, Rick Matthews, to the estimates committee in November last year that the tax office believed that Australian businesses would easily cope with the quarterly BAS reporting system? Didn’t the deputy commissioner state that he ‘saw no reason to suggest that
Australian businesses will not be able to cope just as well and as easily as they do in other systems, once we pass through this transitional phase? Given that the Assistant Treasurer was at the table at the time and made no attempt to contest these views, does this mean that the Assistant Treasurer shares these views?

Senator KEMP—The first comment I would make is that, gosh, we went off petrol quickly today, and now we are on to BAS. That was a great campaign; that lasted a long time! But, anyway, that is the problem with the Labor Party—no real focus.

Can I make the comment to Senator Conroy that the government of course is very closely monitoring the implementation of the new tax system. Over 1.1 million second quarter BAS forms have been lodged, Senator Conroy. As of earlier this week, the lodgment rate was better than for the first quarter BAS. Lodgement information from the tax office shows that some 93 per cent of returns were lodged on time, and this represents a better outcome than the comparable lodgement rates under the old system. If Senator Conroy would like to listen to the answer rather than talking across the chamber, it might be a help. It is an important question and I am happy to answer it, but I do think that Senator Conroy should show the courtesy to this chamber, having asked a question, to actually listen to the answer. Let me make a prediction, Senator Conroy: you will be jumping to your feet asking a supplementary question, but the problem is that you have not actually listened to the answer. Madam President, I urge you to encourage him to tune in.

We have been briefed by the tax office. Business and accounting bodies have met with us and written to us with their comments and suggestions. We are always monitoring the tax system very carefully, particularly if a major change has been brought in. I was making the point that the lodgment rates have been going well, in contrast with what one may have expected. There are issues which have been raised, and we are very closely looking at those particular issues. Let me just quote the Treasurer on this.

Senator Conroy—you’re agreeing with Matthews.

Senator KEMP—Would you like to listen to the response, Senator Conroy?

Senator Conroy—you’re agreeing with Matthews.

Senator KEMP—I have answered in relation to Mr Matthews. I have outlined to you the experience with the lodgment rates that have occurred with the second quarter BAS. Now I am dealing with the issues that some people have some concerns about. I am just stating the government position. If you would have the courtesy to listen to that, I would greatly appreciate it. If you would like to listen carefully, Senator Conroy, this is what the Treasurer has said:

The government has said that it will take those steps which are required to simplify the BAS reporting. Those steps which can be done by the next quarterly payment, which is due in April, will be done by the next payment in April.

I point out to Senator Conroy that the lodgment rates have gone well. We are looking at matters which the small business community and others have raised. We will be seeing what further steps need to be taken.

Innovation Action Plan: Research and Education

Senator TIERNEY (2.17 p.m.)—My question is to the Minister representing the Minister for Education, Training and Youth Affairs, Senator Ellison. Will the minister advise the Senate on how the Howard government’s $2.9 billion innovation action plan will increase educational and research opportunities for Australians? Is the minister aware of any community support for the government’s innovation action plan?

Senator ELLISON—I thank Senator Tierney, who has a longstanding interest in education and makes a valuable contribution to this chamber on educational matters. At the outset I say there is great news for Australians in relation to education and research in this innovation action plan called Backing Australia’s Ability. We have here great opportunities in the higher education sector to begin with. I will touch on schools in a moment. Before I do, the Senate should re-
member that today we have a record number of full-time equivalent university places under the Howard government. In fact, we have 465,000 odd full-time equivalent university places, an increase of 42,000 on the number during Labor’s last year in office. This is great news for those Australians who want to go on to study at a higher education institution. There are 30,000 more full-time university places today than there were in Labor’s last year.

I will go back to the innovation plan. We have here an extra $736 million which will double the funding for the Australian Research Council and will also fund 25 new Federation fellowships valued at $225,000 each year. It will also double the number of ARC postdoctoral positions to 110. There will be $246 million available over five years to upgrade essential university infrastructure such as scientific equipment and libraries. There will be $151 million over five years for an additional 21,000 equivalent full-time university places with a priority, importantly, on mathematics and science. There will be an investment of some $995 million over five years for a new science and mathematics and technology block to improve facilities for postgraduate students. We want there to be training opportunities as well for Australians. We have a record number of people—some 268,000—in training today. We will invest some $2 billion in the New Apprenticeship Scheme to see the funding for that scheme more than double over the next four years.

Senator Carr—Why can’t you meet the skills shortages then?

Senator ELLISON—I hear Senator Carr interjecting. We are about offering an opportunity for training to those 70 per cent of Australian students who do not go on to university. But what do we have from the opposition? We have a policy-lazy opposition which has no plan. We have here a plan. As the minister for education said yesterday to the opposition, I will show you a plan. This is a plan: Backing Australia’s Ability.

It is not just schools and higher education that will benefit from this innovation plan. We want there to be training opportunities as well for Australians. We have a record number of people—some 268,000—in training today. We will invest some $2 billion in the New Apprenticeship Scheme to see the funding for that scheme more than double over the next four years.

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Aged Savings Bonus: Repayments

Senator DENMAN (2.21 p.m.)—My question is to Senator Vanstone, the Minister for Family and Community Services. Can the minister confirm that nearly 2,000 retired Australians who receive money from the government’s savings bonus have been ordered to pay it back? Is it a fact that the letters of demand issued to the pensioners were delivered up to two months after the money had been paid and that no reasons were given for the demand to return the money?

Senator VANSTONE—Thank you, Senator Denman, for the question. If you just give me a minute to select from this wide range of briefs that I have, I will give you an answer.

Opposition senators interjecting—

Senator VANSTONE—Just bear with me one minute, Senator. Do not take any notice of the interference of your colleagues, who might not be particularly interested. The information that I can give you is this: as at 26 January this year, about 2 million people received an aged persons savings bonus. The bonuses range from $1 to the full $1,000 but average, I am told, about $770. Seventy-four per cent received over
$500; only 3.5 per cent got $10 or less; 260,000 received the self-funded retirees supplementary bonus, an average of $1,650; 67 per cent got the full $2000. Let me read on and see if there is any more that will be relevant.

Senator Faulkner—How many have been ordered to pay it back? That was the question.

Senator VANSTONE—I am going through the full details of what is here. If the specific answer to your question is not here, I will come back to you. Just give me a second. I think that is all the information that I have at the moment. The short form of the answer to your question is that I will get some more information and come back to you.

Senator DENMAN—Madam President, I ask a supplementary question. When you get back to me, could you advise me how the government will assist low income pensioners who have already spent the bonus and who will experience hardship trying to pay it back?

Senator VANSTONE—Senator, I will come back to you on that, but at the same time I might think it appropriate to come back to you about an inappropriate campaign that has been run by a number of your colleagues—I cannot say that you are included; you may or may or not be—who, knowing the entitlements here, have run a pretty vicious scare campaign and upset a lot of older Australians for no particular value.

Mandatory Sentencing Laws: Northern Territory

Senator GREIG (2.24 p.m.)—My question is to the Minister for Justice and Customs, Senator Ellison, who is also the Minister representing the Attorney-General. Is the minister aware that tomorrow, 9 February, marks the one-year anniversary of the death of a 15-year-old orphaned Aboriginal child at the Don Dale Detention Centre in the Northern Territory, who was at that time detained for stealing a small amount of tobacco under the Northern Territory’s mandatory sentencing regime? I ask if the minister can confirm that, subsequent to that, the United Nations Human Rights Committee has investigated the Northern Territory’s mandatory sentencing regime and found that it contravenes a number of treaties including the Convention on the Rights of the Child as well as the International Covenant on Civil and Political Rights? As the new minister for justice, I ask if the minister will be overseeing the government’s response to this UN finding and whether he can advise when this response will be made.

Senator ELLISON—Detention of juveniles is a serious question. The way that people are detained at an early age is always a matter of concern for any government. This government is working with the Northern Territory in relation to its sentencing arrangements. The Northern Territory has amended legislation in relation to the sentencing of young people. In fact, it has amended its relevant legislation so that a person will be treated as an adult from 18 years of age, rather than 17. I think that is a good start. There was a joint statement issued last year by the Northern Territory and the Prime Minister detailing how this government would work with the Northern Territory in relation to the detention of juveniles. That joint statement and agreement made it clear that both governments share a mutual interest in preventing juveniles from entering the criminal justice system.

The PRESIDENT—Order! The level of noise has increased unacceptably.

Senator ELLISON—The opposition might not be interested in this, but I think Senator Greig is, and it is a very important issue. The United Nations report that Senator Greig referred to will be considered by the government, and the government will make up its mind whether or not it will respond to it in due course. When I have further details on that, I will get back to Senator Greig.

Senator GREIG—Madam President. I ask a supplementary question. A spokesperson from the Attorney-General’s office has said that the government’s response will not be made public. Can you confirm whether this is or is not the case? If not, why is it the case that such a document would not be made public? Does the government have anything to hide?
Senator ELLISON—No, the government does not have anything to hide. The question of whether that is made public or not is something that I will take up with the Attorney. I am not aware of the statement that Senator Greig has referred to, but I will look into that and, if I can add anything to that, I will get back to him.

Family Tax Benefit: Repayments

Senator JACINTA COLLINS (2.28 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Can the minister inform the Senate how many thousands of families receiving the partnered parenting payment have been sent letters demanding repayment of their family tax benefit B, thanks to another payment botch-up by Centrelink? Isn’t it a fact that the payment error has been undetected since the introduction of the GST late last year and the debts, some in excess of $1,000, have racked up through no fault of the families concerned? Why should these families be plunged into debt thanks to the bungled implementation of the new tax system’s family payments?

Senator VANSTONE—The short answer to your question is: no, I cannot tell you that. I do not have a brief on it. I will get you an answer; I will get you one very quickly. I have already spoken to some people, and I have an answer for Senator Derryn coming. I will get you one pretty quickly.

Senator JACINTA COLLINS—Madam President, I ask a supplementary question related to other Centrelink botch-ups. Can the minister also inform the Senate, when she investigates this matter, precisely how many thousands of Newstart recipients were left stranded over the Australia Day long weekend without any money, after Centrelink failed to pay their benefits on time?

Senator VANSTONE—There are just a couple of things I would like to say in relation to that. Before you are so rude about Centrelink, I would ask you to bear in mind the enormous job that they do with the billions of dollars that they pay out. The percentage that they get right makes them an extremely good delivery service. If there have been mistakes, it is nicer, I think, for you to refer to them as mistakes rather than botch-ups. The people there work extremely hard at a very thankless task and would expect, frankly, to get a little bit more understanding from you when there are mistakes. In relation to the Australia Day one, I can give you the information now. Job seeker payments are not advanced for single day public holidays, and that avoids the risk of overpayments. Job seekers were asked to lodge forms due on Australia Day on Monday, 29 January instead. They received the payment on Tuesday, 30 January. I will give you the rest of the information later, Senator. (Time expired)

Rural Transaction Centres

Senator CALVERT (2.30 p.m.)—My question is to the Minister for Regional Services, Territories and Local Government, Senator Ian Macdonald. Will the minister provide the Senate with any new developments in the Howard government’s rural transaction centres initiative? Is he aware of any endorsements for this successful program? Is the minister aware of any alternative policies in this area?

Senator IAN MACDONALD—Senator Calvert is a very distinguished senator from Tasmania and is involved in a lot of rural and regional matters and in local government, and I know he is interested in these things. I appreciate that interest from senators. It is a pity no-one on the Labor side takes any interest whatsoever in rural and regional matters. I am very pleased to tell Senator Calvert that the momentum for the program is growing, with 31 new business plan grants announced in the last two weeks. This means 31 additional communities will be able to investigate the implementation of a rural transaction centre. That brings to 165 the total number of business plans approved, and it means that over 300 rural and regional communities in Australia have been involved in the program. Some 30 projects have been approved, and several more projects will be considered when the Rural Transaction Centre Advisory Panel meets next week on 14 February. Another six rural transaction centres are expected to open in the next few months, and the RTC field offi-
cers who will go out and help communities with their applications will be appointed in every state and the Northern Territory by the end of this month. They are going to work with communities to help them apply for a rural transaction centre.

Most on my side would know that these rural transaction centres have been very well received. For example, in The Land newspaper on 11 January, it is reported:

The Gulargambone RTC has returned services to a battling town and instilled a dynamic, can-do confidence—to that community. That is one of the big things about this program. It does restore confidence to these small communities, and it is why the rural transaction centres are so important.

I am asked whether there is any alternative approach. I looked to the Labor Party’s web site to see what their policies have been in relation to rural and regional Australia. I found that in their last six years in office Labor closed 277 local postal outlets in rural and regional Australia. They also had interest rates up around 17 to 20 per cent and sent rural businesses broke. The ALP have consistently voted against every regional proposal put forward by the government. They voted against the Rural Transaction Centre Program. I call upon Senators West and McLucas, the only two Labor senators who have any interest in rural and regional Australia, to get out and support this program and to support rural and regional communities. All of the other Labor senators come from the capital cities and have absolutely no interest, but those two do at least live in regional Australia and I ask them to get involved. The spokesman for the Labor Party on these matters eventually said:

Regional communities expect their Rural Transaction Centres to be established as soon as possible and deserve nothing less.

Welcome on board. I assume that means that the Labor Party support the program. Now they support our program, I ask the Labor Party: where is your policy to match the coalition’s $1.2 billion Roads to Recovery Program? The Labor Party are policy lazy and not interested in these things. Where is their science policy? (Time expired)

Aged Persons: Savings Bonus

Senator MURPHY (2.35 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Can the minister inform the Senate why thousands of retirees who have income from savings and investments are being denied the $1,000 savings bonus because they have tax losses on those investments? Didn’t the government’s policy material specifically promise eligible older Australians ‘a bonus paid at the rate of $1 for each dollar of annual savings and investment income’. Where is the mention of ‘offset against tax losses’?

Senator VANSTONE—I thank you for the question, Senator, because it gives me the opportunity to highlight what I would describe as the filthy campaign that some of your colleagues have run in relation to this matter. Knowing the full information that is available in the ANTS package and knowing the material that was otherwise provided by the department or Centrelink, some of your colleagues, Senator—again, I do not know whether you are included in this—

The PRESIDENT—Senator, address your remarks to the chair, not across the chamber.

Senator VANSTONE—Some of the senator’s colleagues have written to a wide range of pensioners in their electorates, stirred them up, upset them and in some cases led them to believe that they are entitled to more than they are entitled to. The situation with people’s entitlements is perfectly clear. You have a Labor opposition that has written out to people saying, ‘We think you should be entitled to more.’ In fact, Senator Newman has been dealing with this matter very effectively, and I will take the opportunity to come back and give the honourable senator some advice on the sorts of responses that Senator Newman had to her letters in relation to this matter. It was such a vicious campaign that it did need to be responded to.

In fact, the senator will regret asking the question. It will be made very clear to him
That quite a number of people wrote back to Senator Newman, very pleased that she contacted them and very pleased with the information provided. It follows, of course, that they would necessarily be unhappy with the scare campaign that was run. It has not worked for those who ran it, it will not work for those who are running it and I do not know why you bother wasting your time simply trying to highlight the scare campaign that you have run with old people. Australians do not like scaremongers, but they particularly do not like people who scare little kids and who scare old people, and that is what you have been doing.

Senator Murphy—Madam President, I ask a supplementary question. I hope the minister does take the opportunity, when she is getting the information, to come back and provide information about where in the policy material the government did advise Australians on that matter. Also, if it is not in the material, when did the government first inform retirees that the bonuses would be offset against any tax loss?

Senator Vanstone—When I come back to the honourable senator, I will give him such information as is appropriate to answer his question.

Welfare Reform: Funding

Senator Bartlett (2.38 p.m.)—My question is to the Minister for Family and Community Services, Senator Vanstone. Minister, when is the government going to commit financially to its rhetoric on welfare reform? Given that the former minister first announced welfare reform as a priority on 29 September 1999, why is there yet to be any specific funding committed to implement welfare reform whilst, at the same time, there has been a continual increase in the number of people being breached and having their payments reduced or stopped? Why is it that some recent government announcements have committed specific dollar figures—such as $2.9 billion to innovation, $1.6 billion to roads and $1.5 billion to defence—but all the government’s many announcements on welfare reform have not involved any financial commitments to invest in assisting the growing list of disadvantaged Australians who have a severely reduced capacity to participate socially and economically? Why are organisations such as ACOSS providing the government with an integrated, balanced and fully costed blueprint for expenditure on addressing the growing inequality in Australia when no such commitment is forthcoming from the government?

Senator Vanstone—I thank the senator for his question. I will not say that it is the first sensible question I have had in this area, because there have been a couple from opposition senators about specific issues for which I have been able to give them some information, and there have been a couple from opposition senators that have been important and not related to scare campaigns. Senator Bartlett, your question relates to one of the biggest issues facing Australians today, and that is the reform of welfare.

I noticed that, when you asked your question, some of your semi-colleagues on the other side of this chamber thought it was an amusing question. I do not know why. In 13 years of government, Labor presided over a welfare system that fell into further and further disrepair. They simply lacked the political courage, and they certainly lacked the policy initiative—and that is understandable from a policy-lazy opposition; you would expect it because they were a policy-lazy government—to do anything about it. They categorised people in large groups, they did not tailor welfare to individual needs, they encouraged families to become welfare reliant and, in fact, they simply left people behind.

In contrast, Senator Bartlett, the nub of your question is: when will we know about the money? Obviously, you will get some idea of the range of financial commitment in the budget context, but you will get more than that. It is not just a question of dollars. That is what has been wrong with the welfare system. All of us, governments and Australians, have felt that it is good enough to give people some money and then turn away and leave them on their own. We have made a commitment to do far better than that and to bring people in, not leave them behind. There is a lot of detail to work out.
We have set up a welfare reform consultative group. They have met three times—one time this week—and Minister Abbott and I met with them. You mentioned ACOSS; I met with them this morning. I understand the position that they have and we had a very useful dialogue. I feel confident that, in the end, what we do will not be an exact mirror of what ACOSS wants, but I hope they feel confident that we do understand the points that they have raised.

Senator, I will repeat—not for you, because you already understand this—what McClure is about. The McClure report suggested, and the government endorses, an approach that focuses much more on individual needs, on incentives and on responsibilities. In other words, there have to be some carrots there. Perhaps there are not enough carrots, incentives for people to get involved, at the moment. We have to have an improvement in service delivery—that is recognised. While that might be easy to say, it is not necessarily that easy to deliver. Take an agency like Centrelink—one that Senator Collins unfairly, in my view, disparaged in her question today. They do a tremendous job and any change to improve service delivery, if Centrelink is the gateway, does require a significant amount of work to make sure that you can deliver on the good intention you have.

In short, Senator Bartlett, you can be assured that we have a very strong focus on welfare reform. Senator Newman started this with Mr Abbott, and the first step will be completed in this budget. To change the culture that Labor allowed to develop—which basically said, ‘We’ll give you money,’ and then turned away, guilt free—is going to take a lot more than an announcement in May this year. We will continue to work on this issue and we will come back to it until the culture has been changed and until there is an understanding from the government, the community, business and all of us that just giving money is not enough. (Time expired)

Senator BARTLETT—Madam President, I ask a supplementary question. I note the minister’s comment that it is not just about giving people some money and thinking that is enough and that, given the clear thrust—or isn’t it a clear thrust?—of the McClure report, it is also about providing significant financial investment in social services so people can adequately participate in the community and in employment. That being the case, and noting the minister’s commitment to budgetary increases in this coming year’s budget, can the minister give a commitment that the growing need in the area of housing—whether in supported accommodation or public and community housing—will receive significant extra assistance from the government as an essential building block of any response that increases people’s opportunity for participation?

Senator VANSTONE—There the senator was with a pearl of a question—I could not have asked for a better one, and I thank him for that—and then he comes in and blots it all with the standard, ‘Can you give a commitment about the budget?’ Senator, you have been here long enough to know that I cannot give you a commitment about the budget. I can tell you that welfare reform is going to cost, because the Prime Minister has made it abundantly clear that welfare reform is not a savings issue; it is a spend to create a better Australia. I want to save you wasting further questions, so I tell you, probably tell all of you: do not bother asking what is in the budget because you know you will not be told until budget night.

Aged Care: Northern Territory

Senator CROSSIN (2.45 p.m.)—My question is to Senator Vanstone, representing the Minister for Aged Care. Can the minister confirm that the entire allocation of aged care beds to the Northern Territory in 1999 went to Doug Moran? Is the minister aware of reports that these 66 beds announced in December 1999 will not be ready until mid-2002? Given that providers only have two years to get the beds operational or have them withdrawn, has the government approved an extension to Doug Moran for these beds beyond this year, and if so on what grounds? In light of these problems, why then did the government hand out even more aged care beds to Doug
Moran in the Northern Territory in January this year? Will these be built on time?

Senator Kemp interjecting—

Senator Robert Ray interjecting—

The PRESIDENT—Order! Conversations across the chamber are disorderly.

Senator VANSTONE—Thank you, Madam President. I was not sure that it was a conversation, but I nonetheless support what you say. Senator Crossin, I will have to get you some information on that, but I do say that it is not very helpful when you try to personalise these things. If you want to get stuck into Doug Moran, why don’t you get stuck into someone else? Why do you need to personalise these things? If you want the answers to the questions you ask in relation to the Territory, all you have to do is ask and I will get you such information, but you do not need to personalise it. I do not think, frankly, it helps the matter at all.

Senator CROSSIN—Minister, this issue has been in the media for the last few weeks, but I am not surprised, given today’s performance, that you do not have the answer. Talking about Doug Moran is not personalising the issue; he is the person who in fact won the contract. Minister, my supplementary question to you is: why should Northern Territorians have to wait more than 2½ years for aged care beds that were allocated in 1999? That is the substance of the question. Is this why people are now forced to drive from Darwin to Perth to find a bed for their mother, as recently occurred?

Senator VANSTONE—Senator, as I told you, I do not have a brief on that particular matter. I will get you an answer as it relates to the Territory.

Political Donations

Senator FERRIS (2.47 p.m.)—My question is to the Special Minister of State, Senator Abetz. The funding and disclosure laws are a crucial part of the electoral laws of Australia. Has the minister viewed any documentation that would suggest that any political parties have sought to evade these funding and disclosure laws?

Senator ABETZ—I thank Senator Ferris for the question and acknowledge her work on the Joint Standing Committee on Electoral Matters. The funding and disclosure laws are a vital part of the public accountability process for Australian democracy. All political parties registered by the Australian Electoral Commission are subject to the requirement to lodge a return—

Opposition senators interjecting—

The PRESIDENT—Order! There is far too much noise in the chamber. Senators will come to order.

Senator Faulkner interjecting—

The PRESIDENT—I have called the Senate to order.

Senator ABETZ—All political parties registered by the Australian Electoral Commission are subject to the requirement to lodge a return on a yearly basis. Everyone who makes a substantial donation to a political party or a candidate must provide a disclosure return. There are very heavy fines for failure to do so. In fact, we are talking about legislation introduced by Labor.

The funding and disclosure returns make very interesting reading, especially those for Queensland, as I had occasion to mention yesterday in relation to the Australian Workers Union. I also noticed that the Queensland Labor Party received a very large contribution from a company called Markson Sparks to the tune of more than $175,000. Of course, this was not a donation from Markson Sparks; it was fundraising. So from where did they raise those funds? The fact is we will never know.

Their scam works like this. A fundraising dinner is organised by the ALP, including an auction of various items. People at the dinner pay up to $50,000 for essentially worthless items, like lunch with a federal MP or an autographed photograph of Bob Hawke. There were no posters of Senator Faulkner or Mr Beazley, might I add. Instead of making their cheques out to the ALP, they get people to make out their cheques to Markson Sparks. Markson Sparks then collects the money, takes a commission and forwards the remainder of the money to the ALP. Of course, if the ALP had directly received the money, they would have to declare who the donors were and the
donors themselves would have to put in a funding and disclosure return. But by doing it in this sneaky way, nobody can ever find out who is bankrolling the Queensland Labor Party. This is a Labor scam designed to circumvent Labor legislation. It is the modern equivalent of Labor’s faceless men, and we will never know who they are unless Labor come clean about their secret backers.

Ironically, the Labor Party talk a lot about accountability in public life, but we now know the truth. Labor are rorting the system to raise funds without having to declare them. They are doing this to circumvent their own legislation.

Opposition senators interjecting—

The PRESIDENT—Order! There are some senators shouting across the chamber, and I know that you know that your behaviour is disorderly.

Senator ABETZ—I can understand why the Labor Party is so touchy on this, because it is in fact Senator Faulkner’s own branch of the ALP in New South Wales that is the biggest rorter of them all. Markson Sparks managed to launder $893,000.

Senator Faulkner—Why don’t you change the law?

Senator ABETZ—Senator Faulkner interjects, Madam President, and says, ‘Why don’t you change the law?’ Senator Faulkner, you just tell them to stop it!

Senator Faulkner—Why don’t you change the law instead of putting the inquiry off? Your predecessor had a reference to the committee and you put it off! Tell the truth!

The PRESIDENT—Senator Faulkner, your behaviour is disorderly. There is an opportunity for you to discuss this matter at the end of question time if you wish to do so.

Senator ABETZ—Thank you, Madam President. Isn’t it interesting how touchy Senator Faulkner is on this subject. He calls on us to change the law. If it is such a terrible scam, why doesn’t he tell his own division to stop behaving in this way? You know why? Because Mr Beazley and Senator Faulkner don’t have the ticker.

Senator Faulkner—You put off the inquiry—that’s why.

The PRESIDENT—Senator Faulkner, if you would sit as you ought to be sitting you would have noticed that I have been standing for some 30 seconds. Your behaviour is totally out of order. There is an appropriate time for you to say what you want to say, and this is not it.

Senator Faulkner interjecting—

The PRESIDENT—Senator, I am warning you about your behaviour.

Senator ABETZ—I would invite Mr Beazley and Senator Faulkner, as I invited Mr Beattie yesterday, to refuse to accept these funds from these dubious sources. The only area in which you cannot accuse the Labor Party of policy laziness is in the area of rorting the Australian electoral laws.

Senator FERRIS—I have a supplementary question for Senator Abetz. I wonder if he could further explain the very important penalties which apply in the Australian Electoral Act in relation to funding disclosure.

Opposition senators interjecting—

The PRESIDENT—Senators on my left will cease shouting.

Senator ABETZ—When this legislation passed through the parliament very heavy penalties were in fact imposed, and the Australian Labor Party promoted this legislation on the basis of their commitment to public accountability. By their actions they show they have no concern about public accountability; indeed, they deliberately developed scams and schemes to circumvent their own legislation, which they trumpeted as being indicative of their approach to public accountability. Their approach to public accountability is to launder money through the Australian Workers Union and Markson Sparks. They are not fit to govern in any state of this nation, let alone the nation.

Opposition senators interjecting—

The PRESIDENT—Order! Labor senators might note that one of their colleagues is seeking to ask a question.

Opposition senators interjecting—
The PRESIDENT—Order! We are still attempting to hold question time.

Health Services: Positron Emission Tomography

Senator LUDWIG (2.55 p.m.)—My question without notice is to Senator Vanstone, representing the Minister for Health and Aged Care. Can the minister confirm that the tender process for new positron emission tomography scanning was agreed to by the minister for health in August last year? Can the minister also confirm that this tender process has now stalled and no progress has been made in getting this much needed technology into public hospitals? Are the patients in Australia’s public hospital system now paying a second price for the MRI scan scam because Minister Wooldridge has now frozen into inaction, creating a massive backlog in capital equipment provision in public hospitals?

Senator VANSTONE—The short answer to that question is no. I do not have a brief in respect of that specific matter and I will get one for you.

Senator LUDWIG—I ask a supplementary question. When Senator Vanstone is looking at that first question, could she also take a look at this: is this just another Howard government tactic to further undermine Medicare and the provision of up-to-date services in Australia’s public hospitals or is Minister Wooldridge cynically holding patients to ransom to give him something to announce during the election campaign later this year?

Senator VANSTONE—I will be happy to get Dr Wooldridge to look at the supplementary. But, Senator, for there to be any suggestion on your side that Australia would be better off under a Labor government, when you let Medicare fall to a point where it could not cope, when waiting lists were beyond belief because you would not support private health insurance when yours was the government, when yours is the opposition that has said all along you did not want to support the aspirations of other Australians to have private insurance, when you did not want two healthy systems so that Medicare could actually cope and survive, and for you to ask that question is a little bit cheeky, Senator—just a little bit cheeky. Nonetheless, I will refer it to Dr Wooldridge.

Innovation Statement: Biotechnology Industry

Senator CHAPMAN (2.58 p.m.)—My question is directed to the Minister for Industry, Science and Resources. Will the minister advise the Senate how the government’s innovation package supports the growth of emerging industries such as biotechnology and what benefits this delivers to Australia, including jobs and economic growth? Is the minister aware of any alternative policies?

Senator MINCHIN—I thank Senator Chapman for his very pertinent question. Biotechnology is one of Australia’s most creative and innovative industries, with enormous potential for Australia. We have the ability in this field to be a world leader. The Australian biotechnology industry already employs about 4,000 Australians, there are more than 200 companies, and it earns about $1 billion, half of which is in exports. Not only is this industry critical to our economic growth and jobs future, it of course also holds the cure to life threatening diseases like cancer, diabetes and Parkinson’s disease.

Unlike the Labor Party and the Australian Democrats, our government does recognise the potential of biotechnology for Australia and we do have a comprehensive plan to see Australia take a world leading position in this important new industry. Just last year we announced our $30 million biotechnology national strategy, overseen by the new Biotechnology Australia agency. We are currently funding, through the federal government, about $250 million in R&D for biotechnology. We doubled grants for the National Health and Medical Research Council, our R&D START program is currently assisting about 26 biotechnology companies with funding of about $29 million, and 15 of the cooperative research centres are specifically dedicated to biotechnology.
Just last week, in our innovation plan, Backing Australia’s Ability, we announced an additional $66 million specifically for biotechnology. We are doubling the funding for the Biotechnology Innovation Fund to $40 million, and we have committed $46 million specifically for a world-class centre of excellence in biotechnology. This centre will attract leading Australians and overseas researchers to this very important new industry. We are also committed to continuing the R&D Start Program and providing a massive boost to the Cooperative Research Centre Program, with enormous benefits therefore for biotechnology.

Madam President, I ask you to compare all of these very focused initiatives for biotechnology with our policy-lazy opposition. We have the extraordinary situation where the opposition spokesperson on industry and technology, Carmen Lawrence, is an out-and-out critic of and antagonist to the biotechnology industry. She has made an extraordinary attack on the biotechnology industry. She has attacked gene technology companies as being interested only in profit and not in need. It was the most extraordinary socialistic diatribe against the biotechnology industry that we have ever heard. In contrast, the Association of Australian Medical Research Institutes has said this about Backing Australia’s Ability:

The improved incentives to new biomedical and biotech research companies should help to ensure that new discoveries are developed in Australia with benefits to patients and sustainable employment for graduates.

The Labor Party is a policy-free zone except for the fact it has one policy—that is, it will go out and attack biotechnology as a future industry. They think they can run around saying to Australia’s scientists, ‘We’re all in favour of science and research,’ but they run around with the extreme greens and other green groups—probably directed by Senator Bolkus—attacking nuclear science all the time and attacking the biotechnology industry. We recognise this is a great Australian industry and we are backing it all the way.

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

**ANSWERS TO QUESTIONS WITHOUT NOTICE**

**Legionella Bacteria: Department of Health and Aged Care**

**Senator VANSTONE** (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.02 p.m.)—I have an answer to a question asked yesterday by Senator Lundy in relation to legionella bacteria in the cooling towers of the Alexander Building in Woden. I seek leave to incorporate the answer in Hansard.

Leave granted.

*The answer read as follows—*

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

During routine sampling and testing, results on 29 December 2000 indicated that legionella bacteria at a reportable level were present in the cooling towers of the Commonwealth Department of Health and Aged Care offices in Woden, ACT. The other government health officials were also advised on the 29 December 2000.

Immediate corrective maintenance action was taken by the facilities manager on that day in accordance with published standard practice. The Legionella bacteria at a reportable level were present in the cooling towers of the Alexander Building, Woden.

The Alexander Building is one of a number of buildings occupied by the Department of Health and Aged Care in Woden.
Despite subsequent cleaning, a test result above the reportable level was obtained on 6 February this year.

The Department had also been assessing technical options for replacement of the towers.

Upon receipt of notification of the 6 February test result, the Department sought immediate advice about options to shut the tower down as soon as possible.

The tower was shut down on Wednesday, 7 February, and auxiliary air-conditioning units installed.

Replacement towers have been ordered.

The Alexander Building was one of a number of buildings sold to the private sector in 1998.

Upon sale, ownership of the towers in question was retained by the Department as the towers formed part of the cooling system for the Department’s computer facilities.

The Department’s maintenance program adheres strictly to the ACT Code of Practice for testing and cleaning of cooling towers.

Stringent measures have been undertaken to avoid another failure in communication so that staff can be advised more promptly. This includes an arrangement where Occupational Health and Safety staff now attend building workplace debriefings. The Occupational Health and Safety staff will also be advised immediately of any reading arising from routine testing procedures.

Senator LUNDY—I do have a supplementary for the Minister. Is the Minister aware that the Acting Secretary of 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 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—The Minister for Health and Aged Care has provided the following answer to the honourable senator’s question:

The Department did receive a fax on 2 January this year, providing information on the test result of 29 December 2000. The fax was a copy of correspondence between the facilities manager and the building owner.

This fax indicated immediate corrective maintenance action had been taken and it was not forwarded to the Occupational Health and Safety staff in the Department at that stage. When this mistake was realised the earlier advice to staff that the Department did not know till 30 January was corrected in a further note to all staff.

Once it was notified of this information, the Department’s Health Management Unit immediately issued advice to Woden-based staff and corrected the earlier statement.

The Department and Comcare are both reviewing the situation.

Aged Savings Bonus: Repayments

Family Tax Benefit: Repayments

Senator VANSTONE (South Australia—Family and Community Services and Minister Assisting the Prime Minister for the Status of Women) (3.02 p.m.)—I have some information for Senator Collins and Senator Denman in response to their questions today. If, by leave, I can respond to them briefly I will; otherwise I will get it into a proper format and send it to them by fax. It is up to the opposition whether they want the information now or later.

Senator Faulkner—Will it go on the record?

Senator VANSTONE—It will go on the record now, yes.

The PRESIDENT—Is leave granted for the minister to make a statement now?

Senator Faulkner interjecting—

Senator VANSTONE—One is to be incorporated, Senator Faulkner. For two others I will give a brief answer. If there is further information they want, I will get it in written form for them.

Leave not granted.

Indonesia: Human Rights Violations

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.03 p.m.)—I have some further information for Senator Harradine in relation to a question he asked me on 6 February re-
garding Indonesia. I seek leave to have it incorporated in *Hansard*.

Leave granted.

The answer read as follows—

Foreign Affairs and Trade

Senate

On 6 February Senator Harradine asked the leader of the Government in the Senate, Senator Hill the following question:

Senator Harradine - I have a short supplementary question. The board of lawyers of Ambon churches has pointed out that in Bacan, 1,300 Christians have been forced to convert. Isn’t than an island quite close to Irian Jaya? Has that been brought to the attention of the Indonesian authorities - the sensitivities in Irian Jaya - from the Christians there?

Senator Hill - The Minister for Foreign Affairs, the Hon Alexander Downer MP, has provided the following response to the Senator’s question. The Indonesian authorities are aware of the situation in the Maluku provinces, including in Bacan, and of the reports of forced conversions. The TNI have so far sent three teams to the islands to investigate the allegations of forced conversions. The Maluku Governor acknowledged on 10 December that ‘some people’ had been forced to convert religion and on 22 December President Wahid publicly condemned the conversions. Some Christians have reportedly been relocated from Kesui island to Tual island by the Governor after allegations of forced conversions.

National Competition Council: Report

Senator HILL (South Australia—Minister for the Environment and Heritage) (3.03 p.m.)—I have some further information adding to an answer I gave to Senator Murray on 6 February regarding national competition policy. I seek leave to have it incorporated in *Hansard*.

Leave granted.

The answer read as follows—

COMMENTS FROM THE TREASURER TO ADD TO SENATOR HILL’S RESPONSES TO QUESTIONS ON NATIONAL COMPETITION POLICY BY SENATOR MURRAY (SENATE HANSARD, FEBRUARY 2001)

Questions

Senator Murray queried whether:

The National Competition Council’s 5 February report on the National Competition Policy Assessment Framework ideologically pursues questionable economic policy at the expense of a balanced view of social, environmental and community concerns?

Will a State be disadvantaged in competition payments if it fails to follow the NCC’s ideological framework?

Can a State decide appropriate levels of regulation in the interests of all the community without loss of competition payments?

Response

The Treasurer has provided the following further response to the comments I made on 6 February.

Senator Murray misunderstands some key concepts relating to National Competition Policy. In particular, all Australian Governments have recently confirmed the importance of NCP in sustaining the competitiveness and flexibility of the Australian economy and contributing to higher living standards. Moreover, the elected Governments of Australia determine what is the policy and how it will be delivered. The NCC’s role is to assess the performance of Governments against the criteria that the Governments have determined.

In particular, NCP is based on a transparent assessment of net community benefits, including full and appropriate consideration of economic, environmental and social issues.

Furthermore, Senator Murray misunderstands that receipt of competition payments is not an automatic right but represents a return to all Australian Governments of the benefits from pursuing effective competition policy reforms.

Providing States and Territories can demonstrate the net community benefits arising from their decisions then the question of any reductions in payments will not apply.

Documents

Return to Order

Senator MINCHIN (South Australia—Minister for Industry, Science and Resources) (3.04 p.m.)—I seek to make a short statement relating to a return to order.

Leave not granted.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Political Donations

Senator FAULKNER (New South Wales—Leader of the Opposition in the Senate) (3.04 p.m.)—I move:
That the Senate take note of the answer given by the Special Minister of State (Senator Abetz) to a question without notice asked by Senator Ferris today relating to electoral funding and disclosure.

Today the Special Minister of State—the gutless Special Minister of State, who uses the forum of question time to attack the Labor Party before the Western Australian and Queensland state elections—is not willing to stay in the chamber and face the music. Do you know why he is not willing to face the music? Because he knows, as everyone in this parliament knows, that consistently over decades the Liberal Party of Australia has opposed funding and disclosure provisions in the Commonwealth Electoral Act. That has been the consistent position adopted by the Liberal Party.

The new Special Minister of State should know that his predecessor referred to the Joint Standing Committee on Electoral Matters a reference to deal with funding and disclosure, and that reference went to the joint standing committee in June 2000. But it was the Liberal majority on the committee, by virtue of the casting vote of the Liberal Party chairman on 7 November last year, that put off that inquiry. This meant that we could not have a report on any weaknesses in the disclosure provisions of the act. That meant that the weaknesses that have been identified in relation to business that have responsibility for fundraising and their disclosure obligations under the act could not be presented to the parliament and that legislative weakness could be addressed. They are the facts of the matter. The Labor Party have made it clear from day one: we will change the act in that area, unlike the consistent Liberal Party provisions—

Senator Hill—Madam Deputy President, I rise on a point of order. I respectfully—

Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! Senator Schacht and Senator Kemp and others—but you two in particular—please cease your conversation across the chamber. If you wish to have a conversation, go outside to have it, please. Senator Hill is trying to take a point of order and I would like to be able to hear it.

Senator Hill—I was going to respectfully request you, Madam Deputy President, to ask Senator Faulkner not to scream across the table because I have to sit here.

Senator Robert Ray—Madam Deputy President, I raise a point of order. Senator Ian Campbell, Senator Alston and Senator Hill have been wandering around having conversations, on their feet. Senator Kemp has been making a bit of noise, but he has been doing it from his seat and in the appropriate way. But the other three have been walking around in circles and having conversations; it is little wonder that Senator Faulkner has to raise his voice to be heard in this place.

The DEPUTY PRESIDENT—Senator Alston, are you waiting for your seat?

Senator Kemp—Don’t bother to defend him, Robert.

The DEPUTY PRESIDENT—Senator Kemp, your interjections are unnecessary.

Senator Ian Campbell—On the point of order, Madam Deputy President, I think it is quite appropriate that Senator Ray raises the point of us wandering around. We were nonplussed by Senator Faulkner refusing leave to table documents on an order for the production of documents that was moved by Senator Forshaw. A Labor senator from New South Wales has demanded of the Senate that documents be tabled immediately after question time. We wonder who the real dope in this place is. I table the documents and other statements.

Senator Robert Ray—Madam Deputy President, I raise a further point of order. Just for the good running of this place, I don’t believe that a manager of government business or any other senator can take a point of order and use that as an excuse to table documents. As I understand it, the tradition in this place is that we do the tabling of these things immediately after noting of questions.

Senator Ian Campbell—Your motion demanded that it be after question time, you dope!
Honourable senators interjecting—

The DEPUTY PRESIDENT—Order! I am trying to listen to Senator Ray’s point of order. I am also trying to seek advice from the Clerk and I am not being helped by the noise that is taking place and the number of interjections, including yours, Senator Ian Campbell. Senator Ray is on a point of order.

Senator Robert Ray—The point of order is that, irrespective of the merits or otherwise—and I had better not debate those—of when we should have had the tabling of the thing, it is not appropriate under standing orders for someone to take a point of order and while they are on their feet to say, ‘By the way, I’m going to table papers.’ That is just chaotic if we allow that as a precedent.

The DEPUTY PRESIDENT—Order! It is not normal for documents to be tabled when there is another matter being discussed, and it is not appropriate, to my mind, for someone taking a point of order on another matter to table documents and then to throw them—

Senator Ian Campbell—I placed them on the table.

The DEPUTY PRESIDENT—Place them on the table. It is not really appropriate, Senator Ian Campbell.

Senator FAULKNER—So, as I was saying, the position is this: in June 2000 the predecessor of the Special Minister of State asked the Joint Standing Committee on Electoral Matters to deal with the question of funding and disclosure and then gave a specific reference in relation to the matter that Senator Abetz improperly raised in question time today in relation to Markson Sparks. Then, the Liberal majority on the committee—the government majority—by virtue of the casting vote of the chairman of the committee, used its numbers to put that inquiry off, to put the inquiry and a report on these matters and therefore legislative change back.

While both the government and Labor Party would like to see reform in relation to these particular matters—in relation to fundraising arms and business fundraising organisations that involve themselves now in political parties as well as charities and a range of other organisations—that is a change in the nature and methodology of political fundraising. We acknowledge it and we want to make sure that the disclosure law takes account of that change. We will join with the government, the Democrats and any other senators who want to see appropriate disclosure laws, but we will also insist on that in relation to the Liberal Party 500 clubs, the Greenfields Foundation and all the other sorts of sneaky and covert operations that the Liberal Party has traditionally used to subvert the disclosure laws in this country.

Government senators interjecting—

Senator FAULKNER—But this is at the same time that this same committee will not allow Minister Jackie Kelly in the House of Representatives to come before the Joint Standing Committee on Electoral Matters to front up to serious allegations of electoral fraud. So the Labor Party wants to change the disclosure law, perhaps in the same way as Senator Abetz and the government do. We want to fix any weaknesses in the law, but the Liberal Party never want the Greenfields Foundation to be accountable, Ron Walker’s operation to be accountable or the 500 clubs to be accountable. We want full disclosure for all political parties. We nail our colours to the mast on that.

Government senators interjecting—

Senator FAULKNER—We have a long record of support for funding and disclosure provisions of the Electoral Act, which, for the entire time this has been a political issue in the public arena in Australia, the Liberal Party has always opposed. That is the real story. How inappropriate for a minister in those circumstances to use the forum of question time for such a grubby, spineless political attack.

Senator Cook—Madam Deputy President, I raise a point of order. Senator Richard Alston and Senator Kemp are out of their places and have been interjecting all through the speech of Senator Faulkner. If they want to do that, they should at least sit in their places. I know they are interested in this subject because they probably have
some blood on their hands, but at least they should try to conform to the proper conduct in this chamber.

Senator Kemp—On the point of order, Madam Deputy President, I draw to your attention the point of order that was made earlier by Senator Ray, who pointed out that I was in my seat. So all I can say is that Senator Cook and Senator Ray should get their act together.

Senator Robert Ray—Madam Deputy President, I draw to your attention the point of order that was made earlier by Senator Ray, who pointed out that I was in my seat. So all I can say is that Senator Cook and Senator Ray should get their act together.

The DEPUTY PRESIDENT—There is no point of order. Senator Alston, you have been a repeat offender of interjecting and interjecting out of your place. You are well aware that that is disorderly. I expect to hear no more comments and utterances from you while you are seated where you are or anywhere else in this chamber unless you have the call.

Senator ABETZ (Tasmania—Special Minister of State) (3.15 p.m.)—For the five minutes or so that Senator Faulkner had to contribute to this debate, it was noticed that not once did he deny any of the facts that I placed before the Senate in yesterday’s question time and today’s question time. What we witnessed was a complete and utter obfuscation of the issues raised, mock indignation and a raised voice—as is always the wont of Senator Faulkner: when there is no substance, he just cranks up the volume hoping that that will somehow obviate the need for facts in a debate. The simple fact is that Senator Faulkner, in his so-called defence, did not join issue on one of the numerous matters that I raised in yesterday’s question time or in today’s. So I think that ought to be weighing on the minds of the people of Australia when they consider some of these issues. Senator Faulkner says that the inquiry by the Joint Standing Committee on Electoral Matters deferred the issue of investigation into electoral funding and disclosure, but he did not tell us why: that it was because there was, I believe, an even more important inquiry into electoral roll rorting—

Senator Schacht—Where’s Jackie Kelly?

The DEPUTY PRESIDENT—Order, Senator Schacht!

Senator ABETZ—by the Australian Labor Party in Queensland. The rorting of the roll is a lot more important, in my mind and in the collective mind of the Joint Standing Committee on Electoral Matters, than electoral funding. The only telltale comment in Senator Faulkner’s so-called defence was: ‘We will join you to change the legislation.’ Madam Deputy President, do you know what it is? It is Senator Faulkner pleading with the government to save the Labor Party from themselves.

Senator Faulkner interjecting—

The DEPUTY PRESIDENT—Order, Senator Faulkner!

Senator ABETZ—‘We cannot change our ways,’ says Senator Faulkner, ‘unless you change the legislation for us. We just won’t be able to help ourselves; we will have to get into those grubby schemes.’

Senator Faulkner—We didn’t say that.

The DEPUTY PRESIDENT—Order, Senator Faulkner!

Senator Faulkner interjecting—

The DEPUTY PRESIDENT—Order! I would like Senator Faulkner to come to order, please, and cease interjecting.

Senator ABETZ—Thank you, Madam Deputy President. It is amazing how certain things seem to rile Senator Faulkner. But when he is in cahoots with the New South Wales division of the Labor Party—Eric Roozendaal and others—I can understand how that is an uneasy relationship and how he has to defend those gentlemen. But, at the end of the day, when Senator Faulkner says, ‘We will join with the government to clean up the act,’ what does he mean? To clean up what? To clean up Labor Party fundraising activities.

Senator Faulkner interjecting—

Senator ABETZ—‘Save us from ourselves,’ is Senator Faulkner’s plea. Senator Faulkner’s plea is, ‘Please, save us from ourselves because, if you do not change the
legislation, we will be unable to mend our ways.’

Senator Kemp—Madam Deputy President, I rise on a point of order. Madam Deputy President, I draw to your attention the fact that Senator Faulkner continues to flout your rulings. You have been probably quite right in drawing to the attention of members on this side that they have to abide by standing orders. When it is drawn to my attention, I always accept the presiding officer’s rulings. But Senator Faulkner is flouting your rulings and I urge you to apply the same standards to Senator Faulkner as you are applying elsewhere in this chamber.

The DEPUTY PRESIDENT—I hope that that is not a reflection in any way upon the chair.

Senator Kemp—No, it is not a reflection.

The DEPUTY PRESIDENT—that is very good. I would ask all members of the chamber, including Senator Faulkner, to resist the temptation to interject and to allow Senator Abetz the one minute and 57 seconds that he has left.

Senator ABETZ—Thank you, Madam Deputy President. I can understand that the Australian Labor Party are very touchy on this issue. Yesterday during question time, we highlighted their acceptance of money from the Australian Workers Union, a union which is at the epicentre of the electoral rorting in Queensland—something that has caused some embarrassment and, indeed, conviction of a number of Labor people in Queensland as being in breach of the law.

There are a number of investigations taking place as we speak. Today I canvassed the fundraising activities of the Labor Party through Markson Sparks. Once again, the Labor Party went into a frenzy of mock rage. Their mock rage is exposed by the fact that they have not joined issue to say, ‘We didn’t accept money from the Australian Workers Union,’ or ‘We didn’t accept money through the scam of Markson Sparks.’ If the Labor Party would get up and say, ‘We dislike this fundraising activity. We were not aware of this activity. We will stop this activity,’ Senator Faulkner would have some credibility in this debate.

Senator Schacht—Bring on the legislation.

Senator ABETZ—But, no, he comes in and says, ‘We will keep using this distasteful scam to raise money in an improper way just so—

Senator Schacht—Bring it on!

The DEPUTY PRESIDENT—Senator Schacht, order!

Senator George Campbell—Introduce the legislation.

Senator ABETZ—Senator Forshaw echoes the call to change the legislation.

Senator Forshaw—that was Campbell, not me.

Senator ABETZ—you either say that your fundraising techniques are okay and proper and, if they are okay and proper, there is no need to change the legislation or, if you want the legislation changed, by definition you are saying that your fundraising techniques are not proper, that they are highly improper. We would not need to change the legislation if the political players in this country were to abide by the spirit. (Time expired)

Senator ROBERT RAY (Victoria) (3.20 p.m.)—I served on the first Joint Standing Committee on Electoral Reform; indeed, I chaired the second one. For all the electoral reform that we brought about in that era, the most controversial issue was public funding and disclosure. In my entire time on that committee and in my time as minister when I was in charge of it, I can at least accuse the Liberal Party of consistency. They consistently opposed any disclosure whatsoever. They argued that they had their own fundraising code, that no politician knew where the money was coming from, even though we would catch out from time to time various Liberal Prime Ministers raising money in the boardrooms around Australia.

It is true to say that the regime of disclosure has been tightened year by year over the last 15 to 17 years. But in all that time and in all the sorts of rorts and ramps that have gone on, one massively stands out. We
all know that the Liberal Party were in massive debt in the 1990s. We know that they owed banks up to $9 million through their fiscal irresponsibility in political matters. But all of a sudden after they won power in 1996 most of the debt was liquidated, and none of us could understand how this could have happened. In the end, the explanation is that the Liberal Party had borrowed $4.6 million from a charitable foundation called Greenfields. None of us had ever heard of Greenfields, so we looked up who was on the board. Oh! Sir John Atwill, former Liberal Party president, chaired it.

Senator Brandis—A very fine man.

Senator ROBERT RAY—Yes, he was, but his memory is not too good. When the Financial Review contacted him, he said he did not think he was on the Greenfields Foundation. It is on the record. And when we looked at the second of the trustees, it just happened to be the Liberal Party’s accountant. When we finally put more pressure on, we found out this was an interest free loan. I am sure a lot of senators around the chamber would not mind even a $46,000 interest free loan, yet alone a $4.6 million one. Then it turns out that the loan is over 46 years and the Liberal Party are only putting up 100 gorillas a year to pay it off. It gets worse. They argue they are not an associated entity. The Electoral Commission investigates. The Electoral Commission finds they are an associated entity. And who put up the $4.6 million for the Liberal Party? Why all the disguise? Why didn’t they admit where they got the money from? It turns out the money came from their own federal Treasurer. Our initial suspicion was that he had gone out and collected money—like $4.6 million—and washed it through the Greenfields Foundation so it could not be declared. But what we were really shocked about was that that did not occur. He anteed up the whole $4.6 million himself, out of his own personal savings account. Why wouldn’t he admit that? The reason he would not admit that at the time was because of a very close association he had with state and federal Liberal governments.

Greenfields is the biggest scam in Australian political history. It has not been in the headlines every day because it has taken years to reveal it layer by layer. One of the things I would have thought the joint select committee would have been doing would have been investigating this. We tried to change the act when electoral bills appeared here. Who opposed it and who defeated those changes? Those sitting opposite.

Senator Ferris—Who’s breaking the law now?

Senator ROBERT RAY—Senator Ferris says she is worried about the current situation. I agree with Senator Faulkner: if there are weaknesses in the act, you fix them. But as for Senator Abetz’s claim that all these donations are anonymous, I would have thought that if you have a thousand businessmen at a dinner and they get up and bid at an auction it is not the most hidden process in history. And half of them, by the way—

Government senators interjecting—

Senator ROBERT RAY—Of course they do. Half the people, I am disappointed to say, vote Liberal. But they do come along as part of the democratic process and buy a seat at the table. Big secret! It has been in the newspapers. Journalists go to these functions. They said ‘export why?’ as though it is the great scandal of history. Rubbish! It is not. (Time expired)

Senator BRANDIS (Queensland) (3.26 p.m.)—In the eight months since I have been a member of this place, I have heard many surprising things, but perhaps the most surprising thing I have heard is the sound of Senator Faulkner being pious on the subject of electoral funding, because without a doubt the scams in electoral funding and the avoidance of the electoral funding legislation in this nation at the moment are perpetrated by the Australian Labor Party. Let me inform the Senate of the manner in which the scams are perpetrated—and this arises directly from Senator Abetz’s answers to the question. The 1998-99 Electoral Commission return revealed, as a single line item, a donation of $499,849 to the New South Wales branch of the ALP—that is, Senator
Faulkner’s branch—by Markson Sparks. That came from the Gough Whitlam tribute dinner in May 2000. How was the money raised? Not merely from the sale of tickets but from an auction, at which such precious items were put up for auction as a framed ‘It’s time’ poster, lunch for eight with Mr Gough Whitlam—

Senator Ferris—How much did that make?

Senator BRANDIS—Those two items and a few other incidental items of a similar nature raised $227,000. If that is not money laundering, I do not know what is. But Mr Max Markson, the principal of Markson Sparks, has excelled himself, according to the Electoral Commission return filed last week. I refer to an article by Ian Verrender in the Sydney Morning Herald of last Friday, 2 February. He describes Mr Max Markson as ‘the incorrigible London-born huckster’, which I suppose is a backhanded compliment in the same character as ‘well-known colourful Sydney racing identity’. Mr Markson says about the $1.7 million which, through this money laundering scam, he has raised on behalf of the Australian Labor Party in the past 18 months:

The money may have come out of my bank account but not out of my back pocket. … We have held six fundraising functions, including tribute dinners for Gough [Whitlam] and Wayne Goss, for the ALP in the past 18 months and raised about $1.7 million.

That is $1.7 million raised over the course of 18 months and reported to the Australian Electoral Commission in two sequential annual reports by a line item. Can anybody in the Australian Labor Party suggest with a straight face that that is not plainly a ruse to evade the electoral funding disclosure laws?

Then we come to Queensland. The 1999-2000 electoral funding returns reported, among other things in my own state of Queensland, donations to the Queensland branch of the ALP of more than $275,000 from its financial mainstay, the Australian Workers Union, and of more than $146,000 from the Liquor and Hospitality Union. It will be interesting to see, when one scrutinises with more care that report, how the Australian Democrats returned the thousands of dollars delivered to them by Mr Wayne Swan, in a brown envelope, in the course of the federal election campaign before last.

The financial practices and the fundraising practices of the Australian Labor Party in all the states of Australia but to our particular knowledge in Queensland have been evasive. They have been deceptive. They have been designed to avoid the effect and the operation of the legislation and particularly when one considers the operation and the power of the AWU, which has run the culture of corruption in the Queensland Labor Party, one is entitled to be concerned. (Time expired)

Senator Faulkner—Madam Deputy President, I raise a point of order. I note that Senator Brandis has raised a matter here that is— I think this is well known to all in the chamber—currently subject to an operational inquiry by the Australian Federal Police. I note that yesterday he raised matters which specifically had a suppression order before the Shepherdson inquiry in Queensland applying to them. This of course is now standard operating procedure, obviously, for this sleazy government but I take this point of order that—

Senator Hill—that is why you asked the Brough question—

Senator Faulkner—What Brough question?

Senator Hill—The question to me.

Senator Faulkner—It was about a matter that was not before a police inquiry, you drongo! Go and have a look at the question, the question of what—

The DEPUTY PRESIDENT—Order, Senator Hill and Senator Faulkner—

Senator Faulkner—As you well know, that matter is not before the Australian Federal Police. I make the point—

The DEPUTY PRESIDENT—First of all, I would like you to withdraw the asperion—

Senator Forshaw—The drongo.

The DEPUTY PRESIDENT—Yes.

Senator Faulkner—I will withdraw it.
The DEPUTY PRESIDENT—Thank you. Senator Hill, would you please cease your interjecting. I am trying to listen to Senator Faulkner’s point of order, with difficulty.

Senator Faulkner—As I indicated in this point of order, we now have the standard operating procedure of the government, particularly Senator Brandis, to raise matters subject to a suppression order—now matters that are operational matters being dealt with by the Australian Federal Police.

The DEPUTY PRESIDENT—There is no rule of the Senate that prevents Senator Brandis from doing so but I think your concerns, Senator Faulkner, are justified and need to be borne in mind.

Senator SCHACHT (South Australia) (3.33 p.m.)—I rise to speak on this motion to take note of answers. When it was announced that Senator Abetz had made it to the ministry, I was astonished that a party would be so bereft of talent that—

Senator Faulkner—He was the only Tasmanian left standing.

Senator SCHACHT—Oh, is that it? He may be the only Tasmanian but, even allowing for that, I was astonished that he got into the ministry. When it was announced that he had been put in charge of the Electoral Act of Australia, I was absolutely astonished at the inappropriateness of that appointment, because Senator Abetz has prided himself on a role in Tasmanian politics, particularly inside the Liberal Party, of being a political thug, of being a branch stacker, of supporting rorting of the rules of the Liberal Party.

The DEPUTY PRESIDENT—Order! Senator Schacht, that is disorderly. Will you please withdraw it—‘political thug’ is unparliamentary.

Senator SCHACHT—I will withdraw ‘political thug’. In his first week in the chamber as a minister, what does he do? He comes in here to make himself look like a tough guy, to smear the Labor Party, to get up and make a position in front of his Liberal colleagues of how tough he is by dishing it out to the Labor Party. On both occasions he has made an absolute mess of it with inappropriate comments. Yesterday he used the phrase ‘like a virgin in a brothel’. That went down like a lead balloon. That is the sort of language this senator, this minister, has now brought to the Howard government.

As I said, for a person whose activities, or those of his staff, have led to people in the Tasmanian Liberal Party resigning from positions in the Liberal Party to now be in charge of the Electoral Act is an absolute joke. Of course, if we ask Senator Watson, the chairman of the parliamentary Christian group, what he thinks of Senator Abetz and of what he has said publicly—

Honourable senators interjecting—

Senator SCHACHT—No, I think he would be told the difference between Christianity and barbarism. I want to point out now another inappropriate appointment, which Senator Faulkner has also run across, and that is the appointment of Mr Pyne as chairman of the Joint Standing Committee on Electoral Matters. Mr Pyne, as those of us from South Australia know, pulled one of the great stunts when he was on the staff of Mr Ian Cameron Bonython Wilson, the then member for Sturt. He was on the staff, but what did he do? He went out and stacked the Liberal Party branches with a group of Young Liberals and then told Mr Wilson, ‘I’ve got you; you’re out.’ So Wilson lost his preselection before the 1996 election by the doublecrossing activities of a staff member he trusted loyally. Now Mr Pyne is in charge of the electoral matters committee. These are the ethics of the people now in charge of electoral matters in Australia. I think those two points, alone, show where the Liberal Party has sunk.

I also want to take on this point about fundraising at these large, successful Labor Party gatherings. I was at one of them—I agree with Senator Ray—and, in front of 800 to 1000 people, people have put their hands up to bid for these items. They have had their names called out and an explanation of who they are. When they were successful with their bid, they were congratulated and applauded. There were journalists present. It was not secret and it was fully
disclosed, so it is not right to say there was some rort going on.

We have indicated that we are willing to change the legislation. This party, led by Abetz, has opposed every effort that the Labor Party has made—

The DEPUTY PRESIDENT—Senator Schacht, please give Senator Abetz his proper title.

Senator SCHACHT—Senator Abetz—for the last 20 years since it has been Labor Party policy on public disclosure and public funding. The government have been trying to stop any investigation that would lead to legislation before the next federal election to get rid of the last loophole that has now been identified and has to be tightened. They have used the excuse of what happened in Queensland to stop that inquiry of the Joint Committee on Electoral Matters so that they do not have to report before the federal election and do not have to introduce legislation into this place to close up that loophole that Abetz is now complaining about. If Senator Abetz were really fair dinkum, he would be in here in three weeks time, when we come back with the amendments to the Electoral Act, to get rid of what he is complaining about. But he will not do that because the Liberals are into every rort, including the Greenfields Foundation.

(Time expired)

Question resolved in the affirmative.

NOTICES
Presentation

Senator Brown to move, on Tuesday, 27 February:


LUCAS HEIGHTS: NEW NUCLEAR REACTOR

Return to Order

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.39 p.m.)—I table documents in response to an order by the Senate on 6 February 2001 relating to the replacement of the Lucas Heights nuclear reactor. I seek leave to incorporate a short statement relating to the return to order.

Leave granted.

The statement read as follows—

In response to the motion moved by Senator Forshaw on 6 February 2001, I am tabling a series of documents relating to the design and construction of a replacement research reactor at Lucas Heights.

Some documents that were requested are commercial in confidence and in accordance with practice have therefore not been tabled.

However, some of those commercially confidential documents can be made available to be shown to members of the Senate on an in-confidence basis on request.

Senator FORSHAW (New South Wales) (3.39 p.m.)—by leave—I move:

That the Senate take note of the statement.

Firstly, I indicate that I have not actually had the opportunity to peruse the statement.

Leave granted.

Senator FORSHAW—That the Senate take note of the statement.

Firstly, I indicate that I have not actually had the opportunity to peruse the statement.

Senator Ellison—It is very short.

Senator FORSHAW—I understand that, but I am aware, because of advice given to me by the minister’s office, of the documents that the minister is prepared to table in the parliament today, and I am proceeding on the assumption that the advice that I was given over the last week is consistent with the documentation that has been provided. What that means is that the return to order that was carried by this Senate last Tuesday has not been complied with fully—

Senator Woodley—What—again!

Senator FORSHAW—And particularly I think it would be fair to say that the minister has provided very little by way of documentation and material that was the subject of the return to order. Senator Woodley has just interjected with the words ‘What—again!’ It is true that this government has made an art form of treating returns to order of this Senate with contempt by refusing on a number of occasions to provide information and documentation that has been requested—and, indeed, ordered—by the Senate. It claims commercial-in-confidence or that it is not in the public interest. As I understand it, they are the sorts of reasons...
that are again being put forward by the minister in this case for refusing to provide the documents.

It will not wash, and all it does is demonstrate the contempt of this government for the Senate and the orders it has made not only in this case but of course in some others. Senator Cook yesterday, for instance, had the same situation in respect of material that he had sought. It also demonstrates in this particularly important issue the contempt that this government has for the Senate committee that is investigating the contract for the construction of a new reactor at Lucas Heights. It demonstrates the contempt that this government has for the interests of the people of the Sutherland Shire and Sydney and elsewhere who have a vital interest in that project.

Indeed, all the documentation we sought in the return to order was specific. There can be no argument to suggest that the government or ANSTO or the department were not aware of what we were requesting. Indeed, the fact is that, arising out of the deliberations of the Senate select committee, which I chair, on 17 October last year I wrote to the chief executive officer of ANSTO requesting a number of documents be made available to the committee inquiring into the contract for the new reactor. I received a response dated 8 November from Professor Garnett, and in that response Professor Garnett failed to supply several of the documents that the committee had deemed necessary in order to undertake its inquiries. This was then followed by the motion that I moved for a return to order which was subsequently carried.

This committee is inquiring into one of the most significant and expensive contracts that has been let by any federal government or indeed state government for many years. We are talking about expenditure in the order of $400 million to $500 million, plus the necessary commitment for the next 40 years to run that new reactor at Lucas Heights. There has been a great deal of concern expressed within the community, as well as from a range of other sources, about the decision of this government to award that contract to the Argentinian company INVAP. The committee that was established by vote of this Senate was charged with inquiring into the decision and a whole range of other relevant matters relating to the proposal to build this new reactor.

It is vitally important that the committee has access to documentation such as the request for tender documentation and the contract that was ultimately signed between the Australian government, ANSTO and INVAP. Further, we have requested information and reports compiled by officers of ANSTO and the department who went overseas to visit and inspect reactors operated by the various tender companies. I am advised that exercise alone cost $70,000. Integral to the decision made by ANSTO and the government were the reports of those officers on their visits. But when we asked for that information and documentation all we received was a cursory response: a one-page document telling us the places the ANSTO team went to and the dates when they visited them. It is simply not good enough.

There is other material that the government has refused to provide, including the reprocessing contract with Cogema. The reprocessing of the spent fuel from the current reactor and proposals for reprocessing of spent fuel from the new reactor represent a vital issue. It is an issue that goes, firstly, to the decision to build an operator reactor at Lucas Heights. Secondly, it is also integral to the related issue, which is the ultimate location of a medium-level waste facility in this country. Last week we took evidence in South Australia where both the South Australian Liberal government and the South Australian Labor opposition indicated that they would oppose the siting of a facility in their state.

We are endeavouring to get information which the department, the government and ANSTO have on that vital issue of how we handle the waste for the next 40 or 50 years or longer. This government refuses to provide it. I am disappointed, but I am not surprised, given this government’s approach to decisions of this Senate on returns to order. We will continue to press for the documentation. I certainly will look at the material that has been provided and the minister’s
statement. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES
Reports: Government Responses

Senator ELLISON (Western Australia—Minister for Justice and Customs) (3.48 p.m.)—I present seven government responses to committee reports, as listed on today’s Order of Business at item 13. In accordance with the usual practice, I seek leave to incorporate the documents in Hansard.

Leave granted.

The documents read as follows—

Employment, Workplace Relations, Small Business and Education References Committee

Jobs for the regions, Inquiry into regional employment and unemployment

Government Response

Introductory Remarks

The impact of technological change, globalisation, microeconomic reform and the rationalisation of services by the public and private sectors on the employment prospects of Australians living in regional and rural communities varies significantly between regions and depending upon individual circumstances. It is widely recognised that the benefits of economic change do not always flow evenly across Australia and that while many parts of non-metropolitan Australia are charging ahead, others are struggling to meet the challenges posed by globalisation and industry structural change.

The Government has therefore adopted a whole of government approach to working with communities to create an environment that encourages and supports new industries and job opportunities for regional and rural Australia.

To this end, the Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson MP, convened the Regional Australia Summit in Canberra from 27 to 29 October 1999.

Two hundred and eighty-two delegates from a range of community, government and business organisations throughout Australia discussed a range of contemporary problems and opportunities in regional Australia. They developed suggestions for community, industry and government actions to create a positive future for regional and rural Australia.

The Summit was divided into twelve themes to look at the challenges that face regional areas of Australia, identify priority areas, and develop possible solutions and partnerships aimed at providing a better future for our regions. The twelve themes were:

- Communications;
- Infrastructure;
- Health;
- Community well being and lifestyle;
- Government – local, state and federal;
- Finance and facilitating entrepreneurship;
- Value-adding to regional communities and farming industries;
- New industries and new opportunities;
- Community and industry leadership;
- Education and training;
- Philanthropy and partnerships; and
- Sustainable resource management.

The priorities identified by each theme group have a direct relationship with the findings and recommendations of the Senate Committee.

Delegates to the Summit also examined and identified the roles that government, business and community sectors could each be expected to fulfil to achieve a better future for regional Australia. In doing this, delegates clearly identified that meeting the challenges above was a shared responsibility.

A copy of the Summit Communique is at Attachment A.

At the Summit, Mr Anderson established a Steering Committee, chaired by Professor John Chudleigh, former Head of the Orange Agricultural College of the University of Sydney, and comprised of members drawn from Summit delegates. The Steering Committee’s role was to advise the Government on implementation strategies to deliver the outcomes from the Summit.

In its interim report, released in April 2000, the Steering Committee recommended the adoption of an aspirational, guiding vision for the future development of regional Australia to have as a national goal:

A strong and resilient regional Australia which, by 2010, has the resources, recognition and skills to play a pivotal role in building Australia’s future and is able to turn uncertainty and change into opportunity and prosperity.
The Steering Committee also assessed that there are three strategic areas that require action:

- equity of services in regional communities;
- economic and business development;
- and community empowerment.

In the 2000-2001 Budget the Government announced major new initiatives in each of these three strategic areas. These are outlined in the Budget related Ministerial Statement by the Honourable John Anderson MP and Senator the Honourable Ian Macdonald entitled Regional Australia: Making a difference. (This document is available at www.dotrs.gov.au/budget/regional/index.htm). Details from this statement directly relevant to the Committee’s recommendations have been incorporated into this document.

The Steering Committee recently completed its final report having reviewed the Federal Government’s response to the Summit’s recommendations. Although there is still a long way to go, the Federal Government has acted on many key recommendations in achieving greater equity of services, and in economic and business development and community empowerment.

Among the Federal Government’s commitments to date are the $700 million National Action Plan for Salinity and Water Quality, the $562 million Rural Health Initiative, a $309 million extension of the Agriculture-Advancing Australia package, $240 million for the Stronger Families and Communities Strategy, a $90 million Regional Solutions Programme and $70 million for the Rural Transaction Centre Programme. The $1.6 billion Roads to Recovery Programme is also a significant step in addressing infrastructure needs.

The report recommends further action in a number of areas and points to the critical role of local government in the future development of regional Australia.


Regional Australia also will be a major beneficiary of the Federal Government’s $2.9 billion Backing Australia’s Ability – An Innovation Action Plan for the Future, announced by the Prime Minister on 29 January 2001.

Impediments to companies getting started will be removed through the provision of greater access to start up capital funding together with funding for research in regional universities, providing a substantial boost to regional Australia.

The package provides a framework for new opportunities and growth in regional Australia. Specifically the package includes:

- The $21.7 million New Industries Development Programme (NIDP) targeted at agribusiness and technology in rural Australia. It is one of the key components of the innovation package for regional Australia. NIDP has been expanded from a $4.6 million three year programme to a $21.7 million five year programme.
- Through the NIDP Australian agribusiness will gain the business skills and resources required to successfully commercialise their business products, technologies and services and thereby generate significant growth in regional Australia.
- $155 million over five years for Major National Research Facilities with the potential for locating some of these facilities in regional areas.
- Regional universities will be able to access increased research grant funding through the Australian Research Council with a doubling in the funding available by 2006 to $550 million a year.
- Regional universities will also benefit from a total increase in university infrastructure funding of $337 million over 5 years.
- A new $34.1 million Online Curriculum Content Programme over 5 years will also provide greater access to education for regional Australians.
- As part of the $35 million National Innovation Awareness Strategy, $3.7 million will be committed over 4 years towards Questacon’s Smart Moves programme to raise awareness of science, technology and innovation among secondary students, teachers and communities in regional and rural areas of Australia.

The following responses are offered to the recommendations contained in the Senate Committee’s Report.

RECOMMENDATION 1: Local government and state based regional development bodies should be encouraged to become more involved with the operations of ACCs. Regular meetings between these organisations would enable discussions about how prospective proposals could be implemented and how best they can be coordinated between the various organisations to avoid duplicated effort.

Response
The Government accepts this recommendation and has addressed it in its second term of office through the revised framework and clear priorities that have been put in place for Area Consultative Committees (ACCs). The ACCs were
established to assist local areas generate employment and require a “private sector” spirit rather than just a public service attitude.

A priority area in the Charter for the National Network of ACCs is working together in partnerships. This requires ACCs to work to maintain constructive alliances with government, business and the community and bring community stakeholders together to identify opportunities, priorities and growth strategies for the region. For example, a proposal is currently being developed for the establishment of an economic development commission for the Indian Ocean Territories which it is anticipated will be associated with Australia’s northern ACCs.

Whilst ACCs are not required to have a local government member, in practice, local government representatives are often closely involved with the work of the ACC, and participate either as full or ex-officio members. Many of the projects which have been submitted for funding under the Regional Assistance Program (RAP) are local council initiatives, testifying to the constructive working relationship that is developing between ACCs and local government.

Many ACCs already have well-established links with state based regional development bodies and in accordance with their new Charter, ACCs are enhancing these links. For example, in South Australia, Regional Development Boards and ACCs have held strategic meetings to forge closer and more cooperative links to foster jobs growth, regional growth and effective service delivery through joint ventures which drive the available funds further. ACCs recognise that cooperating with State regional development bodies maximises their effectiveness and, as such, representatives of State regional development bodies are invited to attend ACC meetings and brief members on relevant programs and initiatives.

Action is underway to further develop and strengthen these relationships. The Department of Employment, Workplace Relations and Small Business (DEWRSB) is developing a strategy to improve national awareness of the network of ACCs. A component of this strategy will target local, State and Federal government bodies, along with community groups, chambers of commerce and business organisations. The aim will be to raise awareness of the role which ACCs play in the community and, through this, foster constructive partnerships between ACCs, relevant tiers of government and the wider community. Rural Transaction Centres (RTC) Field Officers employed by the RTC National Field Officer Network are required to develop and maintain relationships with the ACCs.

An example of local government and state based regional development bodies being more involved in the operations of ACCs is the trial Regional Forum held at Whyalla, South Australia by the Department of Transport and Regional Services in July 1999. A priority identified by the Forum was an improved working relationship between the Flinders Region ACC (FRACC) and the State regional development boards in the Spencer Gulf region. It was agreed that FRACC and the SA Regional Development Association (SARDA) will manage the follow up to the Forum as part of a seven point plan agreed to by DEWRSB, FRACC and SARDA. This plan specified that the ACCs and Regional Development Boards individually and collectively should seek to maximise outcomes in relation to fostering opportunities for jobs growth, skills development and regional growth, and service delivery by joint ventures which drive available funds further.

Overall strategies for implementation include:

- explore the notion of developing protocols in relation to how the parties will work together;
- explore the concept of integrating relevant elements of the respective organisations’ strategic plans;
- encourage State Government to recognise the role of ACCs in achieving common objectives – recognising in the first instance that the Commonwealth should establish dialogue and agreement with the relevant State Government agencies; and
- in conjunction with ACCs facilitate regular joint meetings to discuss matters of concern in the pursuit of mutual objectives.

RECOMMENDATION 2: That the Commonwealth Government take a coordinating role in the dissemination of information to local businesses of the range of assistance measures available to them. This information should be made available through a wide variety of mediums such as ACCs, websites, the ATO and regional services centres operated by State and Commonwealth government (sic).

Response

This recommendation is supported in principle. Action is already underway in several Commonwealth portfolios to address this recommendation.

CURRENT SITUATION

Information to regional businesses is currently disseminated in a variety of ways. The Com-
monwealth’s activity in this area is primarily through two programs: the Business Entry Point (DEWRSB) and the National Business Information Service (NBIS).

**Employment, Workplace Relations and Small Business**

The Business Entry Point (BEP) www.business.gov.au is the key online channel for the Commonwealth in interacting with business. The web site is managed by the Department of Employment, Workplace Relations and Small Business. It is designed as a single entry point to government through the Internet. The BEP, as the key online access point to the Australian Business Register (ABR), provides the online registration point for all businesses to register for an Australian Business Number and the Goods and Services Tax (GST). In May 2000, the BEP launched a lookup and browse facility to the ABR which will assist all businesses in the implementation of the Government’s tax reform initiatives. The NBIS provides access for BEP users to the business information resources of the three levels of government.

The BEP offers a secure, reliable and private environment for businesses to complete online transactions and registrations with the Australian Taxation Office and with other government agencies.

The BEP demonstrates the Government’s commitment to improving services to small businesses and reducing the costs of compliance. ACCs are also actively promoting the BEP to small businesses in their region.

**Industry, Science and Resources**

The National Business Information Service (NBIS) is managed by AusIndustry, a business unit within ISR.

The Business Information Service (NBIS) arose out of the Prime Minister’s More Time For Business statement in 1997. The objectives of the NBIS are:

- to reduce the compliance burden that business faces in accessing government information; and
- to integrate business information from all three levels of government into a comprehensive national information service.

Through NBIS the Commonwealth provides national leadership in integrating business information services, the adoption of common standards, and national company-operation to continue to develop and enhance business information services for all businesses.

The NBIS draws together the business information resources of the three levels of government (Commonwealth, State, Territory and Local) and distributes this national data set to all key government business entry points. Through NBIS all businesses, irrespective of location, and their advisers now have access to comprehensive information about the wide range of government information and services for the first time.

The NBIS is a package of services/initiatives which enable business to easily locate all the relevant information it needs to start and run a business (including information about business licensing and assistance programs).

The main elements of the package are:

- Web-based software to assist business to collect information;
- A telephone hotline (13 28 46) to answer business queries and provide guidance;
- An internet based facility which automatically collects and disseminates information electronically from all levels of government and industry associations;
- A CD-ROM containing a sub-set of the national collection of information for business without net access;
- A national electronic collection of industry licensing requirements and codes of practice.

The NBIS contains information on over 40,000 business resources and is expected to grow to cover over 1 million resources.

NBIS gives quick and easy access to business licensing, other information and assistance program resources from all three levels of government from the single entry point of their choice. Importantly, access for regional businesses is the same as metropolitan businesses – NBIS is available online, over the phone, through government shopfronts and offline as a CD ROM.

**Invest Australia**, within the Department of Industry, Science and Resources (ISR), is working with Commonwealth, State, regional and local agencies to ensure that regional Australia has effective access to ISR services and programs, and that ISR information services incorporate regional information.

A regional focus is also being developed on the Invest Australia Website (www.investaustralia.gov.au) which will be one of the means by which Invest Australia ensures regional Australia has effective access to ISR programs and services. These programs and services can also be found through the BEP website.
Foreign Affairs and Trade

Austrade provides a wide range of services and assistance to businesses in regional Australia, including advice on how to get into exporting, information on overseas markets and opportunities, and grants for export marketing. Information about those services and assistance is delivered through:

- a telephone advisory service for the cost of a local call from anywhere in Australia (Tel – 132878);
- the Austrade Online website (www.austrade.gov.au);
- an ongoing public awareness campaign (advertisements, media releases) to raise community awareness and understanding of the economic and social benefits of trade and exports, and of Austrade’s role as Australia’s major export and investment facilitation agency;
- participation in regional field days and agricultural shows including most recently Dowerin (W.A.), Albany (W.A.), Orange (NSW), Waikerie (S.A.) and Launceston (TAS);
- a continuous program of seminars providing information on opportunities overseas and assistance available from Austrade, for exporters and potential exporters. For example Live Cattle Seminars (opportunities in China and Vietnam) have been held in Cloncurry, Townsville and Kununurra, and E-Commerce for Exporting Workshops have been held in Mooloolaba, Tamworth, Newcastle, Armidale and Dubbo; and
- a continuous program of client visits (including to regional Australia) by Trade Commissioners and overseas engaged marketing staff.

The $150m per annum Export Market Development Grants (EMDG) scheme encourages small and medium sized businesses to export by reimbursing up to 50% of eligible export marketing expenses. In 1999/00, $25m in EMDG grants were paid to 636 rural and regional Australian businesses. These businesses generated around $1 billion in exports and represent 22% of all export grants paid in 1999/00.

Family and Community Services

The Prime Minister’s Community Business Partnership aims to develop and promote a culture of community/business collaboration in Australia. A key focus in developing the communication strategy is building the business case and identifying the reciprocal benefits to both the business and community sectors. The Partnership also hosts the Prime Minister’s Awards for Excellence in Community Business Partnerships which creates huge national media attention and involves a member of Council of Small Business of Australia on the judging panel.

Department of Transport and Regional Services

The Department of Transport and Regional Services has several initiatives that aim to take a whole of government approach to the dissemination of information to rural and regional Australians.

Countrylink Australia is the Federal Government’s information access service for country people. This program provides people living outside of the capital cities with information about Federal Government programs and services, and up-to-date information about their entitlements and obligations.

Countrylink Australia offers five major services:

- a 1800 Telephone Information Line (calls are free);
- dissemination of publications;
- the Countrylink Australia Shopfront which visits regional shows and field days;
- Countrylink Australia Community Information Stands, located with regional community groups as a local source of information; and
- the Countrylink Australia Video Lending Library which lends, free of charge, videos covering a wide variety of topics of interest to people in regional and remote areas.

As part of the Department’s whole of government approach, three publications have been distributed to all Federal Senators and Members of Parliament, all local councils and any individuals, groups or organisations who have requested them through Countrylink. They are

- The User’s Guide - designed to provide regional Australians with a brief snapshot of Government services highlighting contact details for further information;
- The Rural Book - a complete handbook of programs and services across Federal Government for rural communities and interest groups; and
- Commonwealth Assistance for Local Projects (CALP) - designed as a directory of
Federal Government programs and funding opportunities relevant to local government and their communities.

Centrelink
As the Commonwealth’s ‘one stop shop’ for individuals in rural and regional Australia, Centrelink has the available infrastructure and already undertakes the dissemination of information about a wide range of assistance and services. Centrelink managers and staff play a lead role in providing information and promoting access to programs, funding and services (for example Networking the Nation, Rural Transaction Centres, and state based funding for small business).

Centrelink has also developed arrangements with local/State government and community based organisations in response to community service delivery needs. In particular the Government Information Centre, a joint Centrelink/State Government initiative being piloted in Tasmania, provides a single access point to information about Government services. Links with other State Government entry points are also being explored to enable a seamless government information service, which will be made available on-line to assist customers.

Centrelink Customer Service Centres, through Job Network Access Centres, provide job search facilities to all job seekers free of charge. 166 of these Centres are located in regional and rural areas.

Rural Transaction Centres
Under the Rural Transactions Centres program, funds have been made available to help small communities establish their own centres providing access to basic transaction services such as banking, postal services, Medicare easy-claim facilities, and phone and fax services.

Rural communities with populations up to 3,000 are eligible for assistance, however the program is open to other towns that have a strong case for assistance. Any non-profit organisation representing a community group can apply for funding under the Rural Transactions Centres program. Potential applicants include local government councils, community groups and Chambers of Commerce.

RECENT DEVELOPMENTS
During the Regional Australia Summit strong concern was expressed over the lack of a coordinated approach across government to the delivery of government services and programs. A key element of this issue is the availability of information to enable rural and regional Australians to access government services and programs. The Commonwealth recognises that there needs to be a consistent and comprehensive collection and dissemination of information and programs. As part of the outcome from the Summit, whole-of-government approaches are being pursued in many areas, including online and communications activities targeted at regional Australia.

At a meeting of Regional Development Ministers and the Australian Local Government Association (ALGA) held on 29 March 2000, a taskforce was established to work through a number of issues including identifying immediate and concrete opportunities.

At the 3 November 2000 meeting of the Regional Development Ministers and the ALGA, the taskforce reported on a framework for future regional cooperation between the three spheres of government in Australia. The Ministers and the ALGA endorsed the report. The Communique from this meeting is at Attachment B.

The taskforce is currently considering the scope for cooperative approaches on a number of issues including zone rebates, business investment, retention of professionals in regional areas, housing and infrastructure. The taskforce will report to Ministers and the ALGA on progress on these issues.

RECOMMENDATION 3: That the Commonwealth investigate strategies for attracting increased investment to regional Australia.

Response
The Government agrees there is a need to attract greater investment to regional and rural Australia. To this end a number of strategies and initiatives have been, and will continue to be, pursued.

Invest Australia, within ISR, is working to ensure that regional Australia has the same service quality in investment attraction and facilitation as the rest of Australia. In addition, Invest Australia activities are directed towards improving and increasing investment opportunities in regional Australia.

In 1999-2000 Invest Australia attracted a total of 72 new investment projects into Australia. Of these, 16 projects, or one in five, are located in rural and regional Australia. This has the potential to result in $923 million of new investment and the creation of up to 2085 new jobs.

To assist new investment in regional Australia, a Regional Australia Investment Strategies team was established within Invest Australia in March 1999. In partnership with State and Territory agencies, the team works with communities to develop mechanisms aimed at encouraging institutional investors, venture capitalists and/or
project financiers to invest in regional Australia by providing specific regional investment assistance.

Recently, Invest Australia prepared its first regional investment strategy focussed on the Upper Spencer Gulf region of South Australia. As a six month pilot project, Invest Australia worked with Invest South Australia, regional organisations, businesses and the community to identify possible areas which could form the basis of an investment strategy as a component of the region’s overall economic development plan. The information was compiled and presented as an investment strategy titled ‘Making A Case: Investment Potential in the Upper Spencer Gulf, South Australia’. The strategy was launched by the Minister for Industry, Science and Resources in Port Augusta on 9 June 2000.

With the experience gained from the Upper Spencer Gulf project, Invest Australia, in cooperation with State and Territory investment agencies, is preparing an instructive manual to assist communities prepare a framework for their own investment strategies. The instructive manual titled ‘A Do It Yourself Guide to Regional Investment Attraction’ will describe the theory, processes and tools necessary for individual communities to collect the ‘building blocks’ required for an investment strategy as part of their overall economic development plan. Following the preparation and piloting of the draft manual, the guide is expected to be launched in June 2001.

The Government acknowledges that in some circumstances there may be a need for specific incentives to be provided to secure strategic investments for Australia. Such incentives include grants, tax relief (taking into account constitutional constraints) or the provision of infrastructure services. The Strategic Investment Coordinator considers proposals for investment incentives on a case-by-case basis in accordance with eligibility criteria. The Coordinator is responsible for advising Cabinet through the Prime Minister about strategic projects that may warrant the provision of incentives.

Austrade, through its overseas network and Australian operations, works in partnership with Invest Australia to increase productive and sustainable investment in Australia. Through this cooperation, Austrade was involved (in 1999-00) in attracting 16 projects to regional Australia, worth a total of $921.2 million, generating 2,035 jobs and $635 million in exports.

In the Territory of Christmas Island the Commonwealth is currently facilitating the establishment by Asia Pacific Space Centre of a satellite launching facility. This $500 million commercial project has the potential to provide significant economic benefits for this isolated island and for Australia generally.

**RECOMMENDATION 4:** Governments of all levels place a higher priority on the provision of adequate infrastructure in regional Australia. This includes telecommunications, transport, gas, electricity, water, sewerage, renewable energy and gas pipeline infrastructure.

**Response**

Infrastructure is an essential determinant in a nation achieving a sustainable level of economic growth and development. Communications, transport and water and energy supply in particular, impact upon the ability of an economy to grow. The Government recognises the role of infrastructure in regional Australia. Poor infrastructure impedes the efficiency with which businesses are able to operate and limits further investment and employment growth. In the Indian Ocean Territories of Christmas Island and the Cocos (Keeling) Islands the Commonwealth has funded a $120 million program of public infrastructure upgrading since 1992.

The public sector has generally been the main provider of infrastructure in order to: prevent market failure (such as the private sector exploitation of a natural monopoly); provide public goods; and ensure equity in the provision of services. However, the cost of many new infrastructure projects is such that the public sector cannot afford to build them without absorbing significant debt, reducing essential services, or increasing taxes and charges. The private sector, on the other hand, is likely to only participate in infrastructure projects that meet commercial objectives.

Generally, the role of the public sector will be to provide infrastructure that has significant public benefits and can be justified in terms of a government’s overall objectives. Roads in regional areas are one such example. Competitive tendering and contracting in such circumstances, however, provides some scope for private sector participation. This will allow governments to concentrate on the provision of goods and services that have equity considerations whilst attaining the technical and allocative efficiencies that are offered by private sector provision.

There is greater scope for examining alternative models such as public-private partnerships as a means for regional infrastructure provision.

The private sector has begun to meet the shift from public investment, however it has been quite selective, operating in areas that achieve...
significant financial return such as toll roads and water sewerage schemes that have consistent revenue streams through “user pays”.

In relation to the tax treatment of infrastructure projects, the Government in November 1999 announced in principle support for the recommendations of the Review of Business Taxation to abolish section 51AD and to replace Division 16D of the Income Tax Assessment Act. These provisions deny deductions, in some cases, to private sector infrastructure projects where the project is ‘effectively controlled’ by tax exempt organisations. The Government is currently consulting with State Governments and the private sector in relation to these recommendations. In making final decisions in relation to the recommendations, the Government will clarify the tax treatment to ensure appropriate policy arrangements for private investment in infrastructure.

**Telecommunications Infrastructure**

The Federal Government has contributed significant funds from both tranches of the sale of Telstra to support communications development in regional Australia. The principal vehicle for the allocation of this support is the Networking the Nation (NTN) program (the Regional Telecommunications Infrastructure Fund), which was established under the first partial sale, to provide $250 million over five years. Projects have addressed an array of community needs and reflect the diversity in telecommunications priorities in each State, Territory and region. Projects range from the provision of enhanced internet access, improved telecommunications infrastructure, video-conferencing facilities, e-commerce and demand aggregation, through to community planning projects. The NTN Board has also approved several pilot projects to trial alternative means of service delivery and to trial the use of innovative technologies for delivering telecommunications services.

An additional $670 million was made available from the $1 billion *Accessing the Future* package of Social Bonus programs funded by the second partial sale of Telstra. This additional funding, some of which will be administered by the NTN program, is for a variety of specific purposes including enhancing telecommunications infrastructure and access in rural and regional areas:

- $150 million to facilitate untimed local calls within extended zones in remote Australia
- $120 million to enhance access to TV reception
- $70 million to build additional rural networks
- $45 million to assist local government authorities provide online access to information and services including the Internet
- $36 million to stimulate Internet service delivery
- $25 million for continuous mobile phone coverage along designated highways
- $20 million to improve telecommunications access for remote islands communities
- $15 million towards establishing local area and wide area networks linking Tasmanian schools
- $15 million for a broadband project in Tasmania
- $10 million for trials in the delivery of innovative government electronic regional services
- $3 million to expand mobile phone coverage in regional centres in South Australia, Western Australia and Tasmania
- $158 million to promote the growth of new and innovative Australian IT&T businesses
- $3 million to promote a safer Internet environment for young people

The 2000-01 Budget contains initiatives to ensure that Australia’s telecommunications and broadcasting sectors continue to take up the opportunities offered by new technologies, to create new employment, educational, social and entertainment opportunities for all Australians—regardless of where they live.

The Budget announced an extensive program of support for regional commercial television stations to assist them in meeting the costs of rolling out digital television in non-metropolitan areas. Up to $260 million will be spent over 13 years, including $22.6 million in 2000-01.

The Budget also announced a $10 million Regional Communications Partnership with the new owner of the National Transmission Network to assist community-based self-help retransmission groups obtain access to network sites in regional and remote areas by subsidising the commercial fees payable. These groups then retransmit commercial and national television and radio services to smaller communities that would not otherwise have had access. The Federal Government and the new owner of the Network are each contributing $5 million.

**Transport Infrastructure**

A network of national roads connecting ‘inland ports’, railheads and rural manufacturing centres with cities and coastal ports – and the efficient operation of heavy transport vehicles between them – is the centrepiece of the Federal Government’s land transport strategy. This strategy...
recognises that the community is seeking transport efficiency as an essential part of the process of structural adjustment, improved productivity and resource allocation across the national economy. As well as freight networks, the strategy reinforces the importance of roads to tourism and modern lifestyles that demand a high degree of mobility.

The total budget allocation for roads for 2000-01 is more than $1.3 billion, $858.9 million of this involving direct spending by the Federal Government. In recognition of the importance of transport infrastructure to regional and rural Australia, 90 per cent of the Government’s direct spending on roads in 2000-01 will be allocated to non-urban roads. A further $406.4 million will be provided to local government throughout Australia for local roads, and $41 million has been allocated towards the Road Safety Black Spot Program.

Commonwealth roads funding has concentrated on a defined National Highway System, which includes a number of key urban links, and Roads of National Importance. (See Recommendation 5 for further details of these programs). The States are responsible for the rest of the arterial network. Local government plays a vital role in the provision of transport infrastructure and is responsible for more than 80 per cent by length of the nation’s roads. Roads represent the major capital investment of most councils. Recently the Federal Government announced a $1.2 billion boost over four years in its funding for local roads through the new Roads to Recovery Programme.

The Government is providing $7 million for the upgrade of Rockhampton Airport. This upgrade includes a runway extension and will enable the airport to handle heavily laden Boeing 767 and some Boeing 747 aircraft. It will position Rockhampton as the main staging point for international military exercises conducted at Shoalwater Bay and is expected to create almost 400 extra jobs in the region, contributing up to $40 million to the regional economy.

The Commonwealth is currently the major shareholder in National Rail Corporation, but is working with other shareholders towards progressing its sale. After the sale, the Commonwealth’s only equity involvement in the rail industry will be through the Australian Rail Track Corporation which provides access to interstate rail track.

Commonwealth rail initiatives that have a regional focus are:

- **Abt Railway Project in Tasmania:** The Commonwealth has allocated $20.45m from the Centenary of Federation Fund to restore the original Abt Railway between Queenstown and Strahan on Tasmania’s West Coast.

- **Alice Springs to Darwin Railway:** The Commonwealth has allocated a total of $165m towards the project and has provided a long-term peppercorn lease of the Tarcoola to Alice Springs line, which has a written down replacement value of some $400m. $100m is from the Centenary of Federation Fund and $65m from separate funding announced in October 1999 by the Prime Minister.

- **Infrastructure Upgrading Program in Tasmania:** The Commonwealth has allocated $5m to upgrade rail infrastructure in Tasmania. The appropriation was $2m in 1997/98 and then $1m per annum in the following three years.

- **$250m Rail Investment Program:** The Commonwealth has allocated $250 million for capital expenditure on the mainline track over four years commencing in 1998/99. A significant portion of the funds will be spent on upgrading the interstate track in regional areas.

The Commonwealth’s involvement in the maritime industry consists of policy, safety environmental regulation and accident investigation. It has no operational involvement.

**Gas and Gas Pipeline Infrastructure**

The Government contends that gas pipeline infrastructure can be best provided by private sector investment. Through its gas industry reforms, the Government has established a national regulatory regime for third party access to natural gas pipelines, which is expected to provide greater certainty for investment in pipelines and opportunities to both link and expand the pipeline network. This will result in greater competition in the supply of natural gas and lower gas prices for gas consumers, thereby improving the competitiveness of Australian industry.

As a result of the establishment of competition policy reforms, a number of new gas pipelines are already bringing benefits to various regional areas, such as the central west of NSW, the Murray Valley and Riverland area of South Australia. A number of additional pipelines, including extensions of existing pipelines, are proposed or already under construction which will also bring gas to rural and regional areas. These include: the Eastern Gas Pipeline from Longford to Sydney; the Papua New Guinea to Queensland pipeline; the Central Ranges pipeline in central western NSW from Dubbo to Tamworth; the Wide Bay gas project in Queensland; and the Longford to Tasmania pipeline. Feasibility stud-
cies have also been announced for new pipeline projects from the Timor Sea to Townsville and from Onslow to Geraldton.

The expansion of the gas pipeline network is resulting in the introduction of cheaper energy for retail innovation to meet customer needs, electricity supplier. Thus, there is an incentive for retail customers to choose their electricity users in NEM participating jurisdictions.

At the retail level it is intended that, from 2001, retail contestability will be introduced for electricity users in NEM participating jurisdictions.

The National Electricity Market (NEM) reforms have increased efficiency in the electricity industry by introducing competition into the generation sector, increasingly to the retail sector and indirectly into network operations. As a result of the reforms future resource allocation and infrastructure investment decisions will be determined more by the interaction of supply and demand.

Economic benefits will flow because competition will open up opportunities for new technology (such as combined cycle gas, solar, etc) and growth in demand will assist the process of new entry. The network access provisions open up opportunities for smaller scale generators to site themselves close to major industrial customers, reducing potential network augmentation costs and the cost of electricity transmission losses to customers.

Competition is also placing increased pressure on utilities to reduce costs, align tariffs/prices with costs, and use their assets more efficiently.

Furthermore the NEM has enabled the market operator (NEMMCO) to reduce reserve plant margins by the sharing of plants between States and to provide better capacity utilisation of generation assets. In an integrated national market, regions with access to lower cost fuels can provide cheaper energy to other regions.

At the retail level it is intended that, from 2001, retail contestability will be introduced for electricity users in NEM participating jurisdictions so retail customers will be able to choose their electricity supplier. Thus, there is an incentive for retail innovation to meet customer needs, such as tailored tariff structures, and energy packages covering electricity, gas and energy efficient appliances.

Many country locations also have potential to exploit the renewable electricity generation opportunities arising from the Prime Minister’s November 1997 Statement “Safeguarding the future: Australia’s response to climate change”. Rural and regional areas will increasingly be able to use technology to break the tyranny of distance and to explore new opportunities for rural and economic development. The Commonwealth has committed $10 million worth of investment to showcase renewable energy projects.

Regional areas are key producers of biomass feedstocks such as plantation and food industry by-products, and have large resources of wind, small hydro, wave and solar energy. In the emerging sustainable technology environment there are significant opportunities for employment to be realised in regional areas.

Since the establishment of the competitive National Electricity Market there has been significant interest from the private sector in investment in the electricity industry, with a wide range of proposals currently being considered or approved for construction. These include both new network connections and new generation proposals.

Reform of the structure and regulation of the electricity supply industry aims to promote competition in this $60 billion industry, in order to deliver lower electricity costs, more efficient and sustainable use of capital and energy resources, and to improve Australia’s domestic and international economic performance.

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The needs of smaller consumers and rural and regional areas are recognised. The reform process will be monitored closely to ensure that the distribution of these benefits is not just one of the unintended or delayed side-effects of these reforms, but rather a central plank in the delivery of competitive market outcomes outside metropolitan Australia.

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Electricity Infrastructure

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Parliament has recently passed legislation (8 December 2000) that sets a target for an additional 9,500 GWh of electricity to be generated from renewable energy sources by 2010. The regulations that operate under this legislation have recently been through a public comment period. The measure will commence on 1 April 2001. It is anticipated that this initiative will provide considerable stimulus to the development of renewable energy technologies. Recent studies of possible options to meet this target have indicated that biomass to energy technolo-
Regional Development Considerations are included in funding decisions for the Federal Government roads program. The government delivers its roads programs through funding the National Highway, Roads of National Importance and the recently announced major new initiative to assist with the repair and maintenance of vital local roads. This Roads to Recovery programme will run over four years with total funding of $1.2 billion of which $850 million will be spent in rural and regional areas, in recognition of the fact that this is where the need is greatest.

Under the National Highway and Roads of National Importance programme the Federal Government will spend in 2000-01, around $740 million on projects in regional areas. This is around 90 per cent of the available funding. The benefits in travel time savings, vehicle operating cost savings, greater safety and other intangible benefits of improvement to the National Highway accrue to the regions and communities served by it.

The Commonwealth has strategies for each corridor against which it assesses its investment in the National Highway. Those strategies include improving access for the regions and communities along the corridor and, where applicable, the need for improvements to facilitate the movement of freight on the corridor. Projects under the National Highway program are assessed initially according to their economic benefit as measured by their benefit-cost ratio. The Minister decides which projects are to be funded taking into consideration other Commonwealth objectives for the National Highway, including regional development.

Similarly, the key Roads of National Importance, which the Federal Government funds in cooperation with the States and Territories, are important links for regional Australia. Roads of National Importance receiving large Federal Government funding contributions include the Pacific Highway, the Calder Highway, Geelong Road and the Great Western Highway.

Under the new Roads to Recovery Programme, each local government will receive a specified amount of funding and has discretion over expenditure, although it must be spent on roads. The 4-year Roads to Recovery Programme represents the largest ever injection of extra funds into local roads by any Australian Federal Government.

In 2000-01 the Federal Government will provide around $1.322 billion in financial assistance grants to Local Government. This comprises a general purpose grant of $915 million and a local road grant of $406 million. Financial assistance grants are untied in the hands of Local Government and are used to address a range of local government expenditure priorities including local roads. Local Government Grants Commis-
sions, established under legislation in each State and the Northern Territory, determine individual council allocations in accordance with agreed National Principles. For local roads funding, the National Principles state that the grants should be allocated to local governments as far as practicable on the basis of the relative needs of each local governing body for roads expenditure and to preserve its road assets.

For general purpose grants the National Principles provide additional criteria to the objectives of horizontal fiscal equalisation and the minimum grant to local governments which are established in the Local Government (Financial Assistance) Act 1995. Horizontal equalisation is achieved if each local government in a State is able to provide the average range, level and quality of services by reasonable effort, taking account of differences in their capacities to raise revenue and differences in the expenditure to provide average services. This means that local governments that would incur higher costs in providing normal services, for example, in remote areas where transport costs are higher, will receive additional grant monies.

The Commonwealth Grants Commission (the Commission) is undertaking a review of the Local Government (Financial Assistance) Act 1995. The Commission has released its discussion paper for the review and has called for written submissions. The Commission has completed its programme of hearings in each capital city and has also visited a number of regional centres. The Commission will release a draft report in January 2001 and a final report in June 2001. The Commission will hold a conference in Canberra in March 2001 to discuss the draft report. The Review is an important part of the Government’s desire to enhance equity between councils while ensuring certainty of funding. Further details on the review including the terms of reference are available on the Commission’s website at www.cgc.gov.au.

RECOMMENDATION 6: That the government be more vigilant in the interests of remote populations in their access to telecommunications facilities, which should be viewed not simply as a commercial issue but as a civic entitlement guaranteed by the state.

Note: Government Senators do not agree with this recommendation.

Response

The Federal Government has enacted legislation (the universal service regime) to ensure that all people in Australia, wherever they reside or conduct business, have reasonable access, on an equitable basis, to standard telephone services, pay phones and digital data services. Provision has been made for additional carrier services to be prescribed. The underlying principle of the universal service regime is that all citizens should have access to services considered essential or highly desirable for participation in contemporary society and the emerging information economy. The current universal service arrangements are set out in Part 2 of the Telecommunications (Consumer Protection and Service Standards) Act 1999. Telstra is currently the primary universal service provider.

Universal service obligation (USO) arrangements are essentially targeted at support for high-cost rural and remote areas of Australia. Standard telephone services provided are price-controlled, and in high-cost areas the universal service provider cannot always recover the full cost of providing services from the customer. The losses incurred by universal service providers resulting from the supply of loss-making services in the course of fulfilling the USO are shared amongst all participating telecommunications carriers.

Digital data services were added to the universal service regime in October 1999, thereby giving all Australians the possibility of wider participation in the emerging information economy. Under the General Digital Data Service, Telstra is required to provide, on demand, to at least 96 per cent of the population a two-way data transmission service, broadly comparable to 64 kilobits per second (kbps). The remaining 4 per cent of the population who are unable to access standard ISDN services – primarily those in regional, rural and remote areas – are able to access a 64 kbps one-way digital data service (usually provided by satellite) under the Special Digital Data Service (also provided by Telstra). The Federal Government has also introduced a rebate scheme to allow consumers of the Special Digital Data Service to be reimbursed up to $765 for equipment necessary to access this new service. From 1 July 2000, it has been easier for other telecommunications providers to become general or special digital data service providers.

The Federal Government is committed to ensuring that the universal service regime is robust and sustainable into the future. With this in mind the Government will shortly finalise a new legislative framework for the USO. The new framework will improve the reliability of USO delivery, enhance industry certainty, widen the funding base and better support the competitive provision of USO services. The Government is conducting a tender for the provision of untimed local calls in remote Australia, with the success-
ful tenderer becoming the universal service provider for that area for a three year period. The Government is also well advanced in implementing two pilot schemes for competitive multi-provider delivery of the USO in regional areas.

Additionally, there are a number of separate arrangements for low-income earners and people with a disability. These include the National Relay Service, which extends telephony access to the hearing impaired. The Federal Government has also contributed significant funds from both tranches of the sale of Telstra to support communications developments in regional Australia (see information under Recommendation 4).

The Rural Transaction Centres program is assisting remote populations in their access to telecommunications by providing funding for access to internet facilities and training, video conferencing and public telephone and facsimile services.

**RECOMMENDATION 7:** That the remaining one third (sic) of Telstra not be privatised.

Note: Government Senators do not agree with this recommendation.

**Response**

The Government’s policy is that Telstra should be transferred to full private ownership, but within an effective regulatory framework that protects consumers and promotes competition. As Telstra is a Corporations Law company with private shareholders, Government ownership is not an appropriate or effective mechanism for advancing consumer, competition or community interests.

In accordance with its election policy, the Government established an independent inquiry to assess the adequacy of Telstra’s service levels to customers in metropolitan, regional, rural and remote areas. The Inquiry concluded that Australians generally have adequate access to a range of high quality, basic and advanced telecommunications services, although a significant proportion of those who live and work in rural and remote Australia have concerns about some key aspects of the telecommunications services available to them. The Government has announced that it is committed to a plan of action to address these concerns. The Government will not introduce legislation to sell the Commonwealth’s remaining shareholding in Telstra until its plan of action has been fully considered and made public.

The full privatisation of Telstra will not change the telecommunications regulatory framework that exists in Australia today. Changes in Telstra’s ownership status will not affect the Government’s ability to protect the interests of consumers, competitors and the public generally, and further foster industry development.

Through legislated arrangements, such as the Telecommunications Industry Ombudsman, the Customer Service Guarantee and the Universal Service Obligation, the Government can ensure consumers receive a minimum standard of service irrespective of the ownership of Telstra.

**RECOMMENDATION 8:** That the funding for programs that were cashed out, such as fares assistance, relocation assistance and formal training allowance be reinstated as guaranteed allowances on top of the money allocated for job search assistance.

Note: Government Senators do not agree with this recommendation.

**Response**

The Government does not believe that reinstating funding for programs that were cashed out with the introduction of Job Network, such as guaranteed allowances on top of the money allocated for Job Search assistance, would be either appropriate or useful for job seekers.

The Government had good reasons for cashing out these programs in the first instance. The rationale for introducing Job Network was that the previous labour market assistance arrangements which were administered by the Commonwealth Employment Service (CES), were not effective at getting people into jobs. Job seekers were expected to fit labour market program arrangements and there was insufficient focus on achieving real job outcomes. To return to such a rigid program structure would be a retrograde step as it would remove the flexibility and incentives built into Job Network.

One of the major strengths of Job Network is its flexibility. For example, job seekers who are most in need are eligible for Intensive Assistance services. These job seekers have the flexibility to decide with their Job Network member the best form of assistance to get them a job. This may mean that the Job Network member will use their fees to provide the job seeker with job search training, relocation assistance, vocational training, language and literacy training, or other assistance such as workplace adjustments. Job Network members who provide Job Search Training or Job Matching can also use their funds to provide assistance with fares if they believe it will assist the job seeker in getting a job. Job Network is discussed further in Recommendation 9.
A range of other Government programs complement the services provided by Job Network in regional Australia. In addition to the Regional Assistance Program, the Government has introduced Work for the Dole and a variety of measures under the mutual obligation suite. The Return to Work program and the new Indigenous Employment Strategy also provide assistance to disadvantaged job seekers in regional Australia.

**RECOMMENDATION 9:** That the NEIS program should be expanded and further investigation be made into the effects of unbridled competition in the provision of employment services.

Note: Government Senators do not agree with this recommendation.

**Response**

*New Enterprise Incentive Scheme*

The Government increased the number of places available in the New Enterprise Incentive Scheme (NEIS) prior to the release of the Senate Report. In the second contract period of Job Network, there will be about 6,810 NEIS places available annually, compared with approximately 6,710 places in the first period of Job Network (in annual terms).

**The effects of competition in the provision of employment services**

The Government has also noted the view of the Committee that further investigation be undertaken into the effects of unbridled (or alternatively, unrestrained) competition in the provision of employment services.

The Government does not agree with the contention that unbridled competition has been introduced into the provision of employment services in Australia. What has occurred through the introduction of Job Network is the introduction of a fully competitive framework for the delivery of active labour market policies in Australia. The primary objective of these reforms is to ensure that labour market assistance has a clear focus on job outcomes. The decision to adopt these reforms was based on a conviction that, over time, a contestable framework for the delivery of employment services would increase the quality of services that they receive, lead to better and more lasting employment outcomes, and boost value for money from the expenditure of public funds.

It is clear that Job Network, which provides assistance to job seekers depending on their level of need, is a much more effective system for enabling job seekers to access employment opportunities than the previous arrangements administered by the CES. For example, in the 12 months to end November 2000, Job Network had placed an average of about 5,700 unemployed people in jobs per week. There were more than 294,000 eligible job placements under Job Network in the year to end November 2000.

In the year ending November 2000 more than 62,000 job seekers commenced Job Search Training. In the same period, almost 319,000 job seekers commenced in Intensive Assistance.

Current Post Program Monitoring estimates show that around 43 per cent of participants in Intensive Assistance and Job Search Training were in unsubsidised employment or in further education and training three months after leaving assistance.

The Government has recently released information that demonstrates that Job Network is delivering high quality services to job seekers, as well as large numbers of jobs. The *Survey of Job Seeker Perceptions of Job Network*, which was gathered from a national telephone survey of 15,000 job seekers, found that more than 80 per cent of job seekers were satisfied with the service provided through Job Network. Job Network was also seen to be providing a more professional and personalised service than that which was provided by the former CES.

This focus on competition and delivering quality services to job seekers has been maintained in the second contract period of Job Network, which builds on the successes of the first and provides job seekers and employers with high quality and relevant employment services.

There have also been a number of changes to how Job Network operates in the second contract period that will lead to improvements in how employment services are delivered to regional Australia. In the second Job Network contract, there are 19 tender regions and 137 Employment Service Areas (ESAs). This has improved coverage in regional, rural and remote Australia, as tenderers were able to specify the true cost of providing services in non-metropolitan ESAs.

The second contract period of Job Network, which commenced in February 2000, has seen a significant increase (from about 1400 to over 2000) in the number of sites from which Job Network services are delivered. Non-capital city sites have nearly doubled from about 600 to 1100, while more than 250 new Job Network sites (half in regional and rural areas) have been established in locations that did not have a regular Job Network presence.

The Government, through DEWRSB, continually monitors the performance of Job Network to
ensure a high level of contractual compliance, performance, quality and equity of service delivery is maintained. Job Network members are required to supply DEWRSB with information on their activities and DEWRSB maintains close contact with members both at Head Office and local office levels. DEWRSB also carries out performance assurance visits.

Employment Services Contracts commit Job Network members to perform services to a high standard. Job Network members must participate in any general research, monitoring or evaluation programs undertaken by DEWRSB in relation to the effectiveness of the delivery of employment services. The Employment Services Contract also requires Job Network members to comply with all relevant State and Commonwealth legislation.

The performance of Job Network, and the fact that it is outperforming the CES, demonstrates that the introduction of competitive tendering and competition in the provision of employment services has led to better outcomes for job seekers. It is also clear that the Government has established effective and comprehensive measures through which it can evaluate and monitor the performance of Job Network.

**RECOMMENDATION 10:** That the Commonwealth investigate strategies to facilitate the implementation of appropriate accredited training packages to alleviate skill shortages in regional areas.

**Response**

The Government is committed to promoting life long learning to rural Australians. Skills development is increasingly being recognised as a cornerstone in building a sustainable, competitive and profitable regional Australia.

In January 1999, the Federal Government introduced the Rural and Regional New Apprenticeships incentive to boost training in rural and regional Australia. The Rural and Regional New Apprenticeships incentive provides an additional progression incentive payment of $1,100 to employers of New Apprentices progressing from Australian Qualifications Framework (AQF) level Internet training to AQF level III in defined trades and occupations experiencing skill shortages in non-metropolitan areas.

The 2000-01 Budget also provided funding for the Targeted Initiatives Program, a component of the Commonwealth’s New Apprenticeships: Workforce Skills Development Program. Targeted initiatives builds on the former Educational Services and Strategic Intervention Programs (SIP) to fill the space between the New Apprenticeships marketing campaign, the New Apprenticeships Information Service and State and Territory information activities to support the implementation of Training Packages and New Apprenticeships.

The Department of Education, Training and Youth Affairs has recently negotiated a new two year contract with the National Farmers Federation under the Targeted Initiatives Program. Under the new contract the NFF will deliver tailored messages to its members to increase their understanding of the New Apprenticeships system to enable them to better utilise its flexibilities and opportunities, including the ability to demand better service from New Apprenticeships Information Services, Centres and Registered Training Organisations.

In November 1999, the Minister for Education, Training and Youth Affairs, Dr David Kemp, announced an initiative to address concerns over skill shortages in trade occupations. This initiative initially focussed on the automotive, electro-technology and engineering sectors and subsequently the building and construction, rural and food sectors are being examined. An essential element of the process is an analysis of regional and other factors contributing to skill shortages.

Information from employer surveys and training packages for these industry areas will be used to help identify the skill sets required by industry.

At the National Industry Skills Forum on 28 April 2000, the Minister for Education, Training and Youth Affairs announced the formation of an industry led Rural Industries Working Group to review skills requirements across a number of rural industry sectors. The Working Group has focussed on issues relating to production horticulture, shearing and shedhands, viticulture and the cotton industry and will report to Government at a second forum early in March 2001.

The Working Group is operating under the chairmanship of Wayne Cornish, Deputy President of the National Farmers Federation (NFF) and the process is coordinated by Rural Skills Australia on the NFF’s behalf. It has received support from the Department of Education, Training and Youth Affairs, other interested Commonwealth Government departments, the Australian National Training Authority and the National Centre for Vocational Education Research.

The Minister’s Awards for Excellence for Rural and Regional Employers were launched by Dr Kemp in October 2000. These awards aim to publicly recognise, reward and promote the critical role employers of New Apprentices play in rural and regional Australia. Awards will be
given to employers who are demonstrating best practice approaches to employment of New Apprentices. The awards, specifically targeted at rural and regional employers, will be awarded by New Apprenticeship Centre non-metropolitan regions. A total of 16 awards will be presented. The winner for each region will receive $5,000. Winners will be announced in April 2001 and presented with their awards, by Dr Kemp in May 2001.

To support the range of New Apprenticeship initiatives including the work targeting skills shortages in rural and regional Australia the Commonwealth launched, in October 2000, a comprehensive communication strategy for New Apprenticeships in rural and regional Australia. This campaign comprises a new series of television advertisements incorporating specific messages designed to appeal directly to rural and regional Australia, as well as advertisements for rural and regional press and promotional material targeting rural and regional audiences. An integral and vital part of this campaign has been the development of opportunities for the Minister for Education Training and Youth Affairs to show ongoing support for and commitment to New Apprenticeships by participating in a range of closely targeted events/launches in rural Australia. These events bring together a wide range of audiences who can influence their local community as to the benefits of New Apprenticeships.

One example of a particular area facing skills shortages has arisen from the growth in renewable energy, particularly in renewable remote power supplies (RAPS) and domestic photovoltaic (PV) installations. This growth places a heavy demand on the existing industry which will require considerable expansion. PV installations will be spread across regional areas as well as the capital cities, and RAPS are by definition located in regional areas and beyond. The need for accredited training packages to alleviate skill shortages in regional areas has been recognised by the Australian Greenhouse Office, training institutions and the sustainable energy industry. A steering committee is operating in cooperation with the National Utilities Electrotechnology Industry Training Advisory Board to develop accredited courses in the design and installation of renewable energy systems.

In June 2000, the Government announced that $469,000 would be provided for a one year project, managed by Rural Skills Australia, to enhance the school to work transition for secondary school students contemplating a career in rural and related industries. This would be done by improving the current provision of quality structured workplace learning programs and school-based part-time traineeships. The project will focus on seven regional areas across Australia.

In the 2000-2001 Budget the Government also announced measures which recognise the particular health care needs of rural communities, and will provide more doctors in rural areas. The Government will fund bonded scholarships for 100 new medical students who commit to working in rural areas, and will offer an incentive for new medical graduates to work in rural areas by providing them with a Higher Education Contribution Scheme contribution.

**RECOMMENDATION 11:** That an independent monitoring body (similar to the former Employment Services Regulatory Authority) be established to oversee the operation of Job Network and monitor such issues as training provision and make regular public reports.

Note: Government Senators do not support the recommendation and believe that the responsibility for monitoring should remain with the Department of Employment, Workplace Relations and Small Business.

**Response**

The Government has noted the views of the majority of the Committee on this issue. However, the Government has established, through DEWRSB, an effective and appropriate monitoring and evaluation strategy which ensures that Job Network delivers appropriate employment outcomes for job seekers in a cost-effective manner.

DEWRSB continually monitors the performance of Job Network to ensure that a high level of contractual compliance, performance, quality and equity of service delivery is maintained. Job Network members are required to supply DEWRSB with information on their activities and DEWRSB maintains close contact with members both at Head Office and local office levels. DEWRSB also carries out performance assurance visits.

Employment Services Contracts commit Job Network members to perform services to a high standard, to participate in any general research, monitoring or evaluation programs undertaken by DEWRSB and to comply with all relevant State and Commonwealth legislation.

The Government also has in place an extensive evaluation and monitoring strategy for Job Network. The first stage of the strategy is an assessment of issues arising from the implementation of Job Network and early market experience.
The Job Network Evaluation: Stage One implementation and market development report was made publicly available in February 2000. The second stage of the strategy will be a report, available in early 2001, examining how well the new arrangements are progressing. The third stage of the strategy will be an effectiveness report which will be available by December 2001, and will provide a comprehensive evaluation of the effectiveness of Job Network in improving the employment prospects of job seekers on a sustainable basis.

The evaluation will have a high degree of transparency and will include an independent review of the policy framework which will assess the strengths and weaknesses of Job Network policy to determine how it can be improved. A report of the Review is also planned for December 2001.

The Government has also introduced measures for the second contract period of Job Network to increase accountability in the delivery of Job Network Intensive Assistance services, while maintaining flexibility for Job Network members to tailor services to the needs of individual job seekers. Initiatives along these lines include the Declaration of Intent (DOI) and the Intensive Assistance Support Plan (IASP).

The DOI forms part of the contract between the Job Network member and the Commonwealth. It will be a summary of the services that a Job Network member expects to provide to job seekers referred for Intensive Assistance over the contract period. The IASP, negotiated and signed between the job seeker and the Job Network member, outlines activities and assistance Job Network members will provide to job seekers to place them into employment or education. IASPs will be mandatory if a job seeker is not in employment after three months of assistance, unless the job seeker is placed in employment during this period.

As well as managing the operation of Job Network, the Government is keen to facilitate the process whereby Job Network continues to provide high quality services to job seekers in the longer term. The Government is working on a wide range of strategies to facilitate this process of “market development” to ensure that Job Network builds on the impressive outcomes that have been achieved to date.

Accordingly, the Government does not believe it is necessary to establish an independent monitoring body to oversee the operation of Job Network.

**RECOMMENDATION 12:** That additional funding support for TAFE providers be negotiated with the states to improve the provision of structured training opportunities to meet changing local market opportunities.

**Response**
Consistent with the 1998-2000 Australian National Training Authority (ANTA) Agreement, States and Territories have delivered more training through efficiency gains and, in some cases, through additional State/Territory funding. In becoming partners to the Agreement, the States and Territories have already recognised their capacity to fund growth in their systems in this way.

Discussions on the ANTA Agreement for 2001-2003 are currently under way between Commonwealth, State and Territory Ministers. The final amount of Commonwealth funding for 2001 will be determined through this process.

In 2000, States and Territories collectively planned to deliver approximately 160,000 additional student places above the revised planned 1997 level, the agreed base for assessing growth. Under the ANTA Agreement, the States and Territories retain responsibility for their own training systems. This includes State level planning, regulation of training providers and the apprenticeship and traineeship system, allocation of funds to individual training providers and setting student fees and charges.

State and Territory planning processes determine the allocation of resources for training delivery to TAFE and other registered providers. Planning takes into account the training needs of local areas and the prevailing labour market conditions.

Primary responsibility for the funding of the vocational education and training (VET) system lies with the State and Territory governments who provided approximately $2.9 billion for this purpose in 2000. In addition, the Commonwealth provided $931 million under the Vocational Education and Training Funding Act 1992 for allocation by ANTA to the States and Territories.

Over and above the funding provided by the Commonwealth to the States and Territories via the ANTA Agreement, in the 2000/01 financial year the Commonwealth will expend around $500 million on training reforms and support, the bulk of which (around $350 million) is for the New Apprenticeships employer incentives program.

**RECOMMENDATION 13:** That the Commonwealth evaluate the use of training incentives in meeting the needs of regional industries
for increased structured training opportunities in categories of high employment growth.

Response

The growth in numbers of New Apprenticeships is quite evenly spread across metropolitan and regional Australia and the range of employer incentives for New Apprenticeships is available to all industries and all regions.

In addition, as already noted under Recommendation 10, in January 1999 the Federal Government introduced the Rural and Regional New Apprenticeships incentive to boost training in rural and regional Australia. The Rural and Regional New Apprenticeships incentive provides an additional progression incentive payment of $1,100 to employers of New Apprentices progressing from Australian Qualifications Framework (AQF) level Internet training to AQF level III in defined trades and occupations experiencing skill shortages in non-metropolitan areas.

RECOMMENDATION 14: That local government must play a pivotal role in the coordination of any future regional development policy.

Response

The Federal Government recognises the important role local government has to play in addressing the challenges confronting regional Australia.

To this end, local government was well represented at the Regional Australia Summit. Local government attendance at the Summit included representatives from individual councils as well as from the South Australian, Queensland, Northern Territory and Tasmanian Local Government Associations, the Municipal Associations of Victoria and Western Australia, and the Australian Local Government Association (ALGA).

In recognition of the need for all three tiers of government to work more closely together on regional development issues, the Australian Local Government Association was represented at meetings between Commonwealth, State and Territory Regional Development Ministers on 29 March and 3 November 2000 (see also response to Recommendation 2 and Attachment B).

Local government has a strong involvement in the activities of Area Consultative Committees. ACCs play a role in sharing and disseminating information in local communities and presenting information and feedback from regions to government on the operation of key initiatives such as workplace relations and Rural Transaction Centres. ACCs are an important source and sharer of information through which they influence, support and promote government policy directions and services for the benefit of their communities.

Local government also has an important role to play in relation to regional development policy. It is responsible for delivering and regulating a wide range of economic and human services and providing engineering services and infrastructure. It plays a major role in environmental management and provides leadership to local communities. Local government in these roles is a major determinant in the way regional development is pursued.

The Local Government Incentive Program (LGIP) recognises the need for support to be given to local councils to improve the delivery of services and to lead local communities. In 1999-2000, around $3 million was provided to help councils comply with the requirements of the GST legislation; in 2000-01, around $4 million will be allocated to assist local government in addressing the Government's priorities, particularly in regional Australia.

The Program will focus on three priority areas:

- activities that lead to the adoption of best practice and sharing of technical expertise across councils;
- the promotion of an enhanced role for local government in leading their communities; and
- increasing the capacity of local government to contribute to regional development.

The National Awards for Innovation in Local Government (NAILG) recognise the role local government plays in regional development policy. It does so by having a business and regional development category that recognises innovation in the development of communities and regional economies through the facilitation and growth of business ventures, infrastructure, tourism and export opportunities.

RECOMMENDATION 15: That a forum, similar to the Regional Australia Summit, should be convened periodically. The programming and arrangements for these events should involve all levels of government.

Response

A key objective of the Regional Australia Summit was to gather a broad range of ideas on how best to meet the challenges facing regional Australia. It also aimed to identify the roles that government, the corporate and community sectors should take in responding to those challenges. All levels of government were well represented at the Summit.
The Government was pleased with the outcome of the Summit and the positive and constructive nature of the contribution it made to addressing the problems facing regional Australia.

At the conclusion of the Summit, a Steering Committee was established by the Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson MP. The Steering Committee has a stewardship role in carrying forward and ensuring action on the Summit deliberations and will work to deliver the outcomes the Summit identified. An implementation plan was developed by Christmas 1999 and an interim report was delivered in April 2000. A final report (see Introductory Remarks) has now been released. While the Government is attracted to the Summit model, a decision on whether to convene any further forums of this kind has not yet been made.

Regional Forums are a trial, as part of the Commonwealth’s “whole of government” approach to regional Australia. They bring together a considered approach to the sustainable future of a region as well as being a mechanism for governments, particularly the Commonwealth, to address how they interact with, and provide services for, a region. The Government agreed to trial Regional Forums before deciding on a program across Australia. The first trial was in the Spencer Gulf area of South Australia. The Whyalla Forum was widely considered a success. An independent evaluation is nearing completion.

In addition, on 13 September 1999 Senator the Honourable Ian Macdonald, Minister for Regional Services, Territories and Local Government announced the Northern Australia Forum. The area covered was all of Australia above the Tropic of Capricorn, including the:

(a) area covered by the Central Queensland Area Consultative Committee;
(b) Northern Territory; and
(c) the area covered by the Gascoyne Development Commission in Western Australia.

The Territories of Christmas Island and the Cocos (Keeling) Islands were also covered.

Although this was a Federal Government initiated activity, the States, Territory, local government and private sector were invited to be partners, as with the forum previously held and those planned for the future. The Department of Transport and Regional Services is the lead Federal agency and will coordinate a whole of government response by the Commonwealth. This is expected to be completed by mid 2001.

Given the size and range of issues for northern Australia, twenty-one pre-summit local consultations were held across the north, which helped to set the agenda and feed into the Forum.

The broad objectives of the Forum were to:

- identify the direction for northern Australia into the new millennium, especially the economic development of northern Australia;
- build on the outcomes of the Regional Australia Summit held in October 1999; and
- plan for the sustainable future of northern Australia, especially emerging industry opportunities.

The Government recognises the importance of continuing consultation as a way of evaluating the effectiveness of Government policies and programs. Consultation is also an important way of developing ‘bottom up’ solutions, developing partnerships between the public and private sectors, improving coordination between governments and developing innovative strategies. The trial Spencer Gulf Regional Forum and the Northern Australia Forum are two examples of how such consultation may occur. The Government will consider the independent evaluations in deciding whether to establish a continuous forums program.

**RECOMMENDATION 16:** The establishment of a Ministerial Council on regional development involving all three spheres of government on the COAG model. The Council should meet regularly to establish policy priorities for regional development and discuss policy impacts on regional Australia. The consultative forum would then report directly to the Ministerial Council.

**Response**

In his closing address to the Regional Australia Summit, the Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson MP, acknowledged the need for all three tiers of government to work more closely together on regional development issues. On 29 March 2000 he convened a meeting of State and Territory Ministers responsible for regional development and the Australian Local Government Association to better address coordination of government activities in regional Australia.

This meeting agreed to establish a clear framework for cooperation between all levels of government on regional development issues and established a taskforce of senior officials to work through some immediate and concrete opportunities. The taskforce reported to the meeting of
Regional Development Ministers and the ALGA in November 2000 with proposals for improved cooperation between the three levels of government in Australia which were endorsed at the meeting. As noted in the response to Recommendation 2, the taskforce is currently investigating a number of development issues and will report to Regional Development Ministers and the ALGA on the progress of these issues.

ATTACHMENT A

Summit Communique Friday 29 October 1999

REGIONAL, RURAL AND REMOTE AUSTRALIANS WANT TO DETERMINE THEIR OWN FUTURES

Delegates to the Regional Australia Summit agreed that regional (including rural and remote) Australians want to shape their own futures. This should be in a journey of partnership.

The Summit, proposed by the Deputy Prime Minister and Minister for Transport and Regional Services, the Honourable John Anderson, was called in response to the perception that Australia was at risk of splitting into two nations. The Minister believes the difficulties being experienced by regional Australians and traditional industries as they embrace technological change, globalisation, microeconomic reform and rationalisation of services provided by both governments and the private sector should be a concern to all Australians.

Two hundred and eighty-two delegates from a range of community, government and business organisations throughout Australia met in Canberra for three days to discuss contemporary problems and opportunities in regional Australia. They developed suggestions for community, industry and government actions to create a positive future for regional Australia. Regional Australia has high expectations of outcomes from the Summit.

The Summit acknowledged that regional Australians have a long and proud history of adaptability and creativity. However, to respond to the opportunities of the next millennium and the many challenges currently confronting regional Australia, the Summit has agreed that new partnerships now need to be forged among Governments, business and communities – all of whom have to play their part.

The Summit called for the new partnership to be based on respect – renewed respect for regional Australia on the part of urban Australians. This renewed respect should include acceptance of the differences between urban and regional Australia – and between different regional communities. It also should include more comprehensive participation by regional Australians in decisions affecting them and the broader Australian community.

Delegates listened to Australian and international speakers and several case studies in plenary sessions between intensive meetings of twelve working groups covering a range of themes. The plenary presentations covered demographic changes, natural resource management, government, business, technological and community developments in rural and regional communities, both here and overseas.

The Summit acknowledged indigenous leaders’ commitment to be partners in sharing their knowledge and skills in the future development of regional communities, both economically and socially. The indigenous leaders sought the commitment of regional Australia to a process of inclusiveness in future regional development strategies.

Senior business leaders, Federal and State/Territory government ministers and senior community representatives also met during the Summit to discuss ways of creating effective partnerships between regional communities, the private sector and government at all levels.

Outcomes to emerge from the Summit, common to a number of themes, included:

- There are no easy solutions to the problems facing regional Australia. These problems are shared by many countries.
- Community development will not happen without government, business and community stakeholders each making their various contributions towards locally developed plans within a regional context.
- Communities that have re-invented themselves have identified and capitalised on their natural strengths, resources and self-interest to enhance their environmental assets and generate economic and social development.
- Communities want to share responsibility with government for development of their regions. Communities don’t want solutions imposed on them. One size does not fit all.
- Government, industries and communities must invest significant ongoing resources in skilling, learning, education and training, and leadership to develop the human capacity of regional Australia. Distribution of these resources needs to be inclusive of all sectors of regional society.
• Communities want to include and invest in their youth.
• One of the most extraordinary assets of regional Australia is our unique natural environment, a natural heritage that is a rich and evocative element of our national identity. The Summit recognises that mistakes have been made in the management of the natural resources which contribute so much to our current wealth and quality of life. All Australians share a responsibility to restore the productive capacity of our rural landscapes for the benefit of current and future Australians. Equally, the Summit recognises the great economic and social opportunities our vast, unique rural landscapes offer us to develop new products, services and enterprises based on world-leading management of our natural resources.
• Governments, industries and communities must ensure affordable, reliable access to telecommunications. Professional advice must be available to maximise the community and economic opportunities provided by rapidly emerging developments in information technology.
• Indigenous people are stakeholders in regional Australia.
• Governments must accept responsibility for facilitating adequate provision and maintenance of basic infrastructure. People in all sectors of regional Australia need equitable standards and access to essential services, including telecommunications, power and energy, water, transport, health and education. Creative ways of providing infrastructure that is widely accessible need to be explored, without imposing unreasonable costs on regional industries or communities.
• Governments, urban business and industry must become more responsive to the unique requirements of sectors and areas of regional Australia in designing and delivering programs and services.
• The three tiers of governments must remove unnecessary regulatory impediments which increase the cost of doing business and stifle innovation and action in regional Australia.
• Governments must create a climate, including tax incentives, which encourages investment for rural enterprise and philanthropy.
• Key business leaders expressed their support for the idea of partnerships but sought commitment from the Federal Government to “take some risks” which would assist business, rather than create barriers that serve to hinder private sector investment in regional Australia. Their view was that tax incentives were a crucial factor in attracting investment to areas outside the major metropolitan areas.

Participants welcomed the announcement of a new rural foundation which demonstrates the commitment to a philanthropic partnership between Government, industry and regional Australia.

The major priorities identified by each theme group are identified below.

Communications
The Summit urged delivery of communications services which meet the anticipated economic, social and cultural needs, to allow businesses to compete in the use of electronic commerce and the internet to allow people to live interesting and fulfilling lives where they choose to live them.

Key strategies should include encouraging competition in the provision of affordable, equitable and timely access to high quality communications services. Government intervention should occur where the market fails to deliver. Local call access to the nearest service centre should be ensured.

The development of a mechanism providing specialised information and expertise about the use of the Internet and electronic commerce in regional Australia should be resourced. The coverage, affordability and functionality of mobile communications should be improved to ensure regional Australia is not left behind in the telecommunications revolution. The ABC and other broadcasters should have the capacity to generate and transmit local content for local, regional and national audiences.

Infrastructure
The Summit urged delivery of a basic level of access to services, particularly energy, water, health and education, as a right of all Australians in regional areas. A national coordination strategy for infrastructure, recognising special solutions for special problems, is essential and the Federal Government can lead the process through a proactive approach to facilitate infrastructure provision and funding. Delivery of projects is the responsibility of all levels of government and the private sector.

Health
The Summit urged recognition that optimal health status for all regional Australians requires recognition of the specific health needs of rural and remote residents. This can only be achieved through empowering communities and developing partnerships which change the dominant metropolitan-focused mindset, overcome barriers to access, ensure equitable resource allocation, enable appropriate workforce supply and service
models and take account of the wide range of social and economic determinants of health.

Community well being and lifestyle
The Summit urged the development of community capacity and leadership including in our young people. Access to services and infrastructure must be provided through flexible delivery that recognises regional diversity and is based on partnerships. Communities driving their futures should base them on environmental foundations, vision and local assets.

Government – local, state, federal
The Summit urged the Federal, State and local governments and ATSIC to accept joint responsibility through a MOU for the designation or creation of a recognised regional body for each regional community to provide a brokering role to facilitate the development of that region’s interests. A capital trust to finance promising opportunities was supported.

Finance and facilitating entrepreneurship
The Summit called for action to achieve a more efficient and effective market for capital in regional Australia. It urged the removal of regulatory impediments to entrepreneurship. It called for the development of a new, modern regional business culture and paradigm to be stimulated by a rural and regional business foundation.

Value-adding to regional communities and farming industries
The Summit urged recognition of the need for Government to create a supportive business climate, ensuring provision, maintenance and enhancement of infrastructure and cost effective delivery of accessible services. Governments and business should form partnerships to meet the enormous opportunities available for value adding to industries and local communities.

A joint vision and strategy is required from three tiers of government to reduce impediments to value adding and harness opportunities. Fostering of leadership and entrepreneurship is also necessary to create value for rural communities.

New industries and new opportunities
The Summit urged that governments, the corporate sector and communities develop partnerships to create an environment which encourages and supports new industries and opportunities for regional Australia through eliminating unnecessary bureaucratic processes and encouraging a spirit of community interest. The Government’s role should be as a catalyst to ensure this happens.

Community and industry leadership
The Summit clearly identified effective leadership in all sectors and at all levels throughout regional Australia is the key to building the future. The Summit calls for the Federal Government to commit to leadership development in regional Australia through the provision of sufficient funds to empower communities and industry to shape their own futures as vibrant and productive communities and industries. The objective is to engage all levels of government, industry and the community in partnership, to build leadership from the “inside out” throughout regional Australia.

Education and Training
The Summit urges all levels of government, industry and communities to develop strategies which ensure equality of access to quality education and training in regional Australia. Regional Australians must develop a culture of lifelong learning to enable them to adapt to, and maximise the benefits from, change. Education providers, governments, business and community members must collaborate to deliver significant improvements in learning and education opportunities which should be determined by the communities themselves.

Philanthropy and partnerships
The Summit urges a greater understanding of, and renewed respect between, regional and urban Australia and there is an opportunity for philanthropy to take a strategic role in enhancing the natural and human assets of regional Australia for community and economic development.

Sustainable resource management
The Summit urged recognition of the increasing scale and scope of the environmental challenges facing regional communities, caused by decades of government policy and action by the community and government. These inherited problems are beyond the capacity of regional Australians alone to respond to. Therefore the partnership between all levels of government, communities and individuals must be strengthened with the Federal Government providing national leadership through greater and longer-term commitment.

CONCLUSION
Delegates have appreciated the opportunities presented by this Summit to be heard and to offer suggestions for a better future for regional Australia. Expectations in regional Australia have been raised and vigorous action is required by all parties if regional Australia is not to be disappointed.
Delegates look forward to details of an implementation plan before Christmas and regular reports on progress.

ATTACHMENT B

COMMUNIQUE

Regional Development Ministers, Australian Local Government Meeting

Canberra, 3 November

GOVERNMENTS COLLABORATE FOR A SUSTAINABLE FUTURE FOR REGIONAL AUSTRALIA

The three tiers of government agreed today on how to progress plans for improving coordination and collaboration for the benefit of regional Australia.

Convened by Deputy Prime Minister and Minister for Transport and Regional Services, John Anderson, Commonwealth, State and Territory Regional Development Ministers and the Australian Local Government Association met in Canberra and agreed on a framework for cooperation and guiding principles. They committed to:

• minimise duplication and overlap
• encourage communities to set their own priorities
• cooperate with each other
• cooperate with the private sector
• use existing systems wherever possible
• build on the competitive and comparative advantage of regions, and
• consult with each other wherever possible, where new programmes and services are being developed.

The focus is on what is deliverable and achievable. Specifically, all spheres of government agreed to:

• build alliances and bilateral agreements for delivering localised community programmes, including business centres, shop fronts, Rural Transaction Centres and government information access centres;
• collaborate on the development of publications and information dissemination to provide a streamlined and accessible source of information on government programmes to people living in regional Australia;
• collaborate on economic, social and environmental objectives to ensure sustainability for local communities; and
• encourage better utilisation and leveraging of funds through collaborative assessment of project applications.

Importantly, today's meeting also addressed some critical, ongoing issues in regional Australia, with State governments leading discussion and providing direction in:

• infrastructure (Victoria and Tasmania);
• attraction and retention of professionals in rural and regional areas (Western Australia);
• investment in regions (New South Wales);
• business development (Queensland);
• zone rebates (Queensland); and
• fly-in, fly-out operations and consequences for local communities (also Queensland).

The meeting agreed that substantial funds need to be applied to improving and developing infrastructure in regional Australia, and that infrastructure is a joint responsibility of the Commonwealth, the States and Territories and Local Government.

They agreed that all governments are responsible for creating the appropriate regulatory, taxation and business support environment to facilitate the development of infrastructure.

On the issue of zone rebates, in light of the issues raised by State and Territory ministers, the Minister agreed that within current constitutional and budgetary constraints, he will consult with affected Federal members and relevant Ministers on issues of equity. Two other areas which State ministers agreed to explore further were the relationship between resource royalties and the development of local communities and the social and employment impact of resource developments.

Demonstrating this theme of coordination and collaboration in action, the recent Northern Australia Forum held in Katherine agreed that governments will work collaboratively in key areas of northern development identified during the forum.

This spirit of cooperation exemplifies the approach identified and endorsed by today's meeting at which the Ministers resolved to maintain the dialogue with a view to establishing a framework in which a range of regional development issues may be canvassed and appropriate strategies considered.

Specific recommendations were developed by a special taskforce of senior officials, established after the first meeting of all spheres of government in March this year.

Further reports will be provided on the progress of implementation.
GOVERNMENT RESPONSE TO THE
SENATE ENVIRONMENT,
COMMUNICATIONS, INFORMATION
TECHNOLOGY AND THE ARTS
REFERENCES COMMITTEE

‘The Hinchinbrook Channel Inquiry’

The Government supports the findings and recommendations of the minority report by Senators Tierney and Lightfoot.

The majority report makes a series of findings which are unsubstantiated, and which are not supported by any objective analysis of the available evidence.

It is impossible to avoid the conclusion that the report of the majority is politically inspired. As such, the majority report fails to provide any meaningful contribution to the challenge of ensuring the conservation and ecologically sustainable use of the Hinchinbrook Channel.

The majority report suggests that the process under which the Federal Minister for the Environment gave consents relating to the Port Hinchinbrook development was flawed.

This is demonstrably not correct.

The Federal Court and the High Court have both examined the Minister’s decision-making process relating to the granting of consents. In each case, the court has concluded that the Minister’s decision-making process was sound.

In particular, the decision of the Federal Court provides clear evidence that the Minister for the Environment followed due process in assessing applications relating to Port Hinchinbrook. The Court found that this process involved careful and detailed consideration of environmental issues and a high regard for the protection of world heritage values.

The majority report merely repeats many of the unsubstantiated claims which the Federal Court and the High Court have already rejected. It is clear to any reasonable person that there was never any basis for these claims. In this respect, it should be noted that one judge in the Federal Court described claims of this kind as ‘insupportable’.

Some of the findings of the Federal Court include the following:

• The Federal Court recognised that the Minister concluded, having regard to the protective arrangements in the Deed and the regional planning process, that the risk of damage to world heritage values was ‘so low as in all the circumstances to be insignificant’.

• The Court acknowledged that there was a ‘great deal of scientific material available to the Minister assessing the risks of the activities requiring Ministerial consent’ (Sackville J). That is, the Minister made an informed decision on the basis of relevant scientific advice.

• The Court also noted that the Minister ‘took into account the commonsense principle that caution should be exercised where scientific opinion is divided or scientific opinion is incomplete’ (Sackville J). That is, the Minister applied the precautionary principle. In fact, the Court specifically found that ‘it is equally clear that before making a final decision, he (the Minister) took steps to put in place arrangements designed to address the matters of concern identified in the scientific reports……’ (Sackville J).

• One judgement noted specifically that the steps taken by the Minister in the negotiation and execution of the Deed and the initiation of the regional planning process ‘evinces a concern to secure compliance with the Convention’ (Burchett J).

• The Court found that the Deed ‘imposed extensive and detailed obligations’ on the developer (Sackville J). Another judgement described the Deed and the regional planning process as constituting ‘elaborate arrangements’ (Burchett J).

• The Court also confirmed that it is appropriate for Australia to rely upon a combination of Commonwealth or State laws or administrative arrangements, or a combination of both, to discharge its obligations under the Convention.

• In summary, the Federal Court and the High Court have confirmed that the Minister’s decision-making process was rigorous and proper, consistent with the precautionary principle and firmly based on relevant scientific advice.

The majority report also attempts to argue that there has been inadequate assessment of environmental issues relevant to Port Hinchinbrook.

This ignores the clear evidence to the contrary. Over 25 scientific or technical reports on environmental issues relevant to Port Hinchinbrook had been prepared before any Federal decision to grant consents was made.

In this context, it is worth noting that the current developer acquired the Port Hinchinbrook site in a degraded state in 1993. In this degraded condition the Port Hinchinbrook site had the potential to seriously threaten important environmental values of the Hinchinbrook Channel. Sediments, nutrients and acid runoff resulting from the extensive earthworks on the site in 1988/89 could have had long term impacts on the adjacent sea-
grass in Hinchinbrook Channel. These issues have now been addressed in the subsequent development and restoration of the site.

The Environmental Management Regime
An intensive, best practice post-approval environmental management regime has been developed and implemented at Port Hinchinbrook. It represents perhaps the most rigorous environmental management regime applying to any project on the Queensland coast.

As a result of the implementation of the environmental protection regime applying at Port Hinchinbrook, the project has not had any adverse impact on world heritage values in the Hinchinbrook Channel.

In particular, the Government notes that there is no credible evidence to suggest the Port Hinchinbrook development has caused any damage to world heritage values.

Future Developments
The EPBC Act, which entered into force in July 2000, provides increased protection for Australia’s world heritage properties. For example, the EPBC Act provides:

• that all actions likely to have a significant impact on a world heritage property will be subject to a rigorous and transparent environmental impact assessment; and

• that, in appropriate cases, the Commonwealth government can impose statutory conditions on relevant projects rather than relying upon contractual arrangements with proponents.

RECOMMENDATIONS
Recommendation 1 (paragraph 3.31)
The Committee recommends that the Commonwealth, as a party to the Port Hinchinbrook Deed of Agreement, should engage an independent assessor to report on whether the developer has been and is complying with the Deed. The Committee recommends further that if the developer is found to be in breach of any part of the Deed, the Commonwealth should act to ensure the developer complies with it and take steps to remedy any breach.

Response
The Government considers that if implemented, this recommendation would effectively duplicate arrangements already in place. Professor Peter Saenger was appointed the independent monitor under the Deed of Agreement in 1996 by the four parties to the Deed. It has been his role to ensure that works on the site are conducted in such a way that the environment is protected, that the various agreed plans are implemented eg: Turbidity Control Plan, Ongoing Monitoring Plan, Acid Sulfate Soil Management Plan etc, —and that works are of an acceptable environmental standard. There is no practical benefit to be gained from another person providing advice on implementation of the Deed of Agreement.

Implicit in the recommendation is the suggestion that action has not been taken when necessary to ensure compliance with the Deed. This assertion is wrong —steps have always been taken to immediately rectify any site management issues dealt with by the Deed. As a result, there has been no significant impact on World Heritage values.

Recommendation 2 (paragraph 3.33)
The Committee recommends that in future, Deeds of Agreement should not be used as a means of avoiding compliance with an existing regulatory regime.

Response
The WHPC Act, which applied to Port Hinchinbrook, did not allow conditions to be imposed on a consent granted under that Act. Accordingly, the Deed of Agreement was relied upon as a means of imposing environmental requirements on the developer and ensuring ongoing Commonwealth involvement in environmental aspects of the project.

As indicated above, the Federal Court found that the Deed ‘imposed extensive and detailed obligations’ on the developer.

The suggestion in the majority report that the Deed of Agreement was used to avoid compliance with an existing regime is wrong. The majority report in this respect reflects an unfortunate lack of understanding of the relevant legal position.

Recommendation 3 (paragraph 3.87)
The Committee recommends that local councils, and State or Commonwealth governments when involved, commit to thorough, independent environmental impact assessments for significant developments. Terms of reference should be developed in consultation with the relevant stakeholders, and environmental impact assessments should be made available for public scrutiny and comment.

Response
The EPBC Act, which entered into force in July 2000, ensures a rigorous and transparent assessment regime for all activities with the potential to significantly impact on the World Heritage values of the Great Barrier Reef World Heritage area. This includes public scrutiny of assessment documentation.
Recommendation 4 (paragraph 3.87)
The Committee recommends that in cases where the Commonwealth government is involved, it should ensure that an early, consultative environmental impact assessment is conducted before any significant development is allowed to proceed.
Response
This is existing practice and has been further strengthened by the implementation of the EPBC Act in July 2000.
Recommendation 5 (paragraph 4.62)
The Committee recommends that a full assessment of acid sulfate soils at the Port Hinchinbrook development should be undertaken and a comprehensive acid sulfate abatement plan should be developed.
The Committee recommends further that if the developer is found to be in breach of the Acid Sulfate Management Plan the Commonwealth, as a party to the Deed of Agreement, should act to ensure that the developer complies with the first part of this recommendation and remedies the effects of any breaches.
Response
The majority Committee report has chosen to ignore the conclusions of the latest surveys undertaken at the site by consultants to the Queensland government AGC Woodward-Clyde. This work constitutes the most comprehensive assessment of acid sulfate soils at the Port Hinchinbrook site to date and builds on earlier work undertaken by the Queensland Acid Sulfate Soil Investigation Team (QASSIT). The consultants have mapped the distribution of acid sulfate soils around the site, identified some areas where action was required and suggested appropriate remedial strategies. A work plan to address the areas where the consultants identified problems has been developed by the Queensland Environment Protection Agency and agreed and implemented by the developer. Compliance is being monitored by Professor Saenger.
Recommendation 6 (paragraph 4.62)
The Committee recommends that the Commonwealth should allocate special funds to the CSIRO to conduct both general research on acid sulfate soils and a special project that would expedite acid sulfate soil mapping around Australia.
Response
The Government agrees that management of drainage from acid sulfate soils is a significant problem for Australia. Mapping the extent of acid sulfate soils is recognised as an important part of the overall management response to this problem. Funding for acid sulfate soil research, including mapping, needs to be carefully allocated to ensure it is directed strategically and that proposed research activities are coordinated with existing Commonwealth and State programs. The Commonwealth Government’s response to the problem of acid sulfate soils includes, but has been much broader than supporting surveying and research—a ‘National Strategy for the Management of Coastal Acid Sulfate Soils’ has been developed.
The National Strategy defines the roles and responsibilities of the various stakeholders, including all levels of government. The Commonwealth’s role includes national coordination and funding assistance for research and on-ground demonstration projects. In this regard, the Government has provided funding for acid sulfate soil projects through a number of its existing programs including, Coastcare, the National Landcare Program and the Clean Seas Program.
The National Landcare Program has specifically provided funds for mapping activity and most of the NSW coast has already been mapped along with South Eastern Queensland.
Recommendation 7 (paragraph 4.81)
The Committee recommends that, notwithstanding the difficulties, the Commonwealth and Queensland governments should expedite action to control threats to dugongs in the southern Great Barrier Reef region, including the reviewing of the use of gill nets in areas frequented by dugongs.
Response
The Commonwealth Government in collaboration with Queensland is committed to comprehensive urgent action for dugong conservation on the Great Barrier Reef, especially south of Cooktown. As noted by the Senate Committee, this commitment was reviewed on 30 July 1999 when the Great Barrier Reef Ministerial Council enhanced action already taken by implementing supplementary protection measures for dugong such as:
- Further restrictions on the use of commercial fishing nets in Dugong Protection Areas (such as in the Hinchinbrook Region) including on the size and types of nets used and the way they are fixed;
- A new strategy to form company-operative agreements with indigenous communities including for management of dugongs;
- Implementation of a vessel speed limit in Hinchinbrook Channel;
• Upgraded procedures for responding to reports of stranded dugong including refining processes to establish ‘cause of death’ and early release of information to the public.

The Ministerial Council will keep under ongoing review the effectiveness of measures for dugong recovery and conservation.

Recommendation 8 (paragraph 5.33)
The Committee recommends that the Commonwealth and the Queensland governments should research the environmental effects of aquaculture on the Great Barrier Reef World Heritage Area.

The Committee recommends further that pending improved knowledge of the environmental effects of aquaculture on the Great Barrier Reef World Heritage Area, discharge of effluent to the World Heritage Area should not be permitted and no new aquaculture permits in the area should be issued.

Response
In February 2000, the Commonwealth Government introduced regulations under the Great Barrier Reef Marine Park Act 1975 which will operate as a safety net for the Great Barrier Reef Marine Park by ensuring the proper regulation of discharges of waste from aquaculture operations adjacent to the Marine Park.

Recommendation 9 (paragraph 5.75)
The Committee recommends that in order to achieve more independent environmental assessments of proposed developments, planning authorities rather than the developer should be responsible for selecting consultants by lot from a short list of tenderers.

Response
All jurisdictions in Australia require the proponent to prepare documentation for environmental impact assessments. An appropriate level of independence is assured through the legislative processes, which provide for public review, independent assessment by Government agencies, and provision for Ministerial recommendations, approval or consent of proposals.

Recommendation 10 (paragraph 5.151)
The Committee recommends that the Commonwealth should work with the Queensland Government and local Councils whose decisions may affect the World Heritage values of the Great Barrier Reef, to expedite making regional plans that explicitly take into account world heritage conservation as a key material consideration in land-use planning and development control decisions.

Response
GBRMPA has been actively working with State and Local government and the community on appropriate planning regimes for the Great Barrier Reef region for some time. The development of a 25 Year Strategic plan in 1994, identified a shared vision for the Great Barrier Reef and incorporated the views of over 60 stakeholder groups, including local shire councils adjacent to the Reef. The Government is taking steps to promote the development and implementation of the Cardwell Hinchinbrook Regional Coastal Management Plan.

Recommendation 11 (paragraph 5.151)
The Commonwealth should fund a program of regional planning in local government areas where planning decisions may affect World Heritage values of World Heritage areas. Funding should be conditional on using best practice planning processes.

Response
The Government supports in principle regional planning undertaken with local governments and communities where World Heritage values may be affected, such as that being undertaken for the Cardwell Hinchinbrook Regional Coastal Management Plan. The Commonwealth Government has contributed financially to the development of this Plan.

The EPBC Act ensures that the Commonwealth Government can adopt a strategic approach to its involvement in planning for land use that may affect world heritage values, and also ensure assessment of actions likely to have a significant effect on world heritage values of World Heritage properties, and protection of those values.

Recommendation 12 (paragraph 5.152)
The Committee recommends that the Commonwealth, in company-operation with the State, should expedite studies to identify Australia’s World Heritage properties or potential World Heritage properties and to update as necessary their statements of World Heritage significance.

Response
The Government supports in principle the recommendation, which is consistent with current policy. Sites are proposed for World Heritage listing only after detailed study and after the fullest consultation with the relevant State or Territory government. The Government has set in train a program to progressively update the

Recommendation 13 (paragraph 5.152)
The Committee recommends that the Commonwealth, in company-operation with the States, should expedite research into risks to the World Heritage values of Australia’s World Heritage properties.

Response
The Commonwealth recognises the importance of protecting World Heritage values and undertaking research into the management of World Heritage. As part of the implementation of the EPBC Act consistent standards will be applied to management planning and impact assessment processes. In particular, the EPBC Act will ensure that all actions which are likely to have a significant impact on the World Heritage values of declared World Heritage properties will be subject to a rigorous and transparent impact assessment to ensure risks to World Heritage values are effectively managed.

FINANCE AND PUBLIC ADMINISTRATION LEGISLATION COMMITTEE

The Format of the Portfolio Budget Statements

Third Report

Government Response

ATTACHMENT A

Recommendations
1. That forward estimates be required to be provided in a suitable location in the PBS for administered items.

Government Response:
Disagree: A similar recommendation was made in the Senate Committee’s 2nd report, and was rejected by the Government on the basis that there is already extensive reporting of forward estimates provided in the budget documentation. Forward estimates information is provided at an aggregate level (cash and accrual) as well as for agency expenses, measures and on a functional basis. This information is published at both Budget and Mid Year Economic and Fiscal Outlook update.

The purpose of the Portfolio Budget Statements (PBS) is to explain the annual Appropriation Bills before the Parliament. As such, forward estimates information by output and for each administered item (or by program prior to the introduction of outcome-output budgeting) have never previously been included in the PBS, nor in the Explanatory Notes.

2. That the PBS contain, for every agency, the name and contact details of an officer who can answer simple factual questions on the contents of that agency’s statements.

Government Response:
Agree: This is a simple administrative matter, which can be included in the PBS guidelines.

3. That Senate legislation committees report in each budget estimates report on the adequacy of the PBS provided for their use and in each additional estimates report on the performance information examined.

Government Response:
This is a recommendation for Legislation Committees themselves.

Suggestions
1. That a modified table be included in the PBS to codify the reasons for changes in budgets at output level.

Government Response:
Disagree: The PBS guidelines issued by the Department of Finance and Administration specify the information that agencies should include in their PBSs. The PBSs provide sufficient information, explanation and justification as to the purpose of each item in the Appropriation Bills. Modifying the table would add complexity without enhancing clarity.

2. That the PBS should be made easier to navigate through the increased use of indexing and cross-referencing.

Government Response:
Agree: The PBS Guidelines for 2001 – 2002 will emphasise the value of increased readability through better indexing and cross-referencing.

Note: other suggestions contained in the report relate either to agencies’ or Senate Committees’ responsibilities and are not matters which need to be covered in PBS guidelines.

GOVERNMENT RESPONSE TO THE SENATE LEGAL & CONSTITUTIONAL REFERENCES COMMITTEE REPORT:

‘A SANCTUARY UNDER REVIEW: AN EXAMINATION OF AUSTRALIA’S REFUGEE AND HUMANITARIAN DETERMINATION PROCESSES’

CHAPTER ONE: THE REFUGEE ISSUE
Recommendation 1.1
That the Government arrange for a detailed cost-benefit analysis of the concept of the provision of temporary safe haven, including estimates of all services likely to be provided by both Government and non-government agencies. (p.38)

Government response
Decisions on the merits of engaging safe haven provisions are necessarily taken on a situation-by-situation basis and cannot be pre-empted. The cost so far of the safe haven program is on the public record. The benefits are difficult to quantify as they relate in large part to foreign and aid policy.

CHAPTER TWO: AUSTRALIA'S INTERNATIONAL OBLIGATIONS AND THE PRINCIPLE OF NON-REFOULEMENT
Recommendation 2.1
That the Government ensures decision-makers are well enough resourced to facilitate proper assessment of claims for refugee status in accordance with the Convention definition of “refugee”. (p.52)

Government response
The Government will continue to implement its commitment to adequately resource onshore protection decision-makers to enable them to properly assess claims according to the criteria of the UN Convention.

Recommendation 2.2
That the Attorney-General’s Department, in conjunction with DIMA, examine the most appropriate means by which Australia’s laws could be amended so as to explicitly incorporate the non-refoulement obligations of the CAT and ICCPR in domestic law. (p.60)

Government response
The current provisions of Section 417 of the Migration Act, allowing for Ministerial discretion on humanitarian grounds, are adequate to ensure compliance with CAT and ICCPR.

CHAPTER THREE: LEGAL AND OTHER ASSISTANCE TO ASYLUM SEEKERS
Recommendation 3.1
That DIMA investigate the provision of videos or other appropriate media in relevant community languages, explaining the requirements of the Australian onshore refugee determination process. This material should be available to those in detention, and to IAAAS providers. (p.89)

Government response
DIMA already ensures that a range of information on the protection visa process is available. The protection visa application form provides comprehensive information on the protection process. In addition, DIMA Fact Sheets 41, ‘Seeking Asylum within Australia’, and 42, ‘Assistance for asylum seekers in Australia’, are publicly available. A large body of information on onshore protection processes is also made available by IAAAS service providers to both detainees and applicants in the community.

Recommendation 3.2
That an appropriate body such as the ANAO undertake an efficiency audit to determine if community-based protection visa applicants, eligible for IAAAS assistance, are not receiving it. The audit should assess if funds could be managed more efficiently to provide additional services. (p.89)

Government response
The effectiveness with which IAAAS providers target available resources to those individuals in greatest need is being considered in an audit conducted by Ernst and Young. The audit report will indicate whether further exploration of this issue is warranted. These matters are also assessed as part of the IAAAS tender evaluation and contractor performance monitoring processes in DIMA. The audit report will be provided to the Committee.

Recommendation 3.3
That the IAAAS provide a separate fund for translation and interpretation services. These should be capped at an appropriate level, with IAAAS managers having the discretion to extend the funding in cases where more extensive services are required. (p.92)

Government response
The cost of translation and interpreting services is included in IAAAS funding. DIMA monitors the quality of these services to ensure that adequate standards are met.

Recommendation 3.4
That the IAAAS provide a separate fund for medical and psychiatric assessments. These should be capped at an appropriate level, with IAAAS managers having the discretion to extend the funding in cases where more extensive services are required. (p.92)

Government response
Assessments and treatment are available when needed from professional torture and trauma counselling services funded through DIMA’s Early Health Assessment and Intervention Services program. To the extent that assessments are sought solely to support protection claims as distinct from providing treatment, IAAAS pro-
viders are expected to factor such costs into their tendered service prices.

**Recommendation 3.5**
That an independent evaluation of the administration of IAAAS, including the quality of work performed by contractors and the effectiveness of the complaints mechanism, be undertaken and completed by a qualified body within two years. (p.99)

**Government response**
The current Ernst and Young audit of the IAAAS program (Recommendation 3.2 refers) is assessing DIMA’s administration of the IAAAS, including effectiveness of the complaints mechanism. The outcome of this assessment will determine whether further evaluation is necessary. As stated in the response to 3.2, contractor performance issues are already closely assessed through monitoring mechanisms which are being examined by the current audit and are addressed also in re-tendering processes.

**Recommendation 3.6**
That a body such as the Australian Law Reform Commission be asked to undertake a comprehensive study of:

- the causes of appeals to the courts in refugee matters, and whether increases in legal assistance would serve to reduce the numbers of unmeritorious claims; and
- the costs associated with unrepresented litigants in refugee matters, and whether increases in legal assistance would be effective means of reducing the costs to the wider system. (p.106)

**Government response**
See response to Recommendation 3.7 below.

**Recommendation 3.7**
That the Government amend the legal aid guidelines to enable the Legal Aid Commissions to provide limited legal advice to help applicants consider the value of an appeal. (p.107)

**Government response**
This is current practice. All reports of entry interviews with illegal arrivals are retained by DIMA. Where an arrival applies for protection the entry interview report is included on the case file. Any information particular to the individual that is adverse to a case is presented to the applicant for comment under natural justice provisions. Information on the applicant’s file is accessible under Freedom of Information provisions.

**Recommendation 4.1**
That all information provided by non-citizens on arrival during an interview with a DIMA officer be retained, even if the individual is removed. In cases where individuals make an application, this information should be made available to them. (p.120)

**Government response**
This is current practice. All reports of entry interviews with illegal arrivals are retained by DIMA. Where an arrival applies for protection the entry interview report is included on the case file. Any information particular to the individual that is adverse to a case is presented to the applicant for comment under natural justice provisions. Information on the applicant’s file is accessible under Freedom of Information provisions.

**Recommendation 4.2**
That DIMA continue to use the current Australian Public Service level case officers to make decisions at the primary determination stage on the basis that the following proposals are implemented. (p.127)

**Government response**
The current practice whereby DIMA officers at APS6 level decide protection applications is appropriate. However, the proposal contained in Recommendation 4.4 below is not accepted.

**Recommendation 4.3**
That decision-makers have the necessary skills, knowledge and ability and the necessary personal attributes to perform the decision-making function, the Committee recommends that primary decision-makers have additional specialist training, both before and during their tenure. Such training can be obtained from a cross-section of sources, including the legal profession,
European judicial specialists and other government and non-government organisations. (p.127)

**Government response**

Case officers receive all necessary training to properly carry out their decision-making function. This includes training by DIMA legal specialists, torture and trauma treatment service providers and community groups. Refresher courses on specific issues are conducted when necessary.

**Recommendation 4.4**

That, where decision-makers are of the view that an applicant should not proceed to interview stage, the decision-maker must provide reasons for that decision to the applicant. (p.127)

**Government response**

An interview is only one of a number of assessment tools available to case officers and is not always necessary. Whether an interview takes place or not, applicants are always informed of adverse information, and decision records, including reasons for the decision, are always provided.

**Recommendation 4.5**

That the responsibility for refugee determination under the Protection Visa system remain in the DIMA portfolio. (p.130)

**Government response**

There is no expectation that the current arrangements whereby the DIMA portfolio has responsibility for refugee determination will be altered.

**Recommendation 4.6**

That accurate and up-to-date information from a broad cross-section of Government and non-government sources should be entered into CIS. Staff using CIS for visa determination decisions should be trained in rapid information retrieval, information analysis and methods of critical evaluation. (p.133)

**Government response**

This is current practice. CIS already collects up-to-date country information from a wide range of sources. Case officers are trained to retrieve and appropriately use that information in decision-making.

**Recommendation 4.7**

That the ANAO conduct an efficiency audit to determine if improved primary decision-making will reduce program costs. (p.138)

**Government response**

ANAO conducted an efficiency audit of primary decision-making as part of its audit, ‘The Management of Boat People’, in 1998. As part of the on-going DIMA-wide evaluation program, a number of reviews affecting the onshore protection program are planned, including an evaluation of the IAAAS due for completion by December 2000 (Recommendation 3.2 refers), and pricing and bench-marking reviews. These will seek to establish appropriate prices and resources for the program. The need for a further ANAO efficiency audit and its possible scope and timing is a matter for the Auditor-General.

**Recommendation 4.8**

To facilitate the preparation of more complete and accurate applications, the Committee recommends that sufficient resources be made available to ensure that applicants are better able to understand the requirements of Australia’s refugee and humanitarian program and to provide the necessary detailed information required. (p.139) (See also Recommendation 3.1)

**Government response**

(Recommendation 3.1 refers). Appropriate resources are made available to properly inform applicants of the requirements of the program. Protection visa application forms contain extensive information on requirements and processing arrangements for this visa. All applicants in detention are offered publicly funded assistance under the IAAAS. Applicants in the community who are in greatest need also receive assistance under the scheme.

**CHAPTER FIVE: DECISION MAKING – PART 2**

**Recommendation 5.1**

That a clear statement should be available on the nature and operation of the RRT and this should be freely available, including to detainees. (p.151)

**Government response**

This is current practice. The letter from DIMA informing an unsuccessful protection applicant of the decision, contains information about review provisions and encloses a separate brochure on the RRT. The RRT produces a handbook on its purpose and procedures which is regularly updated. The RRT also provides a copy of its Client Service Charter to all review applicants, including those in detention. It also has a website providing information about its procedures.

**Recommendation 5.2**

That further training be provided for RRT members in the use of those inquisitorial methods accepted as integral to the Tribunal. (p.151)
**Government response**

This is current practice. The RRT has an ongoing development and training program, including training in inquisitorial methods appropriate to the RRT.

**Recommendation 5.3**

In carrying out its task to determine whether a person is a refugee, the Committee recognises that the RRT’s assessment of a claim for refugee status will and should be influenced by matters that go to an applicant’s credibility. The Committee recommends that credibility continue to be a factor in the determination of refugee status.

(p.158)

**Government response**

This recommendation is currently complied with by the RRT and members are provided with ongoing training on matters of credibility assessment.

**Recommendation 5.4**

That the RRT be able to sit as a single member body and as a panel of two and up to three members as appropriately determined by a Senior, or the Principal Member. Members would be drawn from people with appropriate backgrounds for considering refugee and humanitarian applications.

(p.169)

**Government response**

Multi-member panels of the RRT are not possible under the current provisions of the Migration Act. However, the proposed Administrative Review Tribunal (ART), which will replace the RRT, will provide a facility for multi-member tribunals. RRT members are currently drawn from people with appropriate backgrounds for considering refugee and humanitarian applications.

**Recommendation 5.5**

That the Principal Member of the RRT should be a person with judicial experience.

(p.172)

**Government response**

The Principal Member of the RRT is a person with an appropriate background. Judicial experience is valuable, but not the sole factor to be considered.

**Recommendation 5.6**

That officers from DIMA, Attorney-General’s or DFAT should not be RRT members. Officers seeking such placements should move to the unattached list.

(p.173)

**Government response**

RRT members are drawn from people with a broad range of experience and there is no reason why officers from these Departments should be ineligible for consideration. However, Australian Public Service regulations prevent any officer in the pay of the Commonwealth being paid concurrently by the RRT.

**Recommendation 5.7**

That DIMA and the Department of Finance and Administration acknowledge the changing workload of the RRT and differing complexity of its cases. This information should be used to assess appropriate funding levels and/or systems.

(p.174)

**Government response**

The Government has long recognised that resourcing of Commonwealth funded bodies should be adapted to meet their changing roles and workload and this is implemented through purchasing agreements. In the case of the RRT such an assessment was completed as part of the 2000-01 Budget process in a Pricing Review.

**Recommendation 5.8**

That members of the RRT be drawn from a broad cross-section of the Australian community, including the legal profession, with experience in refugee and humanitarian issues.

(p.179)

**Government response**

This is current practice.

**CHAPTER SIX: JUDICIAL OVERSIGHT OF ADMINISTRATIVE DECISIONS**

**Recommendation 6.1**

That DIMA maintain an up-to-date comparative database of international refugee determination systems in a number of countries which are State parties to the relevant international conventions. This material should be made available in a format that is easily accessible.

(p.201)

**Government response**

The International Section of DIMA has information on refugee determination systems of a number of other countries. A principal source of information is the Inter-Governmental Consultations on Asylum Refugee and Migration Policies in Europe, North America and Australia (IGC) of which Australia is an active member and which produces regular comparative reports and data on refugee matters. Most of this IGC information is publicly available. Since countries adopt different legislative and policy approaches to their refugee matters, data collected by countries are not always strictly compatible.

**Recommendation 6.2**

That DIMA commission an independent analytical report on State parties’ incorporation into domestic law of international legal obligations.
requiring access to courts and tribunals, and judicial oversight of the refugee determination process. The Committee further recommends that DIMA provides that report to the Parliament. (p.201)

**Government response**

There are no international legal obligations under the Refugees Convention requiring access to courts and tribunals or judicial oversight of the refugee determination process. However, the UNHCR provides non-binding procedural guidance to the effect that persons found not to be refugees should have an opportunity to seek a review of that decision which is either administrative or judicial. Australia currently provides both administrative and judicial review options sequentially.

**Recommendation 6.3**

That an analysis of the cost of fulfilling Australia’s international legal obligations be provided by DIMA to the Committee within three months of the completion of the inquiry referred to at Recommendation 6.2. The analysis should include a comparison of the cost of the administration of both migration and refugee applications under the current two-tiered administrative determination and judicial review system. (p.202)

**Government response**

The costs of the current protection procedures (primary and RRT) and migration procedures (primary and MRT) are provided in the DIMA Portfolio Budget Statement. Costing and analysis of the existing two-tier determination and judicial review system relating to migration and refugee processes is under preparation and will be forwarded to the Committee. However a range of work relating to costing and benchmarking of DIMA operations and the purchasing agreement needs to be completed first.

**Recommendation 6.4**

That the Government commission an independent study on the benefits of modifying the current on-shore refugee determination process. The study should assess, among other matters, the feasibility of moving to a wholly judicial determination process, including the costs of any such process. (p.202)

**Government response**

The Government has in place mechanisms to closely monitor the performance and effectiveness of the current onshore refugee determination process. Efforts are continually made to maintain its integrity and improve its efficiency. In the circumstances there is no need for an independent study of these matters. In any event, any move to a wholly judicial process could be expected to incur significantly greater costs.

**Recommendation 6.5**

This inquiry and report is evidence of the fact that Australia has not escaped the pressures placed on refugee-receiving countries. In light of these developments, the Committee recommends that the Government continue to monitor the attitudes of other signatory nations in relation to the terms and protocols of the Refugee Convention. (p.202)

**Government response**

The Government continually monitors the attitudes and practices of other signatory nations, through the IGC and other means. The Government announced in August 2000 measures to work with other countries and the UN to reform the UNHCR. Suitable reform would enable UNHCR and its Executive Committee to provide better assistance and support to countries in meeting challenges to provide refugee protection to those most in need, while combating people smuggling. As part of this the Government will review the interpretation and implementation of the Refugees Convention in Australia and other states.

**CHAPTER EIGHT: MINISTERIAL DISCRETION**

**Recommendation 8.1**

That the Minister should note the concerns expressed about the s417 Guidelines and consult widely with stakeholders on a regular basis to ensure that the content of the Guidelines remains contemporary and addresses the specific purposes of Australia’s obligations under the CAT, CROC and the ICCPR. (p.241)

**Government response**

The Minister for Immigration and Multicultural Affairs regularly consults stakeholders on issues relating to his portfolio. The Ministerial guidelines on s417 are regularly reviewed to ensure that they remain appropriate and reflect Australia’s obligations under CAT, CROC and ICCPR.

**Recommendation 8.2**

That the RRT continue the current practice whereby members informally advise the Minister of cases where it is considered there may be humanitarian grounds for protection under international conventions, as opposed to grounds under the Refugee Convention. (p.251)

**Government response**

Current arrangements whereby RRT members are asked to flag cases of possible humanitarian concern will continue.
Recommendation 8.3
That an information sheet be produced to explain the provisions of s417 and the accompanying Ministerial Guidelines. The literature should also include information on the procedure for any subsequent application under s48B. This should be widely available in appropriate languages. (p.257)

Government response
Ministerial Guidelines on s417 and s48B are publicly available. DIMA Fact Sheet 41 explains the Minister’s discretionary powers and further publication of such information is not considered necessary. The powers are non-compellable and, in any event, every case where the RRT finds that a person does not require refugee protection, is considered by DIMA against the intervention guidelines as a matter of course. Cases meeting the guidelines are referred to the Minister without any action being required by the applicant.

Recommendation 8.4
That the s417 process should be completed quickly and the result of the request advised to the relevant person. (p.257)

Government response
DIMA strives to expedite processing of s417 requests. Cases decided by the RRT are normally assessed against s417 guidelines within four weeks of finalisation. DIMA procedures are that written requests for intervention receive written responses.

Recommendation 8.5
That the subject of the request should not be removed from Australia before the initial or first s417 process is finalised. (p.257)

Government response
This is current practice.

Recommendation 8.6
That appropriately trained DIMA staff consider all s417 requests and referrals against CROC, ICCPR and CAT. (p.262)

Government response
This is current practice.

CHAPTER NINE: THE CASE OF THE CHINESE WOMAN

Recommendation 9.1
That policies and practices be developed by DIMA to ensure the Minister is made aware of all relevant facts about detainees prior to their removal from Australia. (p.297)

Government response
In the case of group removals it is established practice that, before the removal, DIMA convenes a meeting of all involved parties to discuss issues relating to individuals in the group. These issues include medical fitness, whether there are any applications before DIMA, the RRT or courts and whether there is any unanswered correspondence from any person being removed.

There is close liaison with the Minister’s office in the lead up to group removals.

Individual removals occur on a daily basis and the majority are organised by State based compliance officers. A delegate of the Minister must be satisfied that the pre-conditions set out in Section 198 of the Migration Act are met before the removal takes place. Where there are issues of particular concern or sensitivity in respect of an individual removal, those issues are drawn to the attention of the Minister’s office. A national removals reporting system designed to improve advance notice of removal issues has recently been put in place.

Recommendation 9.2
That, in respect of removals from Australia, a protocol on the ‘fitness to travel’ of pregnant women (especially those in later stages) be developed as a matter of urgency. (p.297).

Government response
Recommendation 9.1 refers. The fitness to travel of all persons being removed, including pregnant women, is addressed prior to removal.

Recommendation 9.3
That pregnant women subject to removal should be given special consideration by the Minister, or a senior delegate, to remain in Australia until after the birth to ensure that no woman is returned pregnant to a country in circumstances where there is a risk the woman will be coerced to undergo an abortion. (p.297)

Government response
Recommendation 9.1 refers. Existing measures to assess fitness to travel cover any physical problems likely to arise with pregnant women during removal. Any risk associated with returning a woman to her country of origin will have been assessed as part of the protection determination.

Recommendation 9.4
That until such time as better procedures are developed, persons with possible humanitarian claims in Australia should be advised of the procedures available to them under s417 for Minis-
eral consideration on humanitarian grounds. Claimants with English language difficulties should be provided with appropriate assistance.

**Government response**
Ministerial Guidelines on s417 are publicly available. DIMA Fact Sheet 41 explains the Minister’s discretionary powers (response to Recommendation 8.3 refers).

**Recommendation 9.5**
That all steps be taken and put in place to ensure that the situation of Ms Z never occurs again in Australia. (p.299)

**Government response**
The visa assessment process, combined with Ministerial intervention powers where public interest grounds exist, enable all cases of possible concern to be sensitively handled.

**CHAPTER TEN: REMOVALS FROM AUSTRALIA**

**Recommendation 10.1**
That an inquiry be undertaken into the use of sedation and other means of restraint in detention centres and in the removal of unauthorised non-citizens from Australia. (p.324)

**Government response**
The use of restraints is under examination as part of a general security review being undertaken within DIMA.

**Recommendation 10.2**
That DIMA officers, especially senior officers, have a thorough understanding of the relevant international conventions and ensure that appropriate training is given to employees about the requirements of such conventions. (p.327)

**Government response**
This is current practice. DIMA officers in positions requiring knowledge of international conventions are appropriately informed about and trained in those issues.

**Recommendation 10.3**
That appropriate protocols be developed between carriers and contract removal service providers. These protocols, and the implementation of them, should be subject to audit by an external and independent body. (p.327)

**Government response**
Protocols are in place between DIMA and the removal service providers it engages. For DIMA processes, external audit mechanisms exist. Where a particular carrier is responsible for removing an illegal arrival (because that carrier brought the person to Australia) the procedures adopted are a contractual matter between the carrier and the removal service provider it engages.

**CHAPTER ELEVEN: MONITORING OF RETURNED PERSONS**

**Recommendation 11.1**
That the Government place the issue of monitoring on the agenda for discussion at the Inter-Government/Non-Government Organisations Forum with a view to examining the implementation of a system of informal monitoring. (p.343)

**Government response**
The risk to a protection visa applicant inherent in his or her return to the country of origin is assessed as part of the protection determination process. DIMA is in continuous contact, directly or through DFAT or other agencies, with the UNHCR and NGOs in order to gain up-to-date information on the human rights situation and the treatment of returnees in relevant countries. This information is included in CIS country information holdings and is readily available to primary and RRT decision-makers. A system which monitors individual returnees is considered to be impractical and possibly counter-productive. Where it is assessed as part of the protection determination process that there is no real chance of persecution of the applicant on return, Australia is not responsible for the future well-being of that person in their home land merely because at some stage they spent time in Australia.

**SENA RURAL AND REGIONAL AFFAIRS AND TRANSPORT REFERENCES COMMITTEE REPORT**

**Deregulation of the Australian Dairy Industry**

**GOVERNMENT RESPONSE**
Farm-gate milk-pricing arrangements were previously regulated at the state level and as such deregulation of market milk arrangements remained a matter for the States. The Federal Government, however, was concerned to ensure that in the event the states decided to deregulate, arrangements were in place which allowed the dairy industry and dairying regions to adjust to a deregulated environment.

It was for this reason that the Federal Government, at the request of the dairy industry, agreed to facilitate a dairy industry adjustment package with a total cost of approximately $1.78 billion.
The package provides structural adjustment payments and exit payments to dairy farmers and funding to dairy regions. It is funded by a Commonwealth levy on sales of drinking milk applied at the retail level and collected at the wholesale level. The Dairy Industry Adjustment Act 2000, which provides for the package, received Royal Assent on 3 April 2000.

The Commonwealth’s package provides a substantive response to the industry’s request for support while it adjusts to deregulation, and to the recommendations in the Senate Committee’s Report.

368TH REPORT OF JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT: REVIEW OF AUDIT REPORT NO. 34, 1997-98 NEW SUBMARINE PROJECT DEPARTMENT OF DEFENCE

GOVERNMENT RESPONSE TO RECOMMENDATION 5

The 368th report of the Joint Committee of Public Accounts and Audit entitled Review of Audit Report No.34, 1997-98 New Submarine Project Department of Defence was tabled in the Parliament on 15 June 1999. This Government response addresses Recommendation 5 in that report which states:

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

A separate Government response was provided on 26 November 1999 to other recommendations in the Committee’s report which deal with matters within the responsibilities of the Department of Defence.

General Comment

The recommendation has been considered jointly by the Departments of Finance and Administration and Prime Minister and Cabinet given that the Auditor-General Act 1997 comes within the responsibility of the latter Department. The Auditor-General has a broad mandate under the Act to conduct financial statement and performance audits of agencies, Commonwealth authorities and companies. The Act enables broad and unfettered information gathering and access by the Auditor-General or delegated “officials” to records of agencies, authorities and companies in the conduct of an audit. It includes powers to:

- direct persons to provide information, to attend and give evidence and to produce documents; and
- enter and remain on any premises occupied by the Commonwealth, a Commonwealth authority or a Commonwealth company and gain full and free access to any documents or other property.

The Auditor-General Act 1997, however, does not provide a power to require access to the premises of a contractor providing goods or services to a Commonwealth body, although such access may be provided at the consent of the contractor and in many cases will be a condition of the contract.

The Financial Management and Accountability Act 1997 (FMA Act) provides the legislative framework for the management of public money and assets by Departments of State, parliamentary departments and prescribed agencies. The FMA Act is not intended to be a vehicle for prescriptive control over the contracting activities of agencies.

Response

The Government recognises the importance of the Auditor–General having access to information for the performance of his statutory responsibilities to the Parliament. In some cases, this will require access by the Australian National Audit Office (ANAO) to the premises of a contractor.

The Government’s preferred approach is not to mandate obligations, through legislative or other means, to provide the Auditor-General an automatic right of access to contractors’ premises. Given the diverse range of contracts in the Commonwealth sector it is unlikely that access by the Auditor-General will be required in all circumstances. Imposing a blanket right of access regardless of the circumstances would lead to unnecessary costs in the administration of contracts and the Government considers that a case by case approach is more desirable.

Commonwealth bodies are best placed to exercise the primary responsibility of ensuring that appropriate information is available to satisfy their own and external accountability and performance monitoring functions. The most suitable mechanism for these obligations to be imposed on third parties is in the contract itself. In this regard, we note that the ANAO has dele-
oped standard access clauses for inclusion in contracts. These were forwarded to agencies in September 1997.

The Government supports Commonwealth bodies including appropriate clauses in contracts as the best and most cost effective mechanism to facilitate access by the ANAO to a contractor’s premises in appropriate circumstances.

However, the Government recognises that agencies need to give greater prominence to issues of access, and the overall quality of contracts, and believes this can be achieved through a number of avenues. Commonwealth agencies covered by the FMA Act must have regard to the Commonwealth Procurement Guidelines issued by the Minister for Finance and Administration, under the Financial Management and Accountability Regulations, in respect of the procurement of property and services.

At present the Guidelines note that “where appropriate, adequate provisions should be made for access to records by the ANAO”. To enhance accountability, the Guidelines will be amended to emphasise the importance of agencies ensuring they are able to satisfy all relevant accountability obligations, including ANAO access to records and premises. Once the Guidelines have been revised, the Minister for Finance and Administration will write to all Ministers to draw attention to the changes in the Guidelines.

In addition to these formal measures, the ANAO might also consider the development of an information package for agencies which gives practical examples of best practice and illustrates the benefits to agencies in negotiating appropriate provisions with their contractors. However, as an independent agency, this is a matter for the ANAO.

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GOVERNMENT RESPONSE TO THE 20th REPORT OF THE JOINT STANDING COMMITTEE ON TREATIES

TABLING OF RESPONSE – FEBRUARY 2001

Government Response to the 20th Report of the Joint Standing Committee on Treaties

The Government thanks the Joint Standing Committee on Treaties (JSCOT) for the comprehensive consideration given to the wide range of treaty actions considered in the 20th Report. The Report makes recommendations relating to two treaty actions. The Government response to such recommendations is provided below.

**Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and their Destruction**

The Joint Standing Committee on Treaties recommends that:

2.24 The Minister for Defence should formulate the decision making principles referred to in subsection 8(3) of the Anti-personnel Mines Convention Act 1998 as soon as possible; and

2.30 The Minister for Foreign Affairs should ensure that, in appropriate international fora, the Australian Government puts a strong position against the development of replacement weapons technologies which have indiscriminate and inhumane effects similar to those possessed by anti-personnel mines.

The Government offers the following response to the recommendations put forward by the Committee and advises the actions which have been taken been taken in relation to Anti-personnel Mine issues.

Australia strongly supports the global push to rid the world of anti-personnel mines as evidenced by Australia’s accession to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on their Destruction (the Ottawa Convention) and the long standing commitment to the Convention on Certain Conventional Weapons (CCW). Consistent with this the Government firmly opposes the development of replacement technologies which have an indiscriminate or inhumane effect comparable to that of anti-personnel mines. Further, in observing the Anti-Personnel Mines Convention Act 1998, the Government has adopted the following decision making principles when determining whether anti-personnel mines may be used by the Australian Defence Force (ADF):

- The retention of anti-personnel mines within the ADF is to be limited to:
  - Maintaining a demining and counter-mine capability;
  - Maintaining a capability to demolish anti-personnel mines as part of demining, countermine, Explosive Ordnance -Demolition (EOD) or Demolition of Malfunctioned Explosive Ordnance (DMEO) capabilities;
  - Demonstrating anti-personnel mines’ effects as part of mine awareness and countermine training; and
Research into anti-personnel mines’ effects on in-service and trial equipment.

- Within the ADF only those personnel and units likely to be involved in demining or countermine operations or training may deal with live mines.
- Defence Science and Technology Organisation and approved contracted research organisations may produce replica devices or otherwise acquire anti-personnel mines as required for testing, evaluation and research purposes in support of the ADF demining or countermine capability, strictly for research or training purposes.
- ADF personnel serving with coalition forces are to be governed by Australian Rules of Engagement and policy guidelines and will remain subject to Australian law.
- Any Australian Defence Force, Force Element participating in a coalition operation is not to engage in any activity prohibited by the Ottawa Convention and the Anti-Personnel Mines Convention Act 1998 and the Declaration of Understanding deposited with Australia’s instrument of ratification to the Convention, unless Australia has withdrawn from the Ottawa Convention and the relevant domestic legislation has been repealed. Mere participation by Australian forces or personnel in a coalition operation involving partners not party to the Ottawa Convention would not constitute a violation by those forces and personnel.
- Sufficient stock of anti-personnel mines is to be retained to allow training for demining and countermine operations, mine awareness training and for research purposes.


4.67 The Committee:

(a) supports the Agreement to amend the Agreement on Health Services between Australia and the United Kingdom;
(b) recommends that binding treaty action be taken;
(c) recommends that when negotiating medical treatment agreements in future, the Department of Health and Aged Care undertake a rigorous assessment of the cost of the agreement to both parties; and
(d) recommends that the results of such cost assessments be reported to

Parliament in the National Interest Analyses prepared in support of future medical treatment agreements.

The Government is pleased to note that the Committee recommended that binding treaty action be taken to amend above Agreement [its Articles 1, 2 and 3]. Binding treaty action was taken on 8 March 2000 and entry into force occurred on that date.

The Government has taken note of the Committee’s recommendations and in respect of future agreements, the Commonwealth Department of Health and Aged Care undertakes to provide an assessment of costs, incorporating both qualitative and numerical analysis. The Department also undertakes to report to the Parliament, through the JSCOT and the National Interest Analysis process, the results of any cost assessments.

Employment, Workplace Relations, Small Business and Education References Committee

Report: Government Response

Senator JACINTA COLLINS (Victoria)

(3.48 p.m.)—by leave—I move:

That the Senate take note of the document.

The Employment, Workplace Relations, Small Business and Education References Committee’s report was entitled Jobs for the regions: a report on the inquiry into regional employment and unemployment. Some senators may recall that, when this report was tabled in the Senate in September 1999, the committee reported on a comprehensive review of employment issues relevant to regional Australia, hence the words in the title ‘jobs for the regions’. I thank Senator Ian Macdonald for the tabling of this report. It is unfortunate that Senator Macdonald is not here to address the tabling, because there are several important issues raised in the document which I have not had much time to consider. It arrived in my office today without any covering letter, just as the government’s response. We had little notice that it was to be tabled today. Despite that, there are some comments which I think should be raised. I understand that Senator Mackay also has had an opportunity to have a brief review of the government’s response and will also address some issues that I will not cover now.
Firstly, I think it is quite unfortunate that the government has delayed some three times responding to the very important recommendations in this report. I think I stated that it was tabled in September 1999. It appears that the lack of timeliness in the response to this report indicates what has been happening in relation to regional policy across the board. The government has sought to detail a number of initiatives it believes are addressing some of the recommendations moved by the committee. A cursory glance through a number of those seems to indicate that there has been as much progress in relation to acting on policy initiatives for regional Australia, including those set forward in the Regional Australia Summit and the task force proposals, as there had been on getting this report together. It has been a very slow process.

Unfortunately, I also need to say that, apart from the lack of timeliness, in some areas the substance of what is in this report is equally of concern. In a moment I will go to just one of those areas in relation to the Job Network. Before I do that, I want to go back to what was said in the introduction of our report on this very important issue. As an overall statement, opposition and Australian Democrat senators joined together and said that at the outset the Commonwealth government must take an increased responsibility both for regional development and for past policies that have contributed to regional decline. From my brief look at the report, there seems to be no recognition by this government of the serious impact of those policies—which was highlighted throughout this report—and of the concerns of many Australians that much of Australia’s regional decline has actually been as a result of Commonwealth government initiatives.

As was stated in the opening of the report, many submissions to the committee expressed disappointment at Commonwealth actions such as the withdrawal of Commonwealth agencies from communities and blamed these actions for initiating decline in those communities. The committee’s report contains reference to overseas experience in redressing rural and regional decline and we felt that these experiences would provide the government with a useful guide to how the Commonwealth could take action to review policies which have contributed to those declines and to develop policies and initiatives to promote rural and regional development. Unfortunately, if you look at the answers in relation to the progress under the task force, there do not seem to have been significant initiatives in relation to addressing a number of those areas. Opposition and Australian Democrats senators felt that it would be breaking the faith of the many rural and regional Australians who participated in this inquiry not to convey their desire for action to the Commonwealth, which they believed to be the best placed level of government to address their serious problems. The Commonwealth government, unfortunately, though, does not seem to have picked up this message, as it was again reinforced arising from the regional summit.

I was somewhat bemused when I read the introduction to the government’s response where it indicated that in its interim report, released in April 2000, the steering committee recommended the adoption of an aspirational, guiding vision for the future development of regional Australia and to have as a national goal:

A strong and resilient regional Australia which, by 2010, has the resources, recognition and skills to play a pivotal role in building Australia’s future and is able to turn uncertainty and change into opportunity and prosperity.

So the steering committee was asking for aspirational, guiding vision from this government. Unfortunately, what I have had the opportunity to absorb of this report does not reflect aspirational, guiding vision.

If I go to one particular area, as I will not have the opportunity to concentrate on more than just that, in relation to the Job Network, we do not see that aspirational, guiding vision. In fact, at the moment with what is happening to Mr Brough, one wonders who is going to guide Employment Services in the absence of a minister to take responsibility for the portfolio, as I am sure that Minister Abbott is fully absorbed in relation
to gaining an understanding of workplace relations issues.

If we go to some of the issues raised about the Job Network, we can see some of the problems that are reflected in this report as a whole. In recommendation 9, the committee had called for further investigation to be made into the effects of the unbridled competition in the provision of employment services. What the government has done in its response is to essentially gloss over that issue completely. It talks further and further about ‘operating a fully competitive framework’ and ‘benefits in terms of output in relation to having this competitive framework’ but does not address the issues that were concentrated on in the report. It does not address the issues raised by witnesses to the inquiry about a lack of guaranteed training. Nor does it address more recent issues about quotas for breaches under the Job Network or about parking mature aged unemployed, a problem particularly in regional Australia. We would accept that there has been some improvement in regional Australia’s access to agencies but there is no improvement in the lack of transparency and the lack of accountability within the system. Senators might recall that this system was established through a delegated instrument and it is not only the unemployed that are having problems with accountability with the system but the players within the system, the agencies, are also having problems with making the government accountable.

On the issue of accountability, in relation to recommendation 9, on page 30 the government report says that the performance of Job Network and the fact that it is outperforming the CES demonstrates that the introduction of competitive tendering and competition in the provision of employment services has led to better outcomes for job seekers. All of this data is selective and is controlled by the department. The department is not prepared to allow independent assessment of these things and to put forward adequate figures that can be used to make fair comparisons. There are several academic reports that indicate that the government’s figures are highly questionable.

This brings me to the government’s response to our recommendation 11, where the government outlines its evaluation process but says that the evaluation will have a high degree of transparency and will include an independent review. This is the first that I believe I have heard of an independent review. Unfortunately, the government’s response does not indicate how this independent review is going to occur, who is going to conduct it and what exactly it is going to look into and I look forward to more information. I hope that getting more information on this will not take as long as this report took to get out of the government. I suspect, though, looking at this indication of an independent review, that I am going to be disappointed, as I have been on many occasions, because I suspect that the government is representing something that does not exist in fact. (Time expired)

Senator MACKAY (Tasmania) (3.58 p.m.)—I just want to make a couple of comments in relation to this and just reiterate some of the comments of my colleague Senator Collins. I just remind the Senate that in fact this inquiry, which was a very important inquiry, was precipitated by major concerns in regional and rural Australia in relation to what were a couple of horrendous federal budgets in terms of cutbacks in services, and of course regional Australia always bears the brunt disproportionately in relation to the decisions of this government. I would remind the Senate that this inquiry actually started on 4 December 1998 and that this report was in fact tabled in September 1999. Almost 18 months later, half of a federal government term, we have finally got a response. And what a pathetic response it is. To be honest with you, most of the information that the government has provided in this you could pull off the Internet.

There were 224 submissions to this inquiry. There were 22 public hearings and many witnesses, and many people came along to listen to this inquiry, which travelled extensively at taxpayers’ expense throughout regional Australia. But presenting a selection of information which anybody could have downloaded off the Inter-
The other thing that the report glosses over is the privatisation of Telstra. It describes the independent inquiry set up to examine the issues in rural and regional Australia and the privatisation of Telstra. It does not go much further than that. It does not attempt to describe services and the implications for employment in rural and regional Australia. And what have we learnt over the last week? The wholly owned subsidiary of Telstra, Network Design and Construction, is about to shed another 3,000 staff in Australia, the majority of which will come from regional Australia.

Senator Woodley—What about the Prime Minister’s promise?

Senator MACKAY—Thank you, Senator Woodley, for reminding me about the Prime Minister’s promise. Of course, this makes yet another mockery of the so-called Nyngan declaration—which I think is a very grandiose name for a fairly pathetic promise, as it transpires—which said that a line in the sand would be drawn in relation to the withdrawal of services from regional Australia and that there would be a red light flashing in the Prime Minister’s office whenever something like this occurred. Well, the old red light must be on high beam by now, and I think it probably has been on high beam. Certainly people should have red ears in relation to making commitments on red lights—that is all I will say about that.

We have a revelation that another 3,000 jobs are going to go from the very people who actually lay the cables for telephone connections in regional Australia. It has to be extracted from Telstra and the government that the figure of 3,000 is correct. It first became clear that it was correct in my home state of Tasmania, where all of a sudden another 35 jobs were cut. This is the state that is supposed to have done well out of the first two tranches of the sale of Telstra. That is going to have more of an implication in regional Australia.

Senator Woodley interjecting—

Senator MACKAY—Yes, that is correct, Senator Woodley. The government has broken its promise not only to Tasmanians but also to Senator Harradine on the matter of
Telstra and Tasmania. The other thing the government’s Internet downloaded report does not mention is the deregulation of Australia Post. I note with some amusement Senator Macdonald talking about closures of post offices under the Labor Party. I will deal with that in great detail during the next few months. This government is committed to the deregulation of Australia Post. Australia Post has estimated that this will reduce its profit margins by 25 per cent.

I wonder whether anybody in the Senate would care to guess where the closures will be, where the job losses will be and where the services are going to be diminished to meet the reduction of 25 per cent in Australia Post’s profitability. It will be in regional Australia again. So much for the old red light flashing. So much for the Nyngan declaration. So much for John Howard’s commitments to regional Australia. I bet regional Australians are hoping and keeping their fingers crossed that John Howard does not go out to regional Australia again, because the last time he went out to regional Australia there was an announcement from Dr Switkowski that 10,000 Telstra jobs would be cut. I think it is probably better if Mr Howard visits regional Australia as infrequently as possible.

Senator McGauran—Mr Howard was in Gippsland last week.

Senator MACKAY—Senator McGauran reminds the Senate that Mr Howard was out in Gippsland last week. What was he talking about out there? He was not talking about petrol. Senator McGauran, you have the opportunity today to vote on Senator Cook’s private member’s bill in relation to petrol, and I know that you will be voting with the Labor Party in relation to that.

Another thing that is not mentioned in this report and that has a major impact in terms of employment is the withdrawal of banking services—something I hope Senator McGauran is also interested in. The panacea for that is, yet again, the little old rural transaction centre program, with its 19 outlets for the entirety of regional Australia and 30 secret ones to come. They are waiting on a couple of days to be free in Senator Macdonald’s diary. That is not mentioned either. The bottom line is that those who wrote the 224 submissions and the plethora of people who appeared in front of the Senate inquiry—which was taken extremely seriously by all of the participants, including the coalition senators who participated; I would like to thank them as well as my Labor colleagues—got a load of rubbish that anybody who can access the Internet, although you cannot very often in regional Australia, could have printed off themselves. How long did we wait for that? Eighteen months. It is pathetic.

If the government wish to treat the Senate like this, that is fine, but this will not be lost on the people of rural and regional Australia come the next election. You ignore them at your peril. They are a lot smarter than the government think they are. They are very concerned and I will make sure they know this is what the government think of them in this fairly shoddy effort. It could have been downloaded from the Internet—if you had access to it in regional Australia—at any point.

Question resolved in the affirmative.

Environment, Communications, Information Technology and the Arts References Committee

Report: Government Response

Senator BARTLETT (Queensland) (4.09 p.m.)—by leave—I move:

That the Senate take note of the document.

I wish to speak briefly to the government response to the Environment, Communications, Information Technology and the Arts References Committee report entitled The Hinchinbrook Channel inquiry. A development has been built across the channel from Hinchinbrook Island, which is one of many magnificent environmental treasures in the state of Queensland. It is part of the Great Barrier Reef Marine Park. The issue of the development has been debated for many years and Senator Woodley and I have followed it closely since at least 1993, if not earlier.

There is ample evidence of the risks of that development, which the government has chosen to ignore, even though they were
quite clearly outlined in the report. I will go into those in more detail on another occasion, but it is worth noting that the Hinchinbrook development was the last time that the federal government used its powers under the world heritage convention, under the old World Heritage Properties Conservation Act. In the 16 years of the operation of that act, the federal government acted six times to protect world heritage environmental values. The government acted for the last time on Hinchinbrook Channel. It is worth noting that, in the little over six months since the new Environment Protection and Biodiversity Conservation Act, which was significantly amended by the Democrats, has been operating, the federal government has already intervened seven times—including six times in Queensland—to ensure proper environmental assessment and to ensure environmental values are protected in world heritage areas.

I come from Queensland, which has incredibly valuable—and environmentally and economically—world heritage areas, particularly the Great Barrier Reef Marine Park and wet tropics areas, and that increased power and opportunity for the federal government to protect world heritage areas is of great value. It is worth noting that in the past we had to wait until the development was being built and impacts were occurring in a world heritage area before intervening and then making assessments and having Senate inquiries. The way that it operates under the new act, which was strengthened and supported by the Democrats, is that the assessments with public input now have to be made before the action can begin. You do not have to wait until the damage is occurring before you intervene, which is a significant advance. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

Rural and Regional Affairs and Transport References Committee

Report: Government Response

Senator FORSHAW (New South Wales) (4.12 p.m.)—by leave—I move:

That the Senate take note of the document.

The report of the Senate Rural and Regional Affairs and Transport References Committee entitled Deregulation of the Australian dairy industry was handed down in October 1999. I want to quote from the executive summary of this very comprehensive 200-page report. It states:

The Australian dairy industry is the third largest rural industry, (behind beef and wheat) and the third largest exporter of dairy products worldwide, after the European Community and New Zealand. Dairying is Australia's largest rural industry valued at the wholesale level ($7 billion). The industry has doubled its production over the last decade. The industry has 13,500 dairy farmers and is a significant regional employer with 60,000 direct jobs at farm and manufacturing level.

The Senate committee undertook a very extensive inquiry into what was the proposed deregulation of the Australian dairy industry. Of course, deregulation ultimately did come into effect from 1 July 2000. The committee inquiry included 12 days of public hearings in each of the states—Victoria, Tasmania, New South Wales, Queensland, Western Australia and South Australia—as well as hearings in Canberra. Those public hearings took place not just in the capital cities but also in regional centres in dairying areas such as Deniliquin and Lismore in New South Wales, Gympie in Queensland, Bunbury in Western Australia and Mount Gambier in South Australia.

There were 116 written submissions made to the committee, and many, many witnesses gave evidence at the public hearings. The committee, which was made up of government, opposition and Democrat members, ultimately delivered a unanimous report. I note that Senator McGauran and Senator Woodley, who were members of the committee, are present in the chamber, and I am sure Senator Woodley will want to make some remarks after me on this very detailed, comprehensive and I think excellent report on what is a major issue—that is, the restructuring and deregulation of the Australian dairy industry.

The committee came down with a set of detailed recommendations. Those recommendations went to many issues, including the timing and implementation of deregula-
tion; the nature of the restructuring package that had been developed by the Australian Dairy Industry Council and was the subject, at that time and following the committee’s report, of negotiation with the federal and state governments; the inevitable social impacts upon dairy farmers and their families; and the social, economic and other impacts on the communities in dairy regions, particularly noting that some regions were going to be severely affected as a result of deregulation. We noted that dairy farmers would seek to exit the industry in some regions, particularly in New South Wales and Queensland. We made recommendations on how those issues needed to be addressed and resolved to ensure that deregulation for farmers was not just cold turkey; that they would not be left in a position of economic and financial ruin, notwithstanding the package; and that they would not be hit on the first day after 1 July.

The committee made recommendations about prices and costs. A lot of divergent evidence was put before the inquiry as to what would happen to prices at the farm gate level and in the retail sector, and how much it would cost the farmers. Much of that evidence was based on speculation and on studies which tried to predict what would happen to domestic milk in Australia in a deregulated market. We made recommendations which went to those issues and to the role of the ACCC. We also made recommendations about the future role of cooperatives, which had been such a major part of the dairy industry. We were particularly concerned, as I said, about the dire impact that deregulation could have on some farmers and their communities in particular regions in Australia.

Many of the concerns and predictions that we had have come to fruition, unfortunately. We have seen throughout a number of regions farmers now facing financial ruin. Notwithstanding the package, which is paid for not by this government—as Mr Truss, the Minister for Agriculture, Fisheries and Forestry, suggests—but by consumers through a levy, those farmers are today in dire straits. The farm gate prices they have been receiving are far lower than what was projected to be the case and what the package was developed upon. This has been such a major issue in rural and regional areas that the government itself was forced to act and it commissioned a report from ABARE. They handed down a report which backs up everything I have just said.

This is a very serious issue today for rural and regional Australia, but what is this government’s response to this 200-page unanimous report? We get one page with three lousy paragraphs telling us what we already knew when we wrote the report. I wish this was on television; this page I am holding up is what we get. Over a year after the report was released, at a time when farmers, their families and communities in the dairy industry are crying out for some help and for somebody to listen, this government hands down a report with three paragraphs. This is an absolute disgrace. This is an insult to the people in this industry who look to this parliament and to this government to listen to their concerns.

Our committee did listen, and I compliment the government members who did listen, such as Senator Crane, Senator McGauran and others. But then it got higher up the ladder to the minister and those who prepared this response, and they produced this absolutely disgraceful response. As I said, there are just three paragraphs. Words fail me as to how you could even do this to people after their participation in this inquiry. There may be only three paragraphs here, but there is one big message to those people—that is, this government does not care about you and your concerns. The National Party members in those seats do not care, and those government members are going to get a big message at the next election from people in this industry.

Senator WOODLEY (Queensland) (4.21 p.m.)—I am afraid that I have to pick up where Senator Forshaw left off earlier. I almost do not believe that this is the government response. When I received it today I went to the attendants and said, ‘Can you at least show me what the government response is? This must simply be a summary of it, surely, it cannot be the report.’ But it is. Not even half a page. I wonder what
would have happened if I had taken this and said to 700 dairy farmers who rallied in Brisbane today, ‘Listen, folks, the government has actually responded to your concerns. Here it is. I will copy it and send it around and everybody can shout hurray and go home because the government has taken your concerns seriously.’ Like hell it has!

I am disgusted and outraged at that response. I just do not understand. I agree with Senator Forshaw that there are people in the government who are deeply concerned about the dairy industry—he has mentioned Senator McGauran. I know that he is concerned. I know that he wept tears of blood and, although he will not be able to say this in this chamber, I know that outside the chamber he feels absolutely outraged about what is happening to the dairy industry. He has told me that.

Senator Sherry—they do not do anything in here—that is the problem.

Senator WOODLEY—you would have the same problem, Senator Sherry, if you were the government. But I understand the problem that backbenchers have. There is no doubt that we are facing an absolute crisis in the dairy industry. It is a disaster of monumental proportions. The government really has got to do much better than this.

Before I turn to the government response perhaps I should take issue with Senator Forshaw on one very small point. The report was unanimous but there was one reservation that the Democrats made. In a couple of phrases in the report where it said that regulation was inevitable I did say that it is not necessarily the Democrats’ position. We did not believe that the deregulation was inevitable. However, I do not want to quibble over the fact that in every other respect it certainly was a unanimous report.

Let me now turn to the government response itself and comment on it. It says:

... the federal government however was concerned to ensure that in the event the states decided to deregulate—

as though federal government was not sure that the states were going to deregulate, as though it had nothing to do with it, when we know that the federal government held a gun at the head of the states, particularly my own state of Queensland. Quite genuinely, Henry Palaszczuk, the minister in Queensland, to the very last moment fought against having to deregulate my state because he knew what was going to happen—and I pay tribute to that fact.

Senator McGauran—who?

Senator WOODLEY—Henry Palaszczuk, the minister for Primary Industries and Rural Communities in Queensland. He resisted deregulation to the last moment. However, he was taking the advice of the leaders of the dairy industry in Queensland and those leaders, I believe, capitulated far too easily and the minister had no alternative, really, but to go along. So each of states deregulated, but in a climate where the federal government was saying to them, ‘If you do not deregulate, there will be no restructuring package.’ In other words, they were saying, ‘No deregulation, no money.’ In that sort of climate what could the states do?

In this government response let us not pretend—in the words of the federal government minister—that somehow or other this was something that they had nothing to do with—hands off the federal government—that it was the states that did it and the federal government simply had to go along. That is not true. That is nonsense. There is no doubt that the federal government was holding a gun at the head of these states in terms of deregulation. There is no doubt that in the states of New South Wales, Queensland and Western Australia the impact has been horrific.

The federal government knew it would be horrific. ABARE, prior to deregulation, had produced a report which described how horrific it would be and nobody actually believed it. The industry said that it could not be that bad, that the ABARE figures could not be right. We know now that in fact the ABARE figures were correct and that it is even worse than they predicted. How can any responsible government, knowing that a disaster is about to happen, knowing that there are going to be horrific consequences from what they are about to do, still say, ‘There is nothing we can do.’ It is as though we said, ‘We know we are about to be in-
vaded but our army is so weak we will all just have to go away and hide. There is nothing we can do.’

Returning to the government’s response, it says:
The Commonwealth’s package provides a substantive response to the industry’s requests for support while it adjusts to deregulation and to the recommendations in the Senate committee’s report.
I am afraid it hardly pays any attention to the recommendations. For example, there was one recommendation in the Senate report that the government has never recognised or responded to. That was recommendation 6: that an inquiry into the operations and accountability mechanisms of cooperatives—that is the big processors, particularly Bonlac and Murray Goulburn—be undertaken. The committee made this recommendation because of disturbing evidence critical of the cooperatives for their lack of accountability and transparency. Nowhere in this report is there any response to that. That is one of the glaring recommendations of the Senate committee which has never been attended to. And, of course, we have seen since deregulation that Bonlac, one of the drivers of deregulation, is itself in great financial difficulty and about to be taken over by New Zealand. That will be a further disaster for the Australian dairy industry. It is about time that the government took seriously the Senate’s report and all the recommendations of that report. Yesterday I asked Minister Alston a question about the basis of the package. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

**EXCISE TARIFF AMENDMENT**

**(PETROL TAX CUT) BILL 2001**

**CUSTOMS TARIFF AMENDMENT**

**(PETROL TAX CUT) BILL 2001**

*Second Reading*

Debate resumed from 8 February, on motion by Senator Cook:

That these bills be now read a second time.

Senator **SHERRY** (Tasmania) (4.30 p.m.)—We are continuing debate on the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001, which is the Labor Party’s initiative to remove the indexation that occurred on 1 February of the excise tax that applies to petroleum products. There are special circumstances surrounding the increase on 1 February that warrant the removal of that excise increase. As everyone would be well aware, the excise increase that occurred as a result of movements in inflation has increased the price of petrol around Australia by an average of 1.7c a litre. It is higher in some areas—my home state of Tasmania, for example—because the petrol prices are higher in rural and regional Australia, certainly higher than in Melbourne or Sydney.

This is a Labor Party initiative. It is extremely disappointing to see that Liberal Party and National Party members will not support it—but more of that later. The Prime Minister, in leading the Liberal-National parties, made a promise to the Australian electorate that the GST would not increase the price of fuel. He clearly stated that in the run-up to the last election. But this has not been the case. The price of fuel in Australia has risen as a result of the GST. I will outline why and how that has occurred shortly, but what we have is another broken promise—perhaps a non-core promise—from the Prime Minister, Mr Howard, and the Liberal-National parties.

Let us go back to 1 July last year. With the introduction of the GST, the commitment by Mr Howard was to reduce the excise tax to offset the 10 per cent GST. In carrying out that commitment and reducing the excise so that petrol prices should not rise, the government short-changed the Australian electorate. The reduction in excise was not sufficient to offset the introduction of the GST. The shortfall—in other words, the gain to the Liberal-National Party government as a consequence—was at least 1.5c a litre. It is higher again in rural and regional areas because the impact of the GST, being a percentage tax, collects more revenue from those areas. So the first breaking of the promise was on 1 July last year.

Secondly, the GST is a percentage tax—unlike the excise, which is a flat tax—so when there are increases in world oil prices, which I acknowledge has occurred, the in-
crease in the base price of petroleum products, with a GST on top of them, collects more revenue for government. There is a third GST factor, which I referred to earlier. This bill deals with that. As a consequence of the GST, inflation increased in Australia. Each six months the excise tax is increased by the rate of inflation. Most of the inflation rise that occurred over the last quarter was as a result of the GST. There is no argument about that; that is well known. This led to a further increase in the price of fuel of at least 1.1¢ a litre. It is higher again in rural and regional areas. So we have had not one, not two, but three breaches of the promise made by the Prime Minister that petrol prices would not go up as a result of the GST.

It is difficult to identify in budget papers issued by the government the precise amount of extra revenue that has been raised as a consequence of these three extra tax grabs by Mr Howard as a result of the GST, but estimates from the Australian Automobile Association—an independent organisation—have confirmed the figures that I outlined previously. The Automobile Association estimate that this has raised approximately $1 billion in extra revenue, over and above what was projected in the budget, as a result of the introduction of the GST.

The story does not stop there. There is another tax on petroleum—the resource rent tax. When the base price of oil goes up, the money collected from the resource rent tax also goes up—a higher base and therefore more tax revenue collected. We know that the additional revenue that has resulted from the resource rent tax is about $450 million or $460 million, because it was released in the mid-year economic figures that the Treasurer released in November last year.

Senator McGauran—Which is part of the figures you quoted. You double counted.

Senator SHERRY—No, it is not, Senator McGauran. It is about $1½ billion in total. I have not included that in the figures so far. Anyway, you will contribute, Senator McGauran, and no doubt explain why you are not supporting this important initiative of the Labor Party to reduce fuel taxes. But the Labor Party believes that the extra tax collected from the taxes on petroleum products is about $1½ billion. We know about the resource rent tax—the government has owned up to that. We do not know the extra revenue as a result of the GST, and we will not know that until the full budget papers are handed down in May. We have asked for that figure, but of course the Treasurer, Mr Costello, and the Prime Minister, Mr Howard, will not release the figure to date. They are hiding it; they are embarrassed. So that is the story about the increases that have occurred as a result of the broken promise of the Prime Minister on the GST.

We have had three main reasons advanced by members of the Liberal and National parties as to why they will not support this important initiative of the Labor Party. They can be summarised as follows. Their first excuse is: ‘The excise policy is Labor policy; we are following Labor policy.’ The second excuse is what could be called the ‘roads defence’: ‘We’re spending money on roads.’ The third defence, which I find extraordinarily hypocritical, is: ‘Don’t blame me. I don’t agree with it, but I won’t do anything about it.’ That is the third excuse we are getting from the Liberal and National Party members about this issue. I would now like to turn to the first issue of excise policy. At this stage, I seek leave to incorporate some documents—and I have extended the normal courtesies and shown a copy of these documents.

Leave granted.

The documents read as follows—

PETROLEUM PRODUCTS EXCISE RATES
8 Excise Reductions and on No indexation increase during the period of the Labor Government 1983-1996
High Taxing Costello
Simon Crean - Shadow Treasurer
Media Statement - 15 August 2000

Today in Question Time, the Treasurer claimed that Commonwealth taxation has fallen from an average of 22.5 per cent to 20.8 per cent of GDP. But that’s only if you leave out the GST!

If you add back the GST, the Commonwealth tax take, as a proportion of GDP, does not fall. In fact, it increases.

Peter Costello is so proud of his GST that he wants to wish it away.

As the graph below shows, the true level of Commonwealth tax is not falling over the forward estimates period. Indeed they confirm Peter Costello as the highest taxing Treasurer in more than a decade. In fact, every one of his Budgets has been above the decade average.
Figures from 2000-01 include estimate of the net impact of not classifying the GST as a Commonwealth tax in order to make data comparable. See footnote (a) in BP No 1, page 8-43.

Authorised by Geoff Walsh, 19 National Circuit, Barton ACT 2600.

**Indirect Tax**

Table 6 provides estimates for 1999-2000 and 2000-01 for the various categories of indirect taxation.

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<thead>
<tr>
<th></th>
<th>1999 00</th>
<th>2000 01</th>
<th>Change on 1999 00</th>
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<tr>
<td><strong>Excise duty</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Petroleum products</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Unloaded petrol</td>
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<tr>
<td>Leaded petrol</td>
<td>1445</td>
<td>1354</td>
<td>-6.3</td>
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<td>Diesel</td>
<td>4614</td>
<td>5232</td>
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<tr>
<td>Other (b)</td>
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<tr>
<td>Total petroleum products</td>
<td>11204</td>
<td>12709</td>
<td>13.4</td>
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<tr>
<td>Crude l</td>
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<td>259</td>
<td>20.5</td>
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<tr>
<td>Other excise</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Beer</td>
<td>892</td>
<td>1441</td>
<td>61.6</td>
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<tr>
<td>Potable spirits</td>
<td>152</td>
<td>245</td>
<td>61.7</td>
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<tr>
<td>Tobacco products</td>
<td>1740</td>
<td>5124</td>
<td>194.5</td>
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<tr>
<td>Total other excise</td>
<td>2783</td>
<td>6810</td>
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<tr>
<td>Total excise</td>
<td>14202</td>
<td>19779</td>
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<tr>
<td>Customs duty (c)</td>
<td>3770</td>
<td>4413</td>
<td>17.1</td>
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<tr>
<td>Other indirect taxes</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Wholesale sales tax (d)</td>
<td>15497</td>
<td>1267</td>
<td>-91.8</td>
</tr>
<tr>
<td>Wine equalisation tax</td>
<td>549</td>
<td>na</td>
<td></td>
</tr>
<tr>
<td>Luxury car tax</td>
<td>160</td>
<td>na</td>
<td></td>
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<tr>
<td>Total other indirect taxes</td>
<td>15497</td>
<td>1976</td>
<td>-87.2</td>
</tr>
<tr>
<td>Total</td>
<td>33468</td>
<td>26168</td>
<td>-21.8</td>
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</table>

(a) Excludes surcharge revenue raised by the Commonwealth on an agency basis and paid to the States and Territories as RRPs. RRPs will be abolished from 2000-01 as part of The New Tax System. Also excludes GST revenue collected by the Commonwealth from 1 July 2000 and passed in full to the States and Territories. This revenue amounts to $24.1 billion in 2000-01.

(b) Includes aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene, and refunds/drawbacks relating to petroleum products excise.
(c) Customs duty includes duties imposed on imported petroleum products, tobacco, beer and spirits, which is akin to excise duty on these items.

(d) WST is to be abolished from 1 July 2000. The 2000-01 estimate reflects the liability for some transactions occurring in the last months of 1999-2000.

Table D2: Major Categories of Revenue as a Proportion of Gross Domestic Product (cash basis) (a)

<table>
<thead>
<tr>
<th>Year</th>
<th>Gross PAYE</th>
<th>Gross Other</th>
<th>Gross PPS</th>
<th>Total (b)</th>
<th>Companies</th>
<th>Super Funds</th>
<th>Products FBT</th>
<th>Total (c)</th>
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<tr>
<td>1989 90</td>
<td>11.4</td>
<td>2.7</td>
<td>0.5</td>
<td>13.0</td>
<td>3.4</td>
<td>0.1</td>
<td>0.3</td>
<td>17.0</td>
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<tr>
<td>1990 91</td>
<td>11.1</td>
<td>2.9</td>
<td>0.4</td>
<td>12.7</td>
<td>3.6</td>
<td>0.3</td>
<td>0.3</td>
<td>17.1</td>
</tr>
<tr>
<td>1991 92</td>
<td>10.8</td>
<td>2.3</td>
<td>0.4</td>
<td>11.5</td>
<td>3.3</td>
<td>0.3</td>
<td>0.3</td>
<td>15.8</td>
</tr>
<tr>
<td>1992 93</td>
<td>10.6</td>
<td>1.9</td>
<td>0.4</td>
<td>11.1</td>
<td>3.1</td>
<td>0.4</td>
<td>0.3</td>
<td>15.4</td>
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<tr>
<td>1993 94</td>
<td>10.5</td>
<td>1.9</td>
<td>0.4</td>
<td>11.2</td>
<td>2.8</td>
<td>0.3</td>
<td>0.3</td>
<td>15.1</td>
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<tr>
<td>1994 95</td>
<td>10.7</td>
<td>2.0</td>
<td>0.5</td>
<td>11.5</td>
<td>3.3</td>
<td>0.4</td>
<td>0.6</td>
<td>16.2</td>
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<tr>
<td>1995 96</td>
<td>11.1</td>
<td>2.0</td>
<td>0.4</td>
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<td>3.6</td>
<td>0.3</td>
<td>0.6</td>
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<td>1996 97</td>
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<td>3.6</td>
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<tr>
<td>1997 98</td>
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Table D2: Continued

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<tr>
<th>Year</th>
<th>Petroleum Products (a)</th>
<th>Other (d)</th>
<th>Total Excises</th>
<th>Sales Tax</th>
<th>Customs Duty</th>
<th>Total Other Tax (c)</th>
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<td>1.0</td>
<td>3.0</td>
<td>0.7</td>
<td>4.2</td>
<td>20.9</td>
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### Non Taxation Revenue

<table>
<thead>
<tr>
<th>Dividends and Other</th>
<th>Total Non-Tax Revenue</th>
<th>Total Revenue</th>
</tr>
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<tbody>
<tr>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>0.3</td>
<td>1 2</td>
<td>25.0</td>
</tr>
<tr>
<td>0.4</td>
<td>1 2</td>
<td>24.7</td>
</tr>
<tr>
<td>0.6</td>
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</tr>
<tr>
<td>0.6</td>
<td>1 0</td>
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<td>26.0</td>
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<tr>
<td>1.3</td>
<td>1.8</td>
<td>22.7</td>
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</table>

(a) All estimates expressed as a proportion of GDP use the current budget GDP series.
(b) The total for the individuals category also includes Medicare levy collections and refunds.
(c) The total for the income tax category also includes refunds, Medicare levy collections, PRRT and withholding tax.
(d) Petroleum products excise includes crude oil and LPG excise, but excludes the DFRS offset to revenue, which has been reclassified as an expense.
(e) The ‘Other’ category comprises excise from beer, potable spirits and tobacco.
(f) As well as excises, sales tax and customs duty, ‘Other Taxation Revenue’ includes other taxes, fees and fines.
(g) Estimates for 1999-2000 and 2000-01 are derived using cash flow data from the Commonwealth’s accrual accounting system. Note that the categories ‘Interest’ and ‘Dividends and Other’ include significant new items that were netted off in previous budgets (for further information, refer to footnote (b) in table D1 of this Statement.)
### Table D1: Commonwealth General Government Sector Cash Revenue, Outlays and Surplus\(^{(a)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimate $m</th>
<th>% Real Growth</th>
<th>Per cent of GDP</th>
<th>Estimate $m</th>
<th>% Real Growth</th>
<th>Per cent of GDP</th>
<th>Cash Surplus $m</th>
<th>Per cent of GDP</th>
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<tbody>
<tr>
<td>1969-70</td>
<td>7,097</td>
<td>8.6</td>
<td>21.1</td>
<td>6,131</td>
<td>2.1</td>
<td>18.2</td>
<td>966</td>
<td>2.9</td>
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<tr>
<td>1970-71</td>
<td>8,000</td>
<td>6.1</td>
<td>21.5</td>
<td>7,176</td>
<td>10.2</td>
<td>19.3</td>
<td>824</td>
<td>2.2</td>
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<tr>
<td>1971-72</td>
<td>8,827</td>
<td>3.6</td>
<td>21.4</td>
<td>7,987</td>
<td>4.5</td>
<td>19.4</td>
<td>840</td>
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<td>1972-73</td>
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<td>0.1</td>
<td>20.3</td>
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<td>7.0</td>
<td>19.7</td>
<td>294</td>
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<tr>
<td>1973-74</td>
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<td>21.2</td>
<td>10,829</td>
<td>3.8</td>
<td>19.3</td>
<td>1,061</td>
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<td>1974-75</td>
<td>15,325</td>
<td>5.6</td>
<td>22.9</td>
<td>15,275</td>
<td>15.5</td>
<td>22.8</td>
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<td>1975-76</td>
<td>18,316</td>
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<td>23.2</td>
<td>19,876</td>
<td>12.1</td>
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<td>1976-77</td>
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<td>22,657</td>
<td>2.0</td>
<td>24.9</td>
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<td>1977-78</td>
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<td>25,489</td>
<td>3.3</td>
<td>25.6</td>
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<td>3.2</td>
<td>22.8</td>
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<td>31,041</td>
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<td>24.2</td>
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<td>1981-82</td>
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<td>24.5</td>
<td>40,394</td>
<td>2.1</td>
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<td>1982-83</td>
<td>44,675</td>
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<td>47,907</td>
<td>6.4</td>
<td>26.6</td>
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<td>1983-84</td>
<td>49,102</td>
<td>3.4</td>
<td>24.2</td>
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<td>9.9</td>
<td>27.6</td>
<td>-6,864</td>
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<tr>
<td>1984-85</td>
<td>57,758</td>
<td>11.2</td>
<td>25.7</td>
<td>63,639</td>
<td>7.5</td>
<td>28.3</td>
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<td>26.1</td>
<td>69,838</td>
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<td>26.8</td>
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<td>27.7</td>
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<td>26.1</td>
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<td>-1.5</td>
<td>25.6</td>
<td>1,777</td>
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<tr>
<td>1988-89</td>
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<td>24.8</td>
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<td>24.6</td>
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<td>1991-92</td>
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<td>26.1</td>
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<td>1994-95</td>
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<td>23.1</td>
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<td>4.6</td>
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<td>1995-96</td>
<td>121,105</td>
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<td>23.8</td>
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<td>24.0</td>
<td>134,608</td>
<td>-1.6</td>
<td>23.8</td>
<td>1,171</td>
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<td>1998-99</td>
<td>146,521</td>
<td>7.2</td>
<td>24.7</td>
<td>141,033</td>
<td>4.0</td>
<td>23.8</td>
<td>4,190</td>
<td>0.7</td>
</tr>
</tbody>
</table>

\(^{(a)}\) There is a break in the series between 1998-99 and 1999-2000. Data for the years up to and including 1998-99 are consistent with the cash ABS GFS reporting requirements. From 1999-2000 onwards, data are derived from an accrual ABS GFS reporting framework, with revenues proxied by receipts from operating activities and sales of non-financial assets, and outlays by payments for operating activities and purchases of non-financial assets. Due to methodological and data-source changes associated with the change, time series data which encompasses measures derived under both cash and accrual accounting should be used with caution.

\(^{(b)}\) Following recent changes to the Australian National Accounts standards, the surplus measures in this table, from 1998-99 onwards, incorporate payments by the general government sector in respect of accumulated PNFC superannuation liabilities. Payments prior to 1998-99 do not incorporate these payments.

\(^{(c)}\) Estimates.

\(^{(p)}\) Projections.
Senator SHERRY—The first page of the documents that I have incorporated is titled ‘Petroleum products excise rates’, and it is sourced from the Australian Customs Service Notice. Some senators may be aware that I asked a question of the Assistant Treasurer, Senator Kemp, about this matter today. The excuse that Mr Costello, in particular, gives is: ‘The Labor Party indexed excise when they were in government, so we’re doing exactly the same. It was Labor policy; we’re continuing it.’ It is a rather extraordinary claim to make, and it is the first time I can recall the Treasurer, Mr Costello, saying, ‘The Labor Party’s got a policy. We’re going to do exactly the same thing,’ as though he is bound by it. The Liberal and National parties are in government. Senator McGauran. You are masters of your own destiny. It seems quite extraordinary that, on this one issue, the Treasurer, Mr Costello, says that he is bound by Labor Party policy, when that is not the case.

But, even if he were bound by Labor Party policy, his explanation of Labor Party policy is incorrect. I could use stronger language but it would be unparliamentary, so I will not. What in fact happened when Labor were in power for 13 years is that certainly on many occasions the fuel excise was indexed to inflation. Again, the Treasurer and members of the Liberal and National parties are fond of saying that it was indexed on 23 occasions. That is correct. But there were nine occasions when something different was done. What happened on those nine occasions is listed on the first page of the documents that I have incorporated. On one occasion the Labor Party decided not to apply the indexation increase to petroleum excise, and on eight other occasions it reduced the excise rate. There are a number of reasons for that. There are nine occasions on which petroleum excise was not increased in line with inflation. So the government and Mr Costello are telling only part of the story. If they are so keen on Labor Party policy when there are exceptional circumstances, as we have here, then petroleum excise need not be increased. I put that on the record because I do not believe it is commonly known, unfortunately, and so that those enthusiasts who are following this debate in the Hansard can see the facts for themselves.

The second excuse given by the government is what I call the ‘roads defence’. The defence is: ‘Petrol and diesel prices are high but we’ll give some money back for roads.’ They have done that; they have given some money back for roads—it is about $400 million a year. But they are going to collect $1.5 billion in additional revenue, and they have given back $400 million a year.

Senator McGauran—$1.5 billion back?

Senator SHERRY—They have given back $400 million a year in road funding. So they have a net gain of over $1 billion still in the kitty. So the roads defence is only partly true, Senator McGauran. What is the use of spending money on roads when people find it very expensive to drive on them? The third set of excuses is quite intriguing. It is what I refer to as the ‘don’t blame me; I don’t agree but I won't do anything about it’ set of excuses. We have had 12 members and senators so far—joined by a 13th as of yesterday—who get into the local media in their electorates and say, ‘We don’t think the petrol price should go up as a result of the excise. We think this is dreadful.’ Senator McGauran is smiling, of course, because the 12 people in the Liberal and National parties who have done this so far have been joined by Mr Katter, the member for Kennedy. Surprise, surprise! In their electorates they say, ‘This is dreadful.’ They are lions in their electorates. They say, ‘We shouldn’t be increasing the price of fuel excise.’ But when they come to Canberra they do not do anything about it.

Senator Forshaw—They’re pussycats!

Senator SHERRY—Yes, they are pussycats in Canberra. We saw it with the dairy report that my colleague just spoke on. People like poor old Senator McGauran who are on the backbench of the National Party are just not listened to. They are stomped on by the ministry. That is reality. They are tough in their electorates. They are like lions and they complain bitterly about it, but they do not do a thing here in Canberra. You have the opportunity, Senator McGauran. You can
support our legislation and reduce the price of petroleum products by at least 1.7c.

We heard a contribution by Senator Boswell, Senator McGauran’s leader in the Senate, earlier in the week. He claimed, ‘It is just 1c; it is neither here nor there—who really cares?’ Senator Boswell was incorrect. It is not 1c; it is closer to 2.86c and $1½ billion. So it is not an insignificant amount of money. But isn’t that typical of the leadership of the National Party? I am sure Senator Ian Macdonald is going to proffer up the roads defence in his contribution. I do not think he will proffer up the ‘don’t blame me; I don’t agree but won’t do anything about it’ excuse because he would not be a minister if he tried to do that. It is typical of the leadership of the National Party—and they wonder why they are in such trouble in rural and regional areas. One other point: Senator Boswell alleged that the people who are appearing before our Labor Party inquiry are all Labor Party stooges. Senator McGauran, I suggest that Senator Boswell, your leader, should pick up a copy of our report and look at the appendix. All the people who have appeared at the hearings are listed.

Senator Ian Macdonald—Where do you get a copy of that?

Senator SHERRY—It is on the web site. Get a copy of it and look at the list of people who have appeared. There are not too many card carrying members of the Labor Party. We have people from all sorts of organisations; in fact, I suspect we had more people from the National Party than we did from the Labor Party. The overwhelming majority of them were people from community organisations whom you could not call members of the Labor Party. Of course, we will send those people a copy of Senator Boswell’s offensive remarks so that they can see for themselves. So we have these three defences. And, of course, Mr Katter jumps on the bandwagon. The tough Mr Katter—he is going to introduce a private member’s bill. Well, I will believe it when I see it. I would be shocked to see members of the National Party actually do something about this issue in parliament.

Senator Forshaw interjecting—

Senator SHERRY—He could. But what happened in the House? Mr Katter was nowhere to be seen, and they gagged the debate. They were too embarrassed to have a debate and have a vote on the legislation we are considering here in the Senate. They were just too embarrassed. As I said earlier, they are lions in their electorates—they complain bitterly about petrol prices and taxation policy—but they do nothing when they come to Canberra. They do not do a thing. Why is this issue so important? Obviously, the Prime Minister breaking his promise to the Australian electorate—

Senator Crossin—Another one.

Senator SHERRY—Another one; that is right. Another non-core promise. He broke his promise that petrol prices would not go up as a result of the GST, but not just once—three times. That is serious enough—breaking that promise goes to the credibility of the Prime Minister, Mr Howard—but what is really hurting families, particularly in rural and regional Australia, is the impact of higher fuel prices in these areas. Senator McGauran knows the impact. He will not do anything about it but he does know. He knows that in rural and regional areas petrol is an essential commodity—you are very lucky to have any public transport at all and there is no option but to drive your own motor vehicle. Secondly, incomes are lower in rural and regional areas, and Senator McGauran knows this as well. The average income in rural and regional areas is lower than in places like Melbourne and Sydney, so they have less capacity to pay. In addition, they obviously drive further distances and need to consume more fuel.

Thirdly, and most importantly, fuel prices in rural and regional Australia are higher than in Melbourne and Sydney. In my home state of Tasmania, on the north-west coast of Tasmania where I live, fuel prices last week—depending on the town—were approaching $1 a litre. Regrettably, it has always been the case that in rural and regional areas fuel prices are higher than in Melbourne and Sydney, and the GST has widened the gap. The GST and its impact on fuel is sucking the lifeblood out of rural and regional Australia. Senator Boswell might
not think much of $1, but $1 a tank is a big hit to families living in rural and regional Australia. So the legislation that the Labor Party has presented to the Senate is very important. We would like at least some people—like Senator McGauran, who knows the truth—to cross the floor and support our legislation.

Today Senator Kemp again accused us of being a high tax party. I have incorporated extracts from Budget Paper No. 1 which show the total revenue collected by the Commonwealth. On the face of it—at page 8-42—the total revenue has fallen. But, of course, this collection of revenue does not include the GST. If you include the GST, taxes as a percentage of gross domestic product—which is the relevant measurement—have gone up under the Howard-Costello government. It is the Howard-Costello government that is a high taxing party, in part because of this fuel tax issue. I have also incorporated a document showing the increase in revenue that is to be collected as a result of the changes that I have outlined. Unleaded petroleum products go up by 18.8 per cent in this financial year. Leaded petrol goes down because it is in declining use.

Indexation of excise is necessary to ensure that the real value of excise keeps pace with the cost of living and does not decline over time. Whilst the government indexes excise, following on from a program that the previous government, the Australian Labor Party government, had introduced, we also index pensions and other welfare payments. In my own area, the $1¼ billion that the federal government gives to local government every year is also indexed by CPI and population growth. That is what happens on the spending side. Naturally enough, on these flat taxes indexation occurs to keep the value of that indexation. That is why the Labor Party originally introduced it and that is why we continue with that particular policy. For every additional dollar of revenue raised through indexing excise, around $2.40—that is, almost 2½ times that—is paid out through higher pensions. The government is still going backwards but, because of the very fine and sound fiscal management of this government, we are able to afford that. Certainly the indexing of excise is far below the price of indexing of higher pensions and other payments.

I emphasise again: indexing of excise was Labor Party policy. The Labor Party introduced it. The Labor Party implemented it, and Labor still support it. In fact, when
Labor were in government they increased petrol excise on some 23 separate occasions. In addition, Labor indexed petrol excise as a budget measure on five occasions. I just want to explain that. When Labor were in power not only did the excise go up in accordance with the CPI but over and above that Labor increased the amount of excise by deliberate legislation in the budget procedure. They were not content just to keep the value of the excise by indexing it; they actually increased the base amount of excise on five separate occasions. Senator Sherry was in the ministry then. I ask him: why did you do that, Senator Sherry? If it is so bad now, why did you allow the excise to increase automatically with the CPI and why did you actually increase it over and above the CPI when you were in government? That is what we would have liked to have heard you speak about. I do not know who is following in this debate. Senator Mackay looks like she is going to say something. She was not around then, so I do not suppose we can—

Senator Troeth—It is a treat in store!

Senator IAN MACDONALD—I am not like her. I do not bring personal likes and dislikes into it. With Senator Mackay, you can be assured of it because that is her style. Unfortunately, the only person that was involved in those decisions at those times was Senator Sherry. He has spoken. Perhaps in your summing up, Senator Sherry, you might be able to explain why you allowed the excise to go up automatically through the whole 13 years of government and why you increased it over and beyond the indexation. I would be fascinated to hear that. Perhaps you could tell one of your colleagues who is going to speak later why that happened so that we will understand it early in the debate.

We have this great stunt this afternoon, but let us see what the facts are on taxes on fuel. On 5 February this year, Mr Beazley was asked by the announcer as part of an interview on 3AW:

Would you look at … is it possible you’d look at taking the GST off petrol?
You would think Mr Beazley would use this opportunity to follow along the line he has been following, but here is Mr Beazley’s answer:

I don’t think that we would give that contemplation.
I am surprised that he used such simple words—that is not Mr Beazley’s style—but those words are so very simple that everyone can understand them:

I don’t think that we would give that contemplation.

There was his opportunity to say, ‘We’ll get rid of the GST.’ But, no, he is going to keep it, not even going to contemplate it. So where does that leave the Labor Party? In the interview Mr Beazley was asked about removing excise from petrol, and the interviewer said:

But you might look at taking the excise off?
Mr Beazley said:

But what you’ve got … nor the excise for that matter.
I am not sure what that meant. The interviewer said:

Sorry, you said ‘nor the excise’. I must have misunderstood.
I cannot blame anyone for misunderstanding, but he said:

I must have misunderstood. Will you consider taking the excise off petrol?
To which Mr Beazley replied:

Well, if you took the excise off petrol, which particular schools would you start to shut?
Of course Mr Beazley is quite right about that. Take the excise off petrol and you will have to start shutting schools, you will have to start cutting back on pensions, or you will have to increase income tax or tax in some other way.

Mr Beazley understands that, but why does he go through this charade of moving these stunt-like pieces of legislation today, knowing that, if he were in government, he would be doing exactly the same as the current government? Although perhaps he would take it even further, as he did when the Labor Party was in government, by actually increasing the excise over and above the CPI. If you need any further indication of what the Labor Party would do, can I refer you to the interview on Rockhampton
TV that the shadow Treasurer Mr Crean
gave—I think it was back in March last
year—when he was asked about excise and
whether he would remove it. Whilst I do not
have his exact quote here—I think Senator
Mackay was with him during that interview,
so she will probably be able to give you the
exact words—the words Mr Crean, the
shadow Treasurer, spoke were these: ‘Well,
the price of petrol is made of various things:
the cost, various excises, state taxes. We
think the mix is just about right.’ That was
his comment: ‘We think the mix is just
about right.’ Obviously, again, the shadow
Treasurer would not change the way fuel is
taxed at the moment.

Of course, when the Liberal-National
Party government introduced legislation, as
part of the GST package, to actually reduce
the price of excise, what did Senator Cook,
the Deputy Leader of the Labor Party in the
Senate, say? Senator Cook said words to the
effect that we were doing the wrong thing
by reducing the excise. It was his argument
at the time—and I understand that this is in
a Senate report, a document that was tabled
in the Senate—that reducing excise would
lead to more usage, and that was bad for the
environment. Senator Cook, in those days,
was opposed to the reduction in excise. To-
day, I guess he is going to come along and
vote in favour of this stunt, this sham piece
of legislation before us at the present time.

All of the revenue from the GST—every
single cent of GST—will go to the state
governments. That was always the plan; that
is how it has been legislated. The federal
government gets not one cent of the GST; it
all goes to the state governments. Any in-
crease in the GST from the increasing price
of petrol because of world fluctuations goes
immediately and directly to the state gov-
ernments; not one cent will go to the federal
government. If the Labor Party are so con-
cerned about this, why don’t they get the
Labor government in Queensland, the Labor
government in New South Wales, the Labor
government in Victoria or the Labor gov-
ernment in Tasmania to use some of that
alleged additional GST from the increase in
the price of petrol to subsidise it—to give
something back to the motorists? If the La-
bor Party want to do that, they can do it in
four states because they control the state
governments there. They can give the GST
money straight back to the motorists in any
way they want. The absolute hypocrisy of
the Labor Party position is again demon-
strated by the fact that the state Labor gov-
ernments are getting additional GST—if
there is any—from the increase in the price
of fuel.

In an attempt to build up a head of steam
out in the country, the Australian Labor
Party never hesitate to gild the lily a little bit
and to misrepresent the facts. There are a lot
of people rather confused about the real
situation with petrol. They say, ‘Look, farm-
ers are the lifeblood of our nation and they
are paying too much for fuel.’ They say that
some of the miners should not be paying
that much. They say—this is the public at
large—‘Wouldn’t you think we should be
encouraging railways by giving them a bit
of a boost?’ Others say, ‘Because we live in
regional Australia, wouldn’t you think you’d
do something about getting goods out to
regional Australia and bringing exports in
from regional Australia to the wharves?’
The Labor Party run around—I will not say
they are telling lies, because that is unpar-
liamentary—misrepresenting the truth on
these issues, and so people are confused.

Let me clearly state what the position is.
Yesterday, I looked into the price of fuel,
both unleaded and diesel, in my home town
of Ayr, way up in North Queensland. It is a
country town about 1,300 or 1,400 kilome-
tres from the capital city. I got someone to
go out and find out what the price of fuel
was in Ayr at the fuel pumps in two local
service stations. The fuel price yesterday
was 89.9c per litre for both diesel and un-
leaded petrol. The farmers in my town—and
in any other town around Australia—are not
paying 89.9c per litre for their fuel; they are
actually paying, for their diesel or unleaded
petrol for on-farm use, 42.2c a litre. I will
just repeat that: farmers, for on-farm use, are
paying 42.2c per litre for fuel. That is be-
cause they do not pay the excise and they do
not pay the GST component. The same ap-
plies to miners for on-mine use.
The same applies—under this government; it was never so under the Labor government—to the railways. Nowadays, the railways and ships do not pay excise. The price per litre of diesel fuel or like fuels for railways or ships is 42.2c per litre—that is, if they have not got some commercial arrangement, and I am sure they do, that gives it to them at a price even lower than that. The owners of the trucks that run around taking the goods from the city to the country and the trucks that bring the produce from the country in to the wharves are not paying 89.9c per litre for their diesel or like fuels or unleaded petrol. They are paying not 89.9c per litre but 63.9c per litre. That is because of the Diesel and Alternative Fuels Grants Scheme and the other concessions that the government have given. They get a rebate of something in the order of 25c, 26c or 27c a litre on the fuel they use. Of course, anyone in business gets their GST back. So instead of paying 89.9c per litre in my home town of Ayr today, those in business are paying 81.9c per litre. They are the facts: those reductions are available under this government.

I can assure the people of Australia that, if the Labor Party were in power, fuel for transport operators in country Australia cost close on 27c a litre more than they are paying now. This is because the Labor Party opposed that reduction, they opposed our package of measures, so, if the Labor Party were in government today, those transport operators would be paying 26c or 27c a litre more than they are currently paying.

That is a message that, regrettably, has not got out sufficiently. I was having a beer with a transport operator over the Christmas holidays, and he was complaining about paying almost 90c a litre for his fuel. I said to him, ‘But you get your GST back.’ And he said, ‘Do I? I didn’t understand that.’ I said, ‘Not only that but you get back, through these other concessions that we have given, around another 18c a litre. He said, ‘I had heard something about that, but I haven’t put in a return.’ I was able to assure him that his fuel was not around 90c a litre, which was the fuel pump price; it was about 26c or 27c a litre cheaper. When he understood this, the next few shouts at the pub were all his! Regrettably, because our opponents have so mischievously tried to confuse the issue for very base political gain, a lot of people do not understand, and are not even applying for, the concessions to which they are entitled.

Under the Liberal and National parties, under the Howard government, these concessions have been made. I think more and more Australians are coming to understand that the excise is a flat rate of excise; it does not change with the price of fuel. I think they are also now understanding that the real reasons for those wild fluctuations in the price of fuel at the bowser have been the cost of fuel on the international market and also the variations in the exchange rate of the Australian dollar. They are the reasons that petrol prices are still too high. I agree with that; everyone agrees with that. But what a government can do about it is a different question. It is not the excise that is causing those prices; it is the international situation that has caused the variations.

(Time expired)

Senator BUCKLAND (South Australia) (5.10 p.m.)—The bills that are before the House—the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001—and put up by the Australian Labor Party are bills which we can take some pride in. They address the hardship on families, the pressure thrust upon community and charity groups, and the difficulties and inconvenience being experienced by industry because of the Howard government’s mean spirited fuel tax squeeze.

This can be addressed by the passage of the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001. The effect of the bill will give relief to millions of motorists from the 1 February 2001 indexation and rates of excise duty applying to petroleum. The bill will give much needed relief to people living in country areas. Labor has listened to the community through its committee going around the country; it is not a last-minute thought to try to get the country vote. We went out to the community to talk not to the hacks of the party but to a broad cross-
section of community members, and many of those came forward happily to give evidence of the hardship that they face. It is a hardship brought about by the increasing price of petrol, particularly since the introduction of the GST. We have heard accounts of hardship from people like youth worker John Hackett of Port Augusta in South Australia. Mr Hackett told us:

Due to limited job prospects and tertiary study facilities, within Port Augusta, many young people are forced to travel out of town to pursue their employment and education commitments. This unfortunately is a fact of life for young people all across rural Australia.

This was a young man experienced in working with youth throughout the country. He said:

A substantial increase in petrol prices has put a great amount of stress on already strained budgets, particularly on those young people who depend Abstudy or Youth Allowance for economic survival.

The young people that Mr Hackett was referring to do not have the luxury of an alternative means of travel; they need cars. There is no bus or train service linking Port Augusta and Whyalla, where there is a university campus. There is no bus or train service to the next major city of Port Pirie. We found that was a common situation throughout rural and regional Australia, and tertiary students cannot car pool because their lectures are generally at different times and on different days.

The President of the National Farmers Federation, Ian Donges, said of farmers and their disposable income:

... obviously they have a great deal less disposable income as a result of high fuel prices.

That comment was echoed right throughout the country as we were taking our evidence. It was not made by someone dragged up by the Labor Party. It was from someone who came forward to give evidence of what was affecting his constituency. Of course, if there is not the disposable income in the towns which have supported the rural communities for so long, they lose their services, they lose their infrastructure and, in turn, this places greater stress and hardship on those country communities. It is so bad that we see the football teams disintegrating because they cannot field a team. Mr Hackett and Mr Donges were addressing the same issue, but then we heard from yet another, from Wendy Bevan, Public Affairs Analyst for the Royal Automobile Association of South Australia—again, not a card-carrying member of the Labor Party. She had this to say:

The level of fuel tax and particularly the treatment of excise under the new tax system is something the membership is particularly concerned about and, by the sheer volume of letters and phone calls, it has been abundantly clear that they want the RAA to act on their behalf on this issue.

These calls and letters have included requests for action, ranging from blockades, petitions, boycotts and street marches.

Getting calls for blockades, boycotts, petitions and street marches is something you might expect to hear as a union secretary—as I was before coming here—from workers angry with their employer. But it is not something you expect to hear from organisations such as the RAA—a very conservative and very honourable organisation representing a large constituency. This shows that people from all walks of life right across Australia, people who are relying on their motor vehicles, are angry and they want something for it: they are asking for relief. The bill before us today is one mechanism for applying some of that relief.

We then looked for the effects this is having on the community. People taking kids to school and sporting commitments, people visiting friends and relatives, people dependent on fuel for going about their daily lives, are angry, and the anger is directed at the government and at the Prime Minister, who said that fuel prices would not rise following the introduction of the GST. It is not just the RAA who brought these things to our attention. All of the auto associations, like the NRMA and the RACV, are weighing into it. The Director of Research and Policy of the Australian Automobile Association, John Metcalfe, had this to say:
AAA is particularly concerned about the impact of the GST on fuel prices, particularly since 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.

Once again, we can see country people slugged for not living in a city. They get it worse, and the real effect comes out when you talk to country people. It is clearly demonstrated in a letter that was sent to the CEO of the South Australian Branch of the National Farmers Federation. The letter was from E. Teate, of Naracoorte in South Australia, who wrote:

This is what we did in regional Australia to cope with the fuel prices before the latest fuel prices. We combined shopping and sporting trips wherever possible, we car pooled, mixed business with pleasure and rarely drove into town just for a social outing.

The letter went on:

This is what we are doing to cope with the high fuel price we will pay in regional areas now. We are either giving up or not taking positions that are voluntary, such as kindergarten, school and sporting committees. We are giving notice that we will no longer be able to work in voluntary capacities in the community, e.g. coaching sport, helping in the school canteen and classrooms. We are dropping out of service-clubs and community organisations. We have given up being involved in sporting and leisure activities. We are limiting social activities and visits to see our family and friends.

And that, in my submission, is something that needs to be considered: they are giving up visits to see their family and friends—the very core of our community. I was interested to hear the minister who spoke before me and the comments he made about on-farm use. Well, you are not paying that price; you are getting your fuel—unleaded petrol and diesel—cheaper. The problem is that, when families are going to sporting activities or visiting family and friends or going to the shops in town that are some considerable way away, it is not on farm. They are paying the price at the bowser; they are not getting it any cheaper. You hear stories like that of the Teates everywhere as you travel around the country. It is not restricted just to country people and people in regional centres. It is everywhere, and it is totally unfair.

The small rural and regional centres depend on volunteers for all aspects of their social structure and to keep their communities together. But this cruel increase in the cost of fuel, effective from 1 February this year, has squeezed the last drop of community spirit from many small rural centres across the country. People have had enough. It is unfair that these people are paying 98c, 99c or $1.01 as you travel across South Australia. It is unfair that they pay that price when in the city of Adelaide it is ranging from about 86c to 91c. And this was something that was going to be protected from a rise from the GST. But we have seen clearly that it was not protected. In a mean-spirited act by the government, people are now suffering and their communities are suffering with them. For so long, small rural and regional centres have depended on the volunteers for their ambulances, for their sporting facilities and for their social events—for all aspects of their social structure. That is what kept the communities together. But with this cruelness that is forced on them now—this squeeze at the petrol pump—this has all disappeared. Communities can no longer continue.

I would like to turn to something that hurts most Australians more than the increase itself. It is the effect on some organisations: the charity organisations, the churches, the voluntary groups and those who care for the disabled, the sick, the poor and the aged—this is where it hurts most—groups like Disabled People International, a voluntary group with no federal or state funding whatsoever. This group provides 200,000 vehicle trips each year for the sick and disabled in Whyalla, South Australia. They have a fleet of 14 purpose-built vehicles and they had a yearly fuel bill of between $13,000 and $14,000 before the introduction of the GST. With the GST, that fuel bill increased to $16,000. That was based on their monthly accounts. And the latest increase, they tell us, will make it go up to about $17,000 or $18,000. This is a group that is entirely dependent on community contribution and on fundraising that they can organise themselves. They have 14 vehicles that they pay for themselves and that they have to get modified at expense.
When they take people to Port Augusta for dialysis treatment, no longer can they spend the remainder of the day going out to have a look around and a bit of sightseeing because they get no other outing in their time there. Twice a week, the vehicles still travel to Port Augusta to take these people and they have to pay the going rate for petrol. But Ken Wells, who runs DPI in Whyalla, has said that if petrol costs keep rising then DPI will have to further cut the services that they now provide. You cannot get dialysis treatment in Whyalla, so you go the 80 kilometres to Port Augusta. There are no bus services, unless you go at four or seven in the morning and then wait until about nine or 10 at night to come home again. DPI take them. They take the old people out for day trips to give them somewhere to go and to keep some community spirit with them. This is where it really hurts and it is this mean squeezing on charities by forcing them to have to pay these unbearable costs that has really been demonstrated by the Labor Party’s inquiry. Ray Hartigan of St Vincent de Paul in Adelaide said:

We’ve got more isolated elderly and isolated people than we’ve ever had before in our society. How do you get to them? Some of the organisations—

he is talking about other charitable organisations—

... are telling me, ‘We don’t visit, we use the telephone to talk to them—it’s cheaper.’

And it is cheaper because they can no longer afford to run the cars out to visit these people, so the old, the sick and the frail simply get a phone call. That is a damning account, in my view, and it is a reflection on the meaness of the government of the day that they can do this.

These are real accounts from real people who care for others, for people who are suffering as a result of the squeeze put on them by the latest increase in fuel charges. It is for that reason that it is an honour to stand here today and speak in support of the bills before us, which has been designed to provide much needed relief for those people suffering as a result of the higher costs brought about by the 1 February fuel increases. I suggest to you that they are worthy of the full support of the Senate. I commend the bills to the Senate.

**Senator SANDY MACDONALD (New South Wales) (5.30 p.m.)—**I rise to speak on the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001. This is a debate not simply about high fuel costs—because that is a concern for the government—but about Labor’s credibility. We have listened with interest to Senator Buckland’s chapter of woes as he travelled around the country as part of Labor’s complaints forum. I am sure we have all heard and are concerned about many of the stories that he told. But the real cost to regional Australia was imposed by 13 years of Labor through high inflation, high interest rates, the cost price squeeze, high taxes, bracket creep and many other aspects of the Labor government’s history, which we are easily reminded of and very conscious of with the prospect of Labor getting another chance to be in government.

Labor lack complete credibility in this debate. Labor are in a state of confusion and denial on the issue of petrol taxation. They are telling the government that we should cut petrol excise, but they refuse to commit to an excise cut as Labor Party policy. This morning Treasurer Costello said, ‘They want us to do in government what they would not do.’ This is the height of policy laziness, and it is simple humbug. This is policy schizophrenia, and it just rattles. It has no credibility. I got some simple amusement in reading Senator Cook’s introduction to this Labor legislation. I do not normally read what Senator Cook says, but I did on this occasion. He said this legislation was ‘to provide relief from the 1 February 2001 indexation of rates of excise duty applying to petroleum’. But on Melbourne radio on Monday, Mr Beazley confirmed not once but several times that Labor have no intention of changing the fuel tax regime if, by some misfortune for Australia, they get into power. Mr Beazley was interviewed by Mr Neil Mitchell on 3AW. Mr Mitchell asked Mr Beazley:

MITCHELL: Would you look at … is it possible you’d look at taking the GST off petrol?

BEAZLEY: I don’t think that we can give that contemplation.
MITCHELL: All right. But you might look at taking the excise off?
BEAZLEY: … nor the excise for that matter ...
MITCHELL: But sorry, I must have misunder-
stood—
I guess he was not alone amongst his listen-
ers in misunderstanding—
Would you consider taking the excise off petrol?
BEAZLEY: If you took the excise off petrol,
what particular schools would you start to shut?
Mr Mitchell kept returning to the issue. He
said:
MITCHELL: I just want to get clear. You’d keep
the excise.
BEAZLEY: We’d keep the excise …
Mr Mitchell asked:
MITCHELL: Will you reduce the percentage
take?
BEAZLEY: You are asking me to announce in
advance the policy that we’ll put forward during
the course of the next election campaign.
MITCHELL: It is the principle.
Mr Beazley did not answer. His minders, by
this stage, were pulling their hair out. To put
this debate in perspective, the indexation of
excise in line with the CPI occurs automati-
cally every February and every August un-
der legislation introduced by the Labor gov-
ernment in 1983. I have some figures here
which indicate the increases from 1983 to
1996. Fuel excise increased from 6.155c per
litre in 1983 to 34.183c per litre in February
1996, just before we came into government.
There had been over a 28 per cent in-
crease—a 10.1c per litre increase based on
budget increases. The indexation compo-
nent, the part that Labor want to abolish
with this legislation, was 13.234c per litre.
So we saw an increase in excise of over 550
per cent in Labor’s 13 years of government.

People should be very aware of that fact. Labor
introduced this tax and made an abso-
late welter of it. I often thought that, in
the time they were in government, when you
saw a petrol station with a Shell sign or an
Ampol sign, it should have had the smiling
face of the then Treasurer Mr Keating
beaming down at you. Labor made every
petrol station in this country an absolute
milch cow for their big spending promises.
After all, when they did leave government,
they left us with about $60 billion worth of
public debt. In fact, their last budget left us
with a $10 billion black hole—the Beazley
black hole. Let us not forget the wonderful
symbolism of the leader of the Labor Party,
who was the Minister for Finance at that
time.

Excise is indexed because, unlike value
taxes—such as income tax, where increases
in wages automatically increase tax reve-
 nues—excise is a volumetric tax. This
means that the excise is levied on a flat per
litre basis or, in the case of tobacco, per
stick. Indexation of excise is necessary to
ensure that the real value of the excise keeps
pace with the cost of living and does not
decline over time. While the government
indexes excise, it also indexes pensions and
other government payments. For every ad-
ditional dollar of revenue raised through the
indexing of excise, around $2.40 is paid out
through higher pensions.

The indexation of excise was the Labor
Party’s policy. Labor introduced it, Labor
implemented it and Labor still support it—
in fact, Labor increased petrol tax through
indexation on 23 separate occasions when
they were in power. In addition, Labor in-
creased petrol excise as a budget measure on
five occasions, adding around 10c in addi-
tional petrol excise. Because Labor ran a
high inflation economic policy, indexation
averaged 5.2 per cent annually under Labor,
compared with only 2.1 per cent under our
low inflation management of the economy.
Last Thursday, under Labor’s legisla-
tion, excise was indexed by the combined effect
of the September and December CPI infla-
tion index, which was four per cent. This
amounted to an adjustment of excise on un-
leaded petrol of 1.525c.

It is important to put down Labor’s in-
dexation record. Of Labor’s 23 increases in
excise through indexation, seven of those
were equal to or greater than last week’s
four per cent. In August 1983 it was 4.3 per
cent, in February 1984 it was 4.1 per cent, in
February 1986 it was 4.3 per cent, in August
1986 it was four per cent, in February 1987
it was 5.6 per cent, in February 1989 it was
four per cent and in February 1990 it was
4.2 per cent. Labor’s February 1987 indexa-
tion of 5.6 per cent added 1.1c per litre to the price of fuel—an amount equivalent to 1.78c per litre in today’s terms. Labor never granted relief to motorists for their high inflation economic management, and I am sure that they would not do it now.

Excise on petrol does not increase when petrol prices increase. Excise rates change only through indexation. Excise indexation is factored into the budget—clearly, it is—and it is therefore not a windfall to budget revenue. Any additional GST from higher petrol prices goes to the states. Every cent of additional GST—if there is any—from higher petrol prices goes to the states. The state governments are the beneficiaries, not the federal government. The economic management that they can bring to bear through having that certainty in income is very important to their programs. Senator Sherry, who is now in the chair, made the point that petroleum resource rent tax was a windfall to both companies and the government. The petroleum resource rent tax is not a component of the price of petrol; rather, it is a form of super company tax. It is also subject to a wide variety of factors, including exploration costs of companies subject to that particular resource rent tax.

I want to say something about the real reason for the high fuel costs but, before I do, I would like to conclude by saying that Labor’s policy on petrol seems to be complete and utter humbug. There is no change to the GST on petrol, there is no change to the excise on petrol, there is no change to the indexation of excise on petrol and there is no change to February’s indexation. Labor are policy lazy with no ticker and no principles. I do not know how they think they can get away with this sort of humbug when all the commentators, all the motorists and anybody who takes an interest in these matters can see through it—and so they should.

The real reason for the recent increase in fuel prices is the high cost of crude oil. In the last two years, the price of crude has trebled while the Australian dollar has remained relatively weak against the US dollar. Neither the government nor the opposition can change that. A decision by OPEC, the Organisation of Petroleum Exporting Countries—whose members produce about 40 per cent of world crude—early in 1999 to reduce the output despite high demand was the catalyst for the rise in fuel prices. Fortunately, these prices appear to have peaked and, hopefully, they are on their way down. Crude oil producing countries are the main beneficiaries of the rise in prices while consumers worldwide are the losers. I understand that all politics is local, but it is sobering to look at the prices that some of our world competitors and comparable nations pay for fuel. I do not propose to go through those now but I just mention that, in the United Kingdom, the price of petrol per litre peaked at around $A2.80.

Contrary to popular belief, the coalition has not increased the rate of excise since coming to office five years ago. The rate is the same, it is a flat rate and it does not increase as the price of petrol increases. Excise goes up only with indexation, something introduced by the Labor Party, who continue to bleat about the fact that it is going up by just over 1.5c per litre without saying where they would make cuts in expenditure and without promoting anything like our very substantial road package of $1.6 billion, the Roads to Recovery Program, announced last year.

Senator Ludwig—Over how many years? Four.

Senator SANDY MACDONALD—At least the program is in place and announced and it will be delivered, Senator Ludwig. Coming from Queensland, you will be painfully aware of the need for expenditure on rural roads. The government’s new tax system gives significant priority to reducing the cost of transport—something which is so important to regional areas. Excise reduction, the abolition of the wholesale sales tax and the reduction of diesel excise on transport, together with the reformed tax system, meant the price of petrol need not rise due to the GST. The fact is that petrol prices fluctuate in response to both world crude oil prices and the exchange rate and the level of competitive retail activity in the local market. With the strength of the US dollar and oil at around $30 a barrel for crude, fuel prices will stay high in the short term, but
there is some evidence that they will come off in the not too distant future.

The Howard-Anderson government was the first government to reduce the fuel excise—by 6.7c a litre, equating to $2.2 billion—and it introduced other initiatives which further reduced the cost of fuel so that the introduction of the GST would not raise fuel prices. These initiatives include the Fuel Sales Grants Scheme for targeting rural and remote areas, which is worth $500 million over four years; the Diesel and Alternative Fuel Grants Scheme; and the Diesel Fuel Rebate Scheme. Through these initiatives, businesses are now able to claim fuel costs back. More importantly, under the new tax system, the cost of petrol has fallen by around 10c for registered businesses, where the GST on petrol can be claimed as an input tax credit. Labor voted against the tax input credit initiatives, against the Fuel Sales Grants Scheme, against the Diesel and Alternative Fuel Grants Scheme and against the abolition of the 22 per cent wholesale sales tax on motor vehicles, tyres, and parts and accessories. All these were beneficial to motorists, especially those who live in rural and regional areas.

The coalition has continued indexation in line with the consumer price index, a policy that was introduced by Labor in 1983. As indexation is linked to the CPI to reflect the cost of living, the petrol excise increased far more under Labor, at an average of 5.2 per cent inflation between 1983 and 1996, than it has under the coalition, at a rate of 1.4 per cent inflation between 1996 and 2000. In dollar terms, petrol excise under Labor rose from 6.155c per litre to 34.183c per litre; I repeat, from 6c to 34c—a total increase of 550 per cent.

There have been calls on the government to cut the excise rate or to freeze indexation, but in order to balance the budget the government would have had to either raise other taxes to offset the revenue loss or reduce spending. Cutting the excise would not make a significant difference to prices at the bowser and would continue to undermine the budget surplus which could trigger higher interest rates, which is much more damaging to mortgage repayments and business. The announcement yesterday of the half a per cent fall in interest rates is very good news not only for Australian mortgage payers but particularly for primary industry, because the total interest bill for Australian primary industry is a staggering $2 billion per annum. Reducing the borrowing cost by half a per cent is worth a cool $50 million to Australian primary producers. That is a very, very nice reduction, and there is some encouragement and hope that further interest rate cuts may be forthcoming.

It would be economically unwise for the Howard-Anderson government to take $1.7 billion out of the budget surplus to fund a 1.5c a litre reduction in petrol excise. Like pensions, the fuel excise rates were fully indexed last week. There are always two sides to a coin. The fuel excise rose last week and so did pensions, and I do not hear—nor would I expect to hear—a call for a freeze on pensions. The bottom line is that the government does not benefit from higher prices as the excise rate remains the same. It does not receive extra excise when the price of petrol is high, nor does it receive any windfall in GST revenue as a result of rising petrol prices, because the GST is directed to the states. Country prices are more expensive due to higher freight costs, lower site volume throughput, less diversity of revenue sources, higher retail margins, lower levels of competition and regular and sometimes deep price discounting in capital cities. They all widen the difference between city and country prices.

I do not want to finish my contribution to this debate without making the point that we on this side are very concerned about high fuel prices. Nothing is more important to us for regional Australia. Regional Australians do not have a choice in transport. They do not have public transport. They have to visit their local centre for their children’s education, for their children’s needs and their many educational requirements and to visit the doctor. Nothing is more certain than the fact that we are concerned about high fuel prices. But high fuel prices are not caused by indexation; they are caused by a reasona-
bly weak Australian dollar but most of all by high and unacceptable crude oil prices. Also, you only have to see the differential in prices in large country centres that I attend. For instance, in Tamworth, a city of 50,000 people, even on one day you will see a difference of between 5c and 6c a litre between petrol stations. Clearly, many factors apply to petrol prices, and indexation is only one. (Time expired)

Senator MACKAY (Tasmania) (5.51 p.m.)—I am starting to detect a bit of a theme here in relation to coalition contributions to the Excise Tariff Amendment (Petrol Tax Cut) Bill 2001 and the Customs Tariff Amendment (Petrol Tax Cut) Bill 2001, not in terms of the points which are made—which are obviously quite valid and appropriate—but in terms of the same words being used over and over again. I am not sure if there was a briefing note sent around which said, ‘For goodness sake, make sure you use these words.’ I think a bit of original thought may have been good. I do not think you will find many similarities between our contributions.

Senator Sandy Macdonald interjecting—

Senator MACKAY—Senator Sandy Macdonald, maybe yours was the original contribution and others have copied you. I am sure that is correct. One thing that this bill has done is flush out Senator Ian Macdonald, who made a contribution earlier, and I will address my introductory comments to his contribution, because certain things need to be corrected.

First of all, Senator Ian Macdonald talked a lot about excise and told us, as has Senator Sandy Macdonald, that Labor introduced it, which we are not resiling from. He then went on to give us a big lecture about how great it is and what a terrific thing excise is—and what a sterling defence of the excise system it was! He then cited as an example, in relation to his own portfolio, the indexation of financial assistance grants to local government. They are influenced by the CPI as well: the financial assistance grants go up when the CPI and the two other escalation factors go up. What he failed to mention was that his government froze those escalation factors, reducing financial assistance grants in the first Costello budget by $15 million, and never put the money back in. Now local government is, at a minimum, about $62 million to $63 million out of pocket because of these freezes.

I think the point that needs to be made here is that Senator Macdonald supports refreezing revenue to local government but he will not freeze the excise on petrol. What is the similarity there—more money to what? Senator Sherry indicated, very ably, that this is a very high taxing government and probably the highest taxing government we have ever seen in Australia. Senator Macdonald did not mention the GST on petrol once. That is a bit odd, considering that he would be the last person standing who does not think that the GST has had an impact on petrol prices. Even the Treasurer, Mr Costello, has finally fessed up that the excise increases were largely due to the factor of the GST. It took a long time, but even he has managed to confess to it.

Let us have a look at this issue of the GST revenue going to the states. That is a matter that was covered by both Senator Macdonalds in relation to the GST being a supposed growth tax. Let me take the Senator Macdonalds, plural, through what the situation is in regard to the GST. The coalition government signed an intergovernmental agreement on the GST and the ANTS package. This means there is a transition period within which there is no increase in revenue to the states; it is status quo. The timing of that transition period varies from state to state. In Queensland, for example, it is about two to three years before that state starts to go into the black in relation to GST revenue. In Senator McGauran’s home state of Victoria, Senator Lightfoot’s home state and our home state, Mr Acting Deputy President Sherry, of Tasmania, it is around six to seven years before the revenue starts increasing. In that interregnum it is the status quo. There is no increase in revenue to the states, so it is an absolute furphy to say there is. Further, the windfall—which we are trying to get information on and which the government will not provide, but which variously has been estimated at around $1.5-odd billion—goes di-
rectly to the Commonwealth, not the states. Let us try to get some kind of fiscal rectitude in relation to this debate. Let us try and get some issues on the table.

Senator Lightfoot interjecting—

Senator MACKAY—Excuse me! I did not interject once on Senator Sandy Macdonald so I would appreciate a bit of silence. Because certain people were late, my time has been reduced by half.

Senator Lightfoot—I just wanted to get that interjection in.

Senator MACKAY—Senator Lightfoot, in your home state of Western Australia, where you are desperately attempting to hang on to state government, you actually do not go into the black for another seven years or so either. I can recall many comments being made by Mr Hendy Cowan on petrol and also on the record of this federal coalition government on regional Australia. In fact, they were unflattering, as I recall, and probably unparliamentary. Certainly the ones I read in the newspapers were. It is good to have your state colleagues onside.

Senator Lightfoot—Where did you read it?

Senator MACKAY—That is all I will say, Senator Lightfoot. Why is this bill here in the first place? This bill is here because the coalition government—or, as Senator Ian Macdonald now likes to call it, the Liberal-National government, probably because he cannot bring himself to utter the word ‘coalition’ these days—broke its promise. That is why it is here. It is not some fantasy that the Labor Party has dreamed up. The objective of this bill is to provide some relief in terms of the 1 February indexation, particularly because of the impact that it is having on regional and rural communities. I note Senator Buckland’s contribution. I would like to talk particularly about those members of the Liberal-National government who are heroes at home but cowards in Canberra on petrol prices. I refer to what was described yesterday or the day before as the dirty dozen. It is the dirty baker’s dozen now that there has been another one: there are 13 of them, and 13 is an unlucky number, particularly for the coalition.

This bill is good policy. It fixes the problem but it does not make any unfounded assumptions about what should or should not be done in the future. We have a very clear position on excise. I have talked about it before. We appreciate the resounding endorsement we got from Senator Ian Macdonald in relation to the excise system, and that is no great secret. What the government has not done, though, is highlight the at least eight times that we either froze or reduced the excise during our 13 years in government. Strangely enough, the excise system which a number of speakers from the coalition have repudiated was not touched in the biggest overhaul of the tax system in Australia. If it is so appalling, why on earth wasn’t it changed in relation to excise? I do not think one coalition speaker has really touched on the issue of the GST either. So let us have no more contributions on that.

This is a tax on distance. It is a tax that penalises those who fill their cars up more often, travel further and do not have access to public transport. It is a penalty for all those people who live in rural and regional Australia, where petrol prices are higher and the tax grab is greater. No wonder this government is developing a reputation for looking after only the big end of town. It is no surprise that the government cannot stomach a situation of returning and freezing it because it would, therefore, be a clear admission that it made a promise which it has broken. (Time expired)
DOCUMENTS
Consideration

The following orders of the day relating to government documents were considered:


Pig Research and Development Corporation and Pig Research and Development Corporation Board Selection Committee—Reports for 1999-2000. Motion of Senator Bartlett to take note of document agreed to.


Forest and Wood Products Research and Development Corporation and Forest and Wood Products Research and Development Corporation Selection Committee—Reports for 1999-2000. Motion of Senator Bartlett to take note of document agreed to.


Australian Institute of Criminology and Criminology Research Council—Reports for 1999-2000. Motion of Senator Cooney to take note of document agreed to.


Equal Opportunity for Women in the Workplace Agency—Report for the period 1 June 1999 to 31 May 2000. Motion of Senator Cooney to take note of document agreed to.


High Court of Australia—Report for 1999-2000. Motion of Senator Cooney to take note of document agreed to.


Sugar Research and Development Corporation and Sugar Research and Development Corporation Selection Committee—Reports for 1999-2000. Motion of Senator Bartlett to take note of document agreed to.


Australian Industrial Relations Commission and Australian Industrial Registry—Reports for 1999-2000. Motion of Senator Cook to take note of document agreed to.

Department of Health and Aged Care—Report for 1999-2000, including a report on the administration and operation of the Therapeutic Goods Administration. Motion of Senator O’Brien to take note of document agreed to.

Industrial Relations Court of Australia—Report for 1999-2000. Motion of Senator Forshaw to take note of document agreed to.


Medibank Private—Statement of corporate intent 2000-01 to 2002-03. Motion of Senator Forshaw to take note of document agreed to.

Rural Adjustment Scheme Advisory Council and National Rural Advisory Council—Reports for 1999-2000, including a report on the Rural Adjustment Scheme. Motion of Senator Forshaw to take note of document agreed to.


Australian Centre for International Agricultural Research—Report for 1999-2000. Motion of Senator Denman to take note of document agreed to.

Airservices Australia—Sydney Airport—Maximum movement limit compliance statement for the period 1 July to 30 September 2000. Motion of Senator Sandy Macdonald to take note of document agreed to.

Victorian Regional Forests Agreements—Report for 1999. Motion of Senator Forshaw to take note of document agreed to.

General business orders of the day nos 49-93 and 95-126 relating to government docu-
ments were called on but no motion was moved.

COMMITTEES

Reports and Government Responses

Consideration

The following orders of the day relating to committee reports and government responses were considered:

Foreign Affairs, Defence and Trade References Committee—Interim report—Disposal of defence property: Artillery Barracks, Fremantle. Motion of Senator West to take note of report agreed to.

Foreign Affairs, Defence and Trade References Committee—Report—East Timor: Final report. Motion of the chair of the committee (Senator Hogg) to take note of report agreed to.

Information Technologies—Select Committee—Final report. Motion of the chair of the committee (Senator Ferris) to take note of report agreed to.

Community Affairs References Committee—Report—Healing our hospitals: Report on public hospital funding. Motion of the chair of the committee (Senator Crowley) to take note of report agreed to.


Finance and Public Administration Legislation Committee—Report—Format of the Portfolio Budget Statements: Third report. Motion of Senator Calvert to take note of report agreed to.

Information Technologies—Select Committee—Report—Cookie monster? Privacy in the information society. Motion of the chair of the committee (Senator Ferris) to take note of report agreed to.

Employment, Workplace Relations, Small Business and Education References Committee—Report—Aspiring to excellence: Report into the quality of vocational education and training in Australia. Motion of the chair of the committee (Senator Collins) to take note of report agreed to.


Public Accounts and Audit—Joint Statutory Committee—379th report—Contract management in the Australian Public Service. Motion of Senator Calvert to take note of report agreed to.

Community Affairs References Committee—Report—A cautionary tale: Fish don’t lay tomatoes: Report on the Gene Technology Bill 2000. Motion of the chair of the committee (Senator Crowley) to take note of report agreed to.

Treaties—Joint Standing Committee—36th report—An Extradition Agreement with Latvia and an Agreement with the United States of America on Space Vehicle Tracking and Communication. Motion of Senator Cooney to take note of report agreed to.

DOCUMENTS

Auditor-General’s Reports

Report No. 21 of 2000-01

The ACTING DEPUTY PRESIDENT (Senator Knowles)—In accordance with the provisions of the Audit Act 1901, I present the following report of the Auditor General: Report No. 21 of 2000-01—Performance Audit: Management of the National Highway System Program, Department of Transport and Regional Services.

Work of Committees

The ACTING DEPUTY PRESIDENT—On behalf of the President, I present Work of Committees for the period 1 July 2000 to 31 December 2000.

Ordered that the report be printed.
BUDGET
Consideration by Legislation Committees
Additional Information

Senator McGAURAN (Victoria) (6.02 p.m.)—I present additional information received by the Environment, Communications, Information Technology and the Arts Legislation Committee relating to the committee’s supplementary hearings on budget estimates 2000-01.

COMMITTEES
Membership

The ACTING DEPUTY PRESIDENT (Senator Knowles)—Order! The President has received letters relating to committee membership from various members of parties.

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

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

Economics Legislation Committee—

Substitute member: Senator Calvert to replace Senator Chapman on 21 February 2001 for the consideration of the 2000-01 additional estimates

Environment, Communications, Information Technology and the Arts Legislation Committee—

Substitute member: Senator Lundy to replace Senator Bishop for the consideration of the 2000-01 additional estimates for matters relating to information technology

Finance and Public Administration References Committee—

Participating member: Senator Watson for the committee’s inquiry into the Government’s information technology outsourcing initiative

Foreign Affairs, Defence and Trade Legislation Committee—

Substitute members:

Senator Mason to replace Senator Payne on 21 February 2001 for the consideration of the 2000-01 additional estimates

Senator Calvert to replace Senator Ferguson on 22 February 2001 for the consideration of the 2000-01 additional estimates

Legal and Constitutional Legislation Committee—

Substitute members:

Senator Herron to replace Senator Coonan on 19 February 2001 for the consideration of the 2000-01 additional estimates

Senator McGauran to replace Senator Coonan on 20 February 2001 for the consideration of the 2000-01 additional estimates

Native Title and the Aboriginal and Torres Strait Islander Land Fund—Joint Statutory Committee—

Appointed: Senator Mason
Discharged: Senator Abetz

Rural and Regional Affairs and Transport Legislation Committee—

Substitute members:

Senator Calvert to replace Senator McGauran for the committee’s inquiry into the importation risk assessment on New Zealand apples on 12 February and from 14 February to 16 February 2001

Senator Buckland to replace Senator Forshaw for the committee’s inquiry into the importation risk assessment on New Zealand apples on 13 February, 14 February and 16 February 2001

Senator McKiernan to replace Senator Mackay for the committee’s inquiry into the importation risk assessment on New Zealand apples on 16 February 2001

Senators’ Interests—Standing Committee—

Appointed: Senator Herron
Discharged: Senator Abetz.

ADJOURNMENT

The ACTING DEPUTY PRESIDENT (Senator Knowles)—I propose the question:

That the Senate do now adjourn.

Innovation Statement: Backing Australia’s Ability

Senator TIERNEY (New South Wales) (6.03 p.m.)—I rise to continue my speech from last night on the Howard government’s recently announced Backing Australia’s Ability policy. At the outset, I am absolutely delighted with this initiative. Backing Aus-
Australia’s Ability is about rejuvenating existing industries and creating in Australia the industries of the future. It is about Australia’s benefiting from our own good ideas and being the place to work, with an injection of $2.9 billion over the next five years. It will build on a record level of spending by the government on innovation and related activities, with $4½ billion this year.

Six years ago I chaired a Senate inquiry into research in universities. That inquiry made a series of recommendations across the very wide range of research that occurs in universities. The main recommendation was that most of these categories of research should have their funding increased. I am absolutely delighted that the federal government’s Backing Australia’s Ability, with funding of $2.9 billion, delivers on virtually every recommendation of that report. I was particularly delighted to see the increase in funding to the Australian Research Council, the ARC. These are very competitive major projects across all universities.

Senator Crossin—The CSIRO didn’t get any.

Senator TIERNEY—The CSIRO is an excellent institution. It has been funded very well for many years.

Senator Mark Bishop—No extra money!

Senator TIERNEY—Well, let us have a look at the areas of extra funding in research that have occurred across the university sector. The ARC has had an additional $736 million. This has doubled the success rate. I expect Senator Crossin to get up and praise the government for doing that—for delivering a massive boost to spending on research on top-grade projects. What our Senate inquiry found five years ago was that about 17 per cent of these projects were being funded, but you could have funded about 33 per cent. We judged 33 per cent as being excellent first-class projects. Under Labor they languished and reduced. They were not funded.

One of the disappointing things about that is that university researchers who have put a lot of work into these submissions and get rejected over and again tend to give up. So there is a knock-on effect from that lack of funding. In one hit, we have doubled that funding. The effect of that is to double the number of projects, and I think that is about right. The endorsement of that is from the chair of the ARC, Professor Vicki Sara, who had this to say in her media release on 29 January 2001:

The Government is sending a clear message to our best and brightest researchers that their ideas and skills are crucial to innovation and therefore Australia’s future. It provides strong and appropriate incentives and increased opportunities to not only stop the so-called “brain drain” but reverse it. It sets out a vision and a pathway for the best researchers and most promising young minds to develop their ideas in Australia.

Of course, this has been a major problem. The academics out there are applauding this. Their very best will now have the opportunity to stay because they will get funding under this scheme. Under the Backing Australia’s Ability policy there will be an additional $176 million for world-class centres of excellence in universities. This is particularly in the key areas of information and communications technologies and biotechnology. These are the fields that are going to drive the future of the Australian economy. Again, Professor Sara wrote in the Australian, commenting on and praising this initiative. She said:

The Government’s plan, I believe, will lead to Australia being a world leader in several fields, such as biotechnology, genomics, biodiversity and quantum computing. New businesses and exciting and fulfilling jobs for our young people in these high technology sectors will emerge and grow.

……...

It has set out a vision and a pathway for our best researchers and most promising young minds to develop their ideas in Australia.

Also under Backing Australia’s Ability is the continuation of the research and development Start Program, with funding of $535 million. This has been set up in a way that has very cleverly got around the problem that existed in Labor’s previous scheme. Labor had set up a scheme which was being extensively rorted by unscrupulous people. We quite rightly scrubbed that when we came into government. To get the special tax
concession under this scheme there is an employment criterion that goes with it, and this should cut out the previous rorting that existed under Labor’s scheme up until 1996. We are selectively delivering the 175 per cent tax concession so that the money is spent on real research. Professor Simon Marginson, from the Monash Centre for Research into International Education, said on radio 3LO on 29 January:

The Government announcement picks up a major area, which is scientific research and, in particular, its application to industry, and will stimulate industry research and development I’m sure.

Of course, this has been one of the big downsides in research in Australia for a very long time—the lack of research by industry by international comparisons. What this does is deliver research and development very strategically and in a very focused way—that is, money comes in from industry and goes out in new product and services. This also applies to another area of research that has received a massive boost under the Backing Australia’s Ability $2.9 billion program—that is, the expansion of the cooperative research centres, with an additional $277 million encouraging greater access by small and medium sized enterprises. The CRCs are actually one of the best research tools ever developed in this country because they require a financial contribution and a research contribution by both industry and universities working in partnership. I have seen a number of these in operation. I am thinking particularly of the CRC in beef in the New England district. One of the things they do through scientific testing, programming and proper feeding is deliver the type of beef that is preferable to the Japanese palette. They actually have designer beef. It is cut, frozen and delivered by jumbo jet directly into Japan. This has all come about because of a CRC.

Another brilliant one is the Photonics Centre, which is in Sydney. I have visited this place on three occasions. In 1994 they were in a basement of the medical school at the university, producing high-density optic fibre, world leading optic fibre, for computer networks. When I saw them three years later, they were in a research park at the University of Sydney. When I spoke to them at a dinner recently, I found out that a lot of it has been spun off into private companies and a lot of those academics at the university have gone with those companies, and a number of them are now millionaires out of the processes they have developed. This is a new way, and a new wave, of business innovation in Australia. It has been backed by this government with an additional $277 million. So you will find that things like the Photonics Centre will expand into the future.

Mark Paterson, who is the Chief Executive of the Australian Chamber of Commerce and Industry, was quoted in his media release on 29 January in response to the Backing Australia’s Ability program as saying:

... this ‘whole of government’ innovation strategy is endorsed. In its implementation, Government has committed itself to a partnership approach with the business and education sectors as strong linkages between all players in the innovation system are fundamental to obtaining maximum value for Australia from the public and private funds that are currently, and proposed to be, invested in innovation activities.

So there we have extra government funding of $2.9 billion across a very wide range of types of research. This will increase the amount of research and development in Australia. It will move a whole range of new products out from laboratories and into the marketplace and indeed help Australia become an innovative economy as we move into the 21st century.

Centenary of Federation: Northern Territory

Senator CROSSIN (Northern Territory) (6.13 p.m.)—I rise tonight to give the people of this country a bit of a glimpse of what we will be doing in the Northern Territory to celebrate the Centenary of Federation. Events will occur between 17 and 19 February commemorating the bombing of Darwin. Federation Frontline Month commemorates the special role that the Northern Territory played in the front-line defence of Australia during the Second World War. The highlight of this month will be a number of special events held from 17 to 19 February.
to commemorate the bombing of Darwin, which was the first attack by a foreign nation on Australian soil since European colonisation. These events will involve the participation of a number of survivors from the first bombings, RAAF personnel, Tiwi Islanders performing a particular dance—the aeroplane dance, I understand—a RAAF fly past and a 21-gun salute. Sirens will sound at 9.58 a.m. Central Standard Time on 19 February to remind Australians of the air-raid warning sirens that sounded at that time on that day on that fatal morning 59 years ago. This ceremony will then be followed by a laying of wreaths at Stokes Hill wharf in memory of those Darwin wharfies who were killed during the bombing. The people of Australia will join with the people of Darwin to commemorate the bombing of Darwin. It will be a day of national commemoration, shown live on ABC television, remembering all those who died or were injured in an event that played a crucial role in making Darwin and the Northern Territory what they are today. The bombing of Darwin commemorative event is designed to leave a lasting legacy of knowledge for the Australian people, many of whom either have forgotten or do not know about the bombing of Darwin. This event will place the bombing of Darwin in the nation’s memory.

I would now like to provide some background on what happened on that fateful day, 19 February 1942. It was, by all accounts, a typical Darwin wet season morning when the air-raid sirens sounded, giving a belated warning to the residents of Darwin of an imminent air attack by Japanese forces. While it was not totally unexpected, Darwin was ill prepared for what was to occur. Singapore had fallen just four days earlier. The 188 Japanese dive-bombers and zero-fighter planes involved in the raids on Darwin were launched from four Japanese aircraft carriers in the Timor Sea. The attack itself was planned and led by the same commander responsible for the infamous attack on Pearl Harbour 10 weeks earlier. Early on the morning of 19 February 1942 the Japanese aircraft had passed over Bathurst Island, flying in formation—Bathurst Island being some 15 minutes flying time north of Darwin. The Catholic missionaries there radioed Darwin, warning them of the attack. However, people in Darwin believed that the missionaries were mistaken and the RAAF failed to act on the advice from the missionaries. As the bombers began their run over the city, much of Darwin’s population went out to watch, thinking that the planes were American. How quickly they found out how mistaken they were.

In that first wave of bombings, Darwin’s police barracks, police station and the government office attached were destroyed, as was the post office, the telegraph office, the cable office and the postmaster’s residence. The main damage, however, was in the harbour, where a number of Australian troopships had been sunk along with the American destroyer the USS Peary and a number of cargo vessels. Eight ships were sunk, two were breached and later refloated, and many of the other 35 ships in the harbour were damaged by bomb or machine-gun fire. On the Darwin harbour wharves, over 30 wharfies were killed carrying out rescue work in the face of continual bombing and strafing. The second bombing attack on that day concentrated on the RAAF airfield at Parap, doing serious damage to the airfield and planes.

A subsequent royal commission determined that at least 243 people died in the bombings and hundreds of others were injured. However, recently, these figures have been significantly revised upwards, with some claiming that the real number was more likely in the thousands. In reality, we probably will never know how many people actually lost their lives in those first attacks. As a result of the two attacks on that day, Darwin was left almost completely destroyed. These were the most serious of the 64 air raids on the Top End which continued until 12 November 1943. At that time it was determined by the authorities that the national interest dictated that the scale and severity of the attacks should not be publicised. As a result, the history of the war years and the loss of life in Darwin during that time have largely gone unrecognised. It is now time to rectify that situation.
One of the highlights of Federation Frontline Month will be the display at Parliament House in the Northern Territory of the bullet-torn flag which flew over Government House in Darwin on the morning of 19 February 1942. It was the first Australian flag to receive enemy fire on Australian soil during World War II. In his book, *Australia’s Pearl Harbour—Darwin 1942*, Douglas Lockwood describes the attack on the Australian ensign which happened during the bombing of Government House. He says:

Fighter pilots machine gunning men on the ships and in the water became aware that the Australian blue ensign was flying from the flagstaff on the lawn of Government House. This appeared to infuriate them and they fired at it continuously in an attempt to shoot it down. But while riddled with bullet holes (the large star was completely shot away) the flag continued to fly. The administrator, Charles Abbott realised that this was the first flag damaged by enemy action on Australian soil and as such had historical significance. Another was found for the flagstaff; the damaged one was lowered and has since been preserved in the War Memorial at Canberra. On the day peace was celebrated the flag flew behind the then Governor General, then the Duke of Gloucester.

Since the end of the Second World War that flag has been on display at the Australian War Memorial here in Canberra. It recently travelled to the Northern Territory and is on display in the Territory at the moment. It has been suggested that it would be more appropriate for the flag to return permanently to Darwin. I support those sentiments and I call on the Northern Territory government to start negotiations with the federal government for the permanent return of the flag from whence it came. I pledge, Territorians, to do whatever I can to assist the Northern Territory government in this endeavour. I believe it is significant and important and a piece of the Northern Territory’s heritage. Yes, there is an acceptance that perhaps it is a significant reminder of what happened to all Australians during that time, but I think in this month when we commemorate the bombing of Darwin, as a sign of recognition for what Darwin endured during those times, it would be fit and proper for that flag to be returned to the Northern Territory and displayed there.

Darwin today is a confident and outward looking multicultural city with a population of over 100,000 in its immediate and surrounding environment. It is somewhat ironic that the bombing of Darwin in many ways actually put Darwin on the map. It resulted in the construction of much physical infrastructure that has allowed the Territory to develop to what it is today. It also highlighted to our policy makers Darwin’s strategic importance, leading to further major infrastructure development in the 1970s. Darwin’s importance was again reflected in the Hawke Labor government’s decision to relocate the bulk of Australia’s ADF forces to the Top End of Australia. As a result the Australian Defence Force is now an integral part of our Top End community. Darwin’s role during the East Timor peacekeeping exercise showed again how pivotal that city is in relation to linking the rest of this country with what happens in South-East Asia.

The Federation bombing celebrations will commemorate those Australian and overseas military personnel and civilians who lost their lives in the attacks and in their defence of Australia. They also celebrate the fact that we have enjoyed peace for most of that time, allowing for the ongoing development of the Northern Territory. We should not forget the sacrifices of those people killed in the bombing of Darwin, nor the over 100,000 young men and women who were involved in the frontline defence of Australia during those dark days. I also want to pay tribute to the indigenous and Chinese population, all of whom played an important role in the ensuing conflict and in the redevelopment of Darwin and the Northern Territory.

(Time expired)

**Liquefied Natural Gas: Proposed Shell Takeover of Woodside**

**Fuel Excise**

**Senator KNOWLES (Western Australia)**

(6.24 p.m.)—Tonight I want to make some comments about the proposed Shell takeover of Woodside. I make these comments as a Western Australian senator, of course, and as a senator who is very much aware of the contribution that Woodside and the LNG industry have made to the economy of Australia. The argument is essentially who gets
control of Australia’s LNG industry. It is the most profitable business Australia has ever seen and could one day generate nearly 10 per cent of the country’s export income. I think it is a shame that if this takeover proceeds our LNG industry will essentially be run from Europe and not from Australia. I do not believe that is in the national interest. I know that the FIRB is currently considering this and has requested more time to consider it further, and that ultimately the government will have to decide whether or not it is contrary to the national interest for such a takeover to proceed. It would be absolutely and utterly neglectful of me, in terms of my representation of my state, not to voice an opinion that I believe that it would not be in the national interest, to say nothing of it not being in Western Australia’s interest, if this takeover was to proceed.

Senator Tambling—The Northern Territory is the same.

Senator KNOWLES—Exactly, Senator Tambling, the Northern Territory is the same. I think we are very careful about the way in which we try to develop these projects, and we are very proud of the way in which the companies have progressed them over the years. It needs to be remembered that LNG demand has grown 350 per cent since 1980, to 92 million tonnes a year. Presumably the Kyoto protocol means that LNG demand growth over the next two decades could be almost as stunning as it has been for the last two decades, if not more so. It has been estimated that the annual seaborne LNG trade would reach between 160 million tonnes and 210 million tonnes by 2020. Today the Woodside managed North West Shelf gas project exports around 7.6 million tonnes of LNG, an 8.3 per cent market share. There is a good chance that Woodside managed LNG exports could double or treble in this time, in which case Woodside could be worth considerably more than it is today.

With any of these takeover bids, I always worry about the staffing levels. I always worry about the content and of course the return to Australia. As I said, the Foreign Investment Review Board asked for more time to consider the bid, I think it was the week before last, which has certainly reinvigorated the debate, to say nothing else. The $12 billion North West Shelf project has a pull on the national consciousness that makes it very different from other takeover bids and some of the more contentious recent takeovers. It is a symbol of our ability to compete in the wider world. I do not think there are too many people in Australia who are not conscious in some way of the outstanding work that has been done by Woodside over many years and the way in which that has contributed to the national economy. There is a question of where Australia’s national interest transcends the concept of globalisation. I think this is the classic example. I think that success for Shell would mean that Australia’s only world scale energy development would be seen to be passing into foreign ownership and control. There are few I know who would say that is in fact in the national interest. I wish to put those comments on the record tonight, and as a member of the government I do hope that the government looks wisely at this. I know that it will be considering very much the national interest.

The other issue that I would like to talk about tonight, as debate expired this afternoon on the particular issue, is the question of the Labor Party’s record on fuel taxes. I have been very concerned over recent months with the hyperbole that has been coming out of the Labor Party and in particular the leadership of the Labor Party about the issue of fuel taxes and the impact of the goods and services tax, but more particularly the question of excise and the freezing of excise. I would not mind if the Labor Party came to this debate with clean hands and did not have a record that is just absolutely immaculate in setting taxes, increasing taxes and maintaining taxes, and doing it by sleight of hand while at the same time promising to reduce them!

Firstly, it is important that the people of Australia realise that Mr Beazley has given a commitment to keep the goods and services tax. Secondly, he has given a commitment not to abolish excise. Therefore, I want to look at the Labor Party record as to what they did when they were in office. It needs
to be remembered that Mr Beazley was a senior minister in that government. When Labor came to office in 1983, petrol excise was 6.155c per litre. When it left office, petrol excise was 34.83c per litre. That is a mere increase of over 28c per litre or 450 per cent in their term of office! This is coming from a party who says that there should be a freeze on excise.

Labor introduced excise indexation in August 1983: the first year they were in government. As indexation is linked to the CPI, petrol excise increased far more under Labor—an average of 5.2 per cent inflation between 1983 and 1996—than it has under the coalition—an average of 2.1 per cent in the four years of the coalition government. That is 5.2 per cent as opposed to 2.1 per cent. Since coming to office in 1996, the coalition has never increased petrol excise as a budget measure, continuing the usual indexation in line with CPI. By contrast, on five occasions the Labor Party legislated to increase the petrol excise over and above the inflation adjustment. These increases amounted to 10c per litre, with 5c of that—7c for leaded fuel—announced in their infamous 1993 tax hike budget, after promising in the election that there would be no increases in tax and that the personal income tax cuts were l-a-w. So they abolished the l-a-w personal income tax cuts and increased these. Not once did the Labor Party compensate motorists for their CPI indexation or their discretionary increases in fuel excise. Labor’s discretionary budget increases of around 10c per litre are equivalent to 25 per cent of today’s excise rates. The coalition government’s fuel tax was even more generous in the original tax package, but guess what? Labor opposed them, and they were further watered down by the Democrats.

The tax cuts for fuel would have been greater had it not been for the Labor Party. How can the Labor Party now come in here and say that there should have been more? They had their opportunity; they could have voted for it, but they did not. They just voted against everything and against the goods and services tax. They are now trying to pretend that they are still opposed to a goods and services tax, while giving a commitment within their own ranks, saying, ‘We will not abolish it.’

I think it is very important that the people of Australia are not conned any longer by the Labor Party, who are the makers and breakers of all these issues. They just keep on increasing the taxes when in government and then trying to create an impression when in opposition that they will abolish them. They will do no such thing. (Time expired)

Dairy Industry: Deregulation

Senator O’BRIEN (Tasmania) (6.34 p.m.)—This afternoon there was a debate to take note of the government’s response to the report of the Senate Rural and Regional Affairs and Transport References Committee, Deregulation of the Australian Dairy Industry. Because of the amount of business that was on this afternoon, that debate was interrupted by the commencement of general business at 4.30. This evening, I want to highlight the quite outrageous position that dairy farmers in this country are being faced with. I would like people to recall that this government has been suggesting that the opposition is policy lazy.

The dairy industry is a major export industry in this country. A lot of people who make their living from the dairy industry are, in many respects, the cornerstones of regional communities. There was a report prepared by the committee, of which I am a member, which involved taking evidence right around Australia from organisations that represent dairy farmers and regional communities, from organisations that are involved in competition policy, from government bodies, from the city, from the country—a whole range of people. I think there were 106 submissions presented to the committee. The evidence was about the
problems that the industry faced, the problems that particular regions would face and the issues and the pressures that the committee felt would ultimately lead to deregulation by any means.

One thing that the report did highlight, that the government has chosen not to deal with in its response, was the fact that when the Howard government took office in 1993 it knew that the Domestic Market Support Scheme would end—and that it would end on 1 July 2000. It knew that. Did it take any steps to change that? No. It had the means to seek to extend the Domestic Market Support Scheme, but it did not want to do that.

Senator McGauran—It was the Kerin plan. Here we go again.

Senator O’BRIEN—It was quite happy to see that scheme end. The reality was that whilst that scheme continued there was going to be a continuation of regulation in the white milk or market milk states. The government knew this; the report is very clear. This is a unanimous report of the committee, which I understood Senator McGauran participated in. The government knew this, but the government decided that it would do nothing. So the industry, as the government now admits, brought forward a plan to say, ‘The Domestic Market Support Scheme is going to end. There is going to be some form of deregulation. We have to make sure that it’s deregulation with as soft as possible a landing.’

Did they have the resources of government available to them? No. The industry had to make all of the running. They presented the government with a plan. The government sat on that plan for months and months, and finally said, ‘These are the aspects of your plan that we are prepared to wear. We are not prepared to put up a penny of taxpayers’ money. This package can only be funded by an industry levy.’ And that is what the government said in its pathetic three-paragraph response to this committee’s report.

The industry came forward with a package. They had to do all of the work. The industry were facing deregulation at the end of the DMS Scheme by one means or another, and what did the government do? They said, ‘We will legislate to put in place your package, conditional on all of the states removing regulation. That is a condition we impose when we put the Dairy Industry Adjustment Act into legislation. That will only happen when all of the states deregulate.’ So, of course, those states had very little choice. There was a package of measures to try to cushion the effect of deregulation. As was the unanimous finding of the Senate committee, deregulation was going to occur by one means or another. So the states had no choice. The states had absolutely no choice if they were going to be responsible to their industry. New South Wales and Queensland, which everyone knew would suffer major effects from deregulation, were being faced with the prospect of deregulation with no package and with an attack on their regulated system from the producers in Victoria, who produce two-thirds of Australia’s milk—no one has gainsaid that. The government knew that, but the government did nothing but impose upon the states a package which they had no choice about.

Now we see the government suggesting milk marketing arrangements. This is in their three-paragraph lazy response to the substantial report, the unanimous findings, of the Senate committee. They say that they remain a matter for the states. The states had no choice. For months Mr Truss has been saying that, where the problems have been occurring in northern New South Wales, southern New South Wales and Queensland, they are a matter that has been caused by the states. Frankly, that is not the truth. The truth of the matter is that the states had no choice because, if they did not remove regulation, the provisions of the Dairy Industry Adjustment Act could not be applied to those states. So they would have had to live with trying to maintain their regulation against producers in a state that produces two-thirds of Australia’s milk and—as Senator McGauran well knows—produces it much more efficiently than producers in northern New South Wales and in Queensland and in the Bega Valley, for that matter—that is the evidence that became before the committee. In relation to that, the states
are then being told, ‘You have to ante up some money.’ How much money did the Commonwealth put into this package, I wonder? Absolutely nothing.

**Senator McGauran**—It put in $1.8 billion.

**Senator O’BRIEN**—Senator McGauran suggests $1.8 billion. They did not put one cent in, because all of the money in the package is paid for by the levy, and the levy is derived from selling the milk, and the milk is produced by the farmers, not the Commonwealth government. So Senator McGauran is trying to mislead the Australian people if he is saying, as I thought he was saying, that the Commonwealth government put up $1.8 billion. They did not put up a cracker. The adjustment package is paid for in relation to farm exit for other farmers, but in the case of the dairy industry it is paid for by the package. So, if you are in the dairy industry and you are taking the farm exit package, you get a measly $45,000. But the Commonwealth do not even pay that. They will pay it for other industries but not the dairy industry. In the dairy industry that $45,000 comes out of the $1.8 billion package which is paid for by the levy. And the $45 million regional adjustment package the Commonwealth did not put up either. All of that again came out of the $1.8 billion package which is paid for by the dairy levy. So not one cracker have the government put up. They try to blame the states for everything that is going on. They have not paid even a cent to the dairy farmers in this restructure. They were lazy for years as we headed towards inevitable deregulation—a matter, as I say, that has been agreed to unanimously by an all party committee—and then today they hand down a response to the report which, if you took the heading out of the document, is about 14 or 15 lines—14 or 15 lines for a major industry. We have farmers in Queensland who are demonstrating on the steps of Parliament House because they are in trouble—

**Senator McGauran**—The state Parliament House.

**Senator O’BRIEN**—Yes. That is right. I suppose Senator McGauran is suggesting that they should have come to Canberra.
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QUESTIONS ON NOTICE

The following answers to questions were circulated:

Veterans: Mustard Gas Experiments
(Question No. 1795)

Senator Bartlett asked the Minister Assisting the Minister for Defence, upon notice, on 2 December 1999:

(1) Does a file exist within the department’s central registry entitled, ‘Number of servicemen who died as a result of poison tests conducted during World War II’; if so, does it relate to the 1944 mustard gas chemical experiments conducted in north Queensland.

(2) How many personnel were involved in the chemical experiments.

(3) Does the file: (a) remain classified; and (b) contain medical records not currently available within a veteran’s service record.

(4) What airfields were used by the Royal Australian Air Force during the mustard gas ‘Brook Island Trials’.

(5) Is any medical information relating to the service of military personnel included in the documentation around the chemical tests that is not included as part of a veteran’s service record or within a veteran’s file held by the Department of Veterans’ Affairs.

(6) How many other files relating to the 1944 mustard gas chemical experiments conducted in north Queensland remain classified within the department.

(7) Does a nominal roll exist which records the names of those personnel involved in the chemical experiments; if so: (a) how many names are recorded within it; and (b) what other details are also recorded.

Senator Minchin—The Minister Assisting the Minister for Defence has provided the following answer to the honourable senator’s question:

(1) No. There is no record of a file with such a name.

(2) It is not known precisely how many service persons were directly involved in the mustard gas trials.

(3) (a) and (b) No record of the file could be found.

(4) No record of airfields used during the Brook Island Trials could be found.

(5) To answer this question would require an examination of all personal files which is currently beyond the capacity of the department. Individual files, however, could be examined upon request.

(6) No record of any files remaining classified relating to the 1944 mustard gas chemical experiments conducted in north Queensland could be found.

(7) No record could be found of a formal nominal roll. A list of personnel involved in tasks associated with the trials, including support staff, was generated by the Department of Defence and relayed to Department of Veterans’ Affairs in April 1990.

(a) The Department of Defence list above records the surnames or initials of 2075 persons.

(b) Other information (incomplete) recorded in this list includes rank, number, report reference, unit and area of trials.

Goods and Services Tax: Sydney Olympics
(Question No. 198)

Senator Faulkner asked the Assistant Treasurer, upon notice, on 25 November 1998:

(1) Is the Minister aware of Mr Ron Walker’s bid to have the 2000 Sydney Olympics goods and services tax free, despite the fact that the event will occur two months after the tax comes into effect?

(2) What representations has Mr Walker made to the Minister or any of his Cabinet colleagues to advance this agenda?
(3) Has the Government given any further consideration to the tax status of the Olympics since the Treasurer rebuffed the Minister for Sports and Tourism (Ms Kelly), who appeared to share the view of Mr Walker?

(4) Does the Minister find it strange that, despite being among the most vociferous supporters of the tax package before the election, senior business leaders such as Mr Walker and Mr Kerry Packer now seek to see the tax apply to everyone except themselves?

(5) Will the Minister confirm that, if the Government agrees to tax exemptions for its rich associates, such as that sought by the former Federal Treasurer of the Liberal Party of Australia, the burden will be shifted squarely onto the shoulders of struggling Australian families who do not have the capacity to underwrite loans to the Liberal Party?

Senator Kemp—I do not propose to dignify this question by responding.

Taxation Reform: Roadside Billboard Advertising
(Question No. 2359)

Senator Robert Ray asked the Assistant Treasurer, upon notice, on 15 June 2000:

What is the total cost of roadside billboards advertising the Government’s ‘tax reform’ message?

Senator Kemp—The answer to the honourable senator’s question is:

The total cost is $647,135.20.

Industry, Science and Resources Portfolio: Public Opinion Research
(Question No. 2662)

Senator Faulkner asked the Minister for Industry, Science and Resources, upon notice, on 9 August 2000:

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

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

(3) Was any of this research designed to test the reaction of rural and regional constituents to Federal Government decisions, policies or potential policies, in any way similar to the research described in the Sunday Telegraph, 23 July 2000, page 81.

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

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

(6) What were the results of this research.

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

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

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

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

A. Market research to examine community attitudes to country of origin labelling

(1) The Business Competitiveness and Development Division of the Department engaged a consultant to examine community attitudes to country of origin labelling, including regional and rural communities.

(2) The purpose of the research was to assist in the targeting of the country of origin labelling campaign, which was designed to raise community awareness to changes to the Trade Practices Act 1974 enacted in 1998 concerning country of origin labelling.

(3) The campaign was not designed to measure reaction of rural and regional constituents to Federal Government decisions, policies or potential policies, in the way outlined in the Sunday Telegraph article.
(4) The research was carried out by Sweeney Research Limited, using limited telephone interviews and focus groups. The research was conducted in June 1999 and was reported to the Department in July 1999.

(5) No work was subcontracted on this project.

(6) The results of the campaign were used in the development of the advertising brief for the awareness campaign, as well as being made available to the general public on the ISR web page (at http://www.isr.gov.au/labelling/industry/factsheet.html).

(7) The research was undertaken as an element of the usual practice for awareness campaigns. The selection of Sweeney Research was through restricted tender, with the final selection by the Department of Industry, Science and Resources. Expenditure for the contract was approved by the Head of the Business Competitiveness and Development Division.

(8) Total cost for the research was $97,750, although only a proportion of this related to research in non-metropolitan areas.

(9) The research results were used to target the advertising for the country of origin awareness campaign. The research was also publicly available as part of the general awareness campaign.

B. Research to gauge the level of awareness, understanding and information needs of Australians in relation to biotechnology and gene technology

(1) Yes, Biotechnology Australia has commissioned four national public attitude surveys to gauge the level of awareness, understanding and information needs of Australians in metropolitan and non-metropolitan areas in relation to biotechnology and gene technology.

(2) There have been two areas of research. An initial benchmarking public awareness survey was undertaken in August and September 1999 to test the Australian population’s level of awareness and understanding of the science of biotechnology and gene technology; its potential risks and benefits; how the technology is regulated; where Australians prefer to source information on the topic and the types of information that the community is looking for. The information gained was used to develop Biotechnology Australia’s public awareness program.

Three smaller telephone follow-up surveys have been conducted since February 2000 researching the relative level of community concern and media concern about genetically modified (GM) foods compared with other types of food safety concerns and the public’s attitude to labelling of GM foods.

(3) No.

(4) (a) The benchmark study was conducted by Yann Campbell Hoare Wheeler (now Millward Brown). The follow-up issues based surveys have been undertaken by Quantum Market Research for Turnbull Porter Novelli.

(b) The benchmark study was a national telephone poll of more than 1700 people followed by a series of focus groups with approximately 150 people. Four focus groups were held specifically with farmers. The telephone polls each had a representative sample of the Australian population (approximately 800 per survey).

(c) The benchmark study was conducted over August-September 1999. The three telephone surveys were conducted in February 2000, March 2000 and May 2000

(5) Turnbull Porter Novelli sub-contracted the follow-up telephone surveys to Quantum Market Research which is its retained market research firm.

(6) The research has generally showed: Many Australians do not understand the concepts of biotechnology and gene technology well enough to explain to others, and have varying levels of acceptance for different applications of the technology.

Australians are overwhelmingly looking for balanced, unbiased sources of information on biotechnology.

While still a concern for all Australians, genetically modified foods was less of a concern than other food safety issues such as use of pesticides, food poisoning and human tampering.

The major concerns for Australians in eating GM food related to potential health effects and environmental concerns.
(7) The benchmark research study was approved by the Commonwealth Ministerial Council on Biotechnology which oversees the work of Biotechnology Australia. The appropriate financial delegate in the Department of Industry, Science and Resources authorised the expenditure for the survey.

The subsequent telephone polls form part of the ongoing Biotechnology Australia public awareness strategy. These surveys were authorised by the appropriate financial delegate in the Department of Industry, Science and Resources following consultation with public awareness officers in Biotechnology Australia departments and agencies.

(8) The benchmark study was initially estimated to cost $80,000. However, the proposed number of focus groups was expanded which increased the total cost to $103,547. The three telephone polls cost $38,703.

(9) The benchmark research study results were used to develop a strategic communications approach for Biotechnology Australia’s public awareness program 1999-00 through to end 2000-01. The telephone poll results supported Biotechnology Australia’s strategic approach to information provision and communication and are used to finetune its communication approach to specific issues.

C. Research to measure the level of understanding of people in both Adelaide and regional centres in the central north of South Australia regarding issues associated with the proposed national repository for Australia’s radioactive waste

(1) The Rehabilitation/ Radioactive Waste Management Section within the Coal and Mineral Industries Division of the Department has participated in public opinion research in relation to the proposed national repository for Australia’s radioactive waste.

(2) The two research programs for the radioactive waste repository were carried out over the periods November 1999/January 2000 and June/July 2000. The principle purpose of the research was to measure the level of understanding of people in both Adelaide and regional centres in the central north of South Australia regarding issues associated with the proposed national repository for Australia’s radioactive waste.

(3) No.

(4) (a) The research was carried out by McGregor Tan Research based in Adelaide.

(b) The research program used both qualitative (focus groups) and quantitative (telephone surveys) research.

(c) The two research programs for the radioactive waste repository were carried out over the periods November 1999/January 2000 and June/July 2000.

(5) Brown & Root Services Asia Pacific Pty Ltd (formerly Kinhill Pty Ltd) has been contracted by the Department to assist with the development and implementation of the community consultation program for the Government’s National Radioactive Waste Repository Project. Michels Warren Pty Ltd, an Adelaide based public relations firm, has been sub-contracted by Brown & Root Services Asia Pacific Pty Ltd to assist with the communications aspects of the program. McGregor Tan Research was commissioned by Michels Warren Pty Ltd to undertake the market research to assist the further development of the community consultation program on the basis of their expertise in this area.

(6) Results from the first and second research programs indicated that there was an increase in the spontaneous awareness of the proposed repository. Prompted awareness of the proposed repository site also increased.

(7) The Minister for Industry Science and Resources approved the proposed market research and authorised the proposed expenditure, following his consideration of a number of market research options put to him by the Department.

(8) The quoted cost for first research program (qualitative and quantitative) was $22,900. The quoted cost for the second research program was $15,950 (including GST). In both cases, the research was invoiced as quoted.

(9) The results of the research are being used to assist with the further development of the communications strategy, which forms part of the overall public consultation program for the national radioactive waste repository.
D. Research projects to (i) determine the level of awareness of intellectual property amongst business advisers and (ii) facilitate a review of the IP Australia website

(1) The agency, IP Australia, has participated in public opinion research in non-metropolitan areas. The research company was engaged by Corporate Strategy, Marketing Section.

(2) There were two separate research projects.
   The first project was to determine the level of awareness of intellectual property amongst business advisers and had the following objectives:
   - To measure awareness within the business adviser group of intellectual property
   - To elicit key intellectual property needs of the target group.
   - To understand the best channels of delivery for IP Australia's intellectual property message.
   The second research project was a review of the IP Australia website and had the following objectives:
   - To evaluate the IP Australia website versus comparative Government sites.
   - To determine interest in proposed new features on the IP Australia website.
   - To provide information on knowledge, attitudes and use of website amongst target markets.
   - To provide insight into difficulties towards the use of the IP Australia website.
   - To provide insight into methods of increasing the use of IP Australia's web-based services.
   - To provide information about appropriateness of current content and structure of the website.
   - To document the needs of potential users.

(3) No.

(4) (a) The company that completed both research projects was New Focus.
   (b) The research methods used for the projects were:
      - Business advisers: face to face interviews with a small number of telephone interviews.
      - Internet evaluation: face to face testing with surveys.
   (c) The expected timetables for the projects were:
      - Business advisers: 6 weeks.
      - Internet evaluation: 2 weeks.

(5) No.

(6) The results of the research projects were:
   Business advisers: The study aimed to provide insight into the level of understanding various professional groups have of Intellectual property and how it relates to their business and that of their clients. The results clearly indicate that the level of understanding varies across business group, size of business and key client requirements. In the main results indicated that respondents believed they knew about intellectual property, but when probed their knowledge was limited and in some cases, incorrect.
   Internet research: The research indicated that in that users of the IP Australia website were in general satisfied with the current services and content provided. Some suggestions were made as to how the website could be improved. These included simplifying the search capabilities and making it easier to access the links on the website.

(7) IP Australia requested this research be completed. Authorisation was given by Gary Kichenside, Marketing Director, IP Australia.

(8) The estimated costs for the research projects were:
   - Business advisers: $25,000
   - Internet evaluation: $25,000
   The total costs for the research projects were:
   - Business advisers: $25,000
   - Internet evaluation: $23,000
(9) The results of both research projects will be used to better tailor IP Australia's marketing strategies and to develop future business services and solutions so that IP Australia can more effectively meet customer's needs.

E. Research to examine community perceptions of the social, cultural, economic and environmental impacts of international tourism

(1) In March 2000, a national telephone omnibus survey was conducted by the Australian Tourist Commission's (ATC) Market Research and focused on community perceptions of the social, cultural, economic and environmental impacts of international tourism.

The sample was representative of the Australian population aged 14 years and over. A total of n=1171 was achieved; 39% (n=457) from non-metropolitan regions and 61% from metropolitan regions (n=714). Non-metropolitan respondents included all people in Tasmania and those living outside capital cities, while metropolitan respondents included people living in any of the state or Territory capital cities (excluding Tasmania).

(2) The research was commissioned to gather information on community attitudes to international tourism in Australia and to examine the perceived effects of inbound tourism on Australia’s natural environment and society. The ATC took this initiative pursuant to its statutory objectives, which included:
Increasing the number of visitors to Australia from overseas.
Maximising the benefits to Australia from overseas visitors.
In meeting those objects, to work with other relevant agencies to promote the principles of ecologically sustainable development set out in subsection 21 (3) of the Natural Heritage Trust of Australia Act 1997 and to seek to raise awareness of the social and cultural impacts of international tourism in Australia.
The research was designed to explore community attitudes to international tourism and to develop a framework to monitor attitudinal changes over time. The research was first conducted in May 1998, February 1999 and again in March 2000.
The specific objectives of the study were:
(1) To explore community attitudes to international tourism to Australia, focusing on perceptions of social, economic, cultural and environmental impacts.
(2) To explore community attitudes to the social, economic and environmental impacts of the 2000 Olympic Games.
(3) No.
(4) The research was conducted by Keys Young via a national, random telephone omnibus. Fieldwork occurred between March 15 and March 26, 2000. Within each household contacted, respondents were selected by a “last birthday” criterion to ensure a random sample. The sample was representative of the population in terms of age, gender and geographic location.
(5) Roy Morgan Research was sub-contracted to conduct the fieldwork.
(6) The key findings from the study included:
Overwhelmingly, respondents thought it was desirable to have international tourists visit Australia for a holiday, with 94% saying it was either ‘very desirable’ or ‘fairly desirable’.
Nearly 1 in 2 (45%) of the population perceived international tourism to be Australia’s top money earning industry – well ahead of metals and minerals (23%), coal (11%), wheat (9%) and wool (6%).
97% of respondents perceived some advantage that overseas tourism brought to Australia, with most mentioning economic benefits such as jobs.
71% of Australians perceived international tourism to be ‘very important’ to the Australian economy.
When asked about the long-term effects of the Olympic Games on Australia as a whole, 17% spontaneously nominated an increase in tourism to Australia as a likely effect and 19% nominated economic benefits as a likely effect.
A majority of 78% of respondents agreed that the Government should spend money promoting Australia overseas as a tourist destination.
Over two-thirds (69%) of respondents disagreed that ‘international tourism has a negative impact on Australia’s natural environment.’

57% could not identify a single disadvantage of international tourism or believed there were none.

83% disagreed that international tourism to Australia ‘has a damaging effect on Australia’s Aboriginal cultures’.

(7) The research was commissioned and authorised by the Australian Tourist Commission.

The total cost of the research in 2000 was $AUD 38,145. This cost covered the pilot of the questionnaire, design of the coding frames, fieldwork, analysis, data processing, topline results, report and presentation. The cost of the original quote was also $AUD 38,145.

(8) The results will be used in performance evaluation work undertaken by the Australian Tourist Commission in relation to the achievement of its statutory objects. The results will also be used to raise the awareness of industry and the broader public about attitudes towards inbound tourism including desirability, impacts, perceived economic benefits and direction of promotional efforts.

F. Research to measure knowledge, opinions and expectations of CSIRO in metropolitan and regional areas

(1) CSIRO National Awareness has participated in public opinion research in relation to examining the expectations people hold of CSIRO.

(2) To assist in planning and targeting CSIRO communication activities and to survey expectations people hold of CSIRO. The objectives set out for the research company were to measure knowledge, opinions and expectations of CSIRO in metropolitan and regional areas.

(3) No.

(4) (a) Market Attitude Research Services Pty Ltd.

(b) Focus groups for general public; personal interviews for opinion leaders in industry, media, government, agriculture and agribusiness

(c) May-June 2000.

(5) No.

(6) A consistent list of views, opinions and expectations was collected. No significant differences were found between metropolitan and regional areas.

(7) Jennifer North, Senior Communicator, CSIRO National Awareness; Julian Cribb, Director, CSIRO National Awareness.

(8) The estimated and actual cost of the research was $25,000.

(9) Communication activities will be refined to meet expressed public needs (e.g. provide balanced information about gene technology research). Public and opinion leaders’ expectations of CSIRO have been conveyed to CSIRO senior management to assist in planning activities.

G. Research to ascertain the attitudes and support needs of “grass root” physical activity delivery agencies

(1) The Participation Division, encompassing Active Australia programs (now part of the Sport Development Group) of the Australian Sports Commission, has participated in public opinion research.

(2) The purpose of the research was to ascertain the attitudes and support needs of “grass root” physical activity delivery agencies in relation to the target populations of women, juniors, people with a disability, Indigenous people, older adults and people from non-English speaking backgrounds.

The objective of the research was to utilise the information and feedback gathered via community consultation to assist future planning for the delivery of services by the Australian Sports Commission.

(3) No.

(4) (a) The research was carried out by Ms Sue Cormack, a consultant to the Australian Sports Commission.

(b) Twelve community forums were held in cooperation with local government councils.

(c) Research (consultative forums with the 12 communities) The first forum was held on 8 September 1999 and the last on 14 October. The information then had to be collated, analysed,
followed up, additional information sought (demographics of each area) and made into a report. The first version of the report was received end of November 1999. A revised version was received end February 2000.

(5) No.

(6) A copy of the research is available from the Australian Sports Commission. The key results of the research include:

many groups in the community have little or no knowledge of the national resources and services available to assist them access sport and recreation;
the lack of effective communication through all levels of sport and recreation remains an age old problem which requires innovative solutions;
feedback from the forums has assisted in helping councils fine tune their future directions, as well as establishing better links with a wide range of organisations and groups within the community.

(7) The proposal for the project went to the Senior Management Committee of the Participation Division, Australian Sports Commission for approval and then to the Director of Participation for final approval.

(8) The project cost approximately $35,000. $12,000 for the research consultant, 12 x $500 payments to each local government to assist with cost of putting on the forums, approximately $13,000 for travel/accommodation/meals, and $4,000 for additional work the ASC requested the researcher to do, compilation of report, resources, mailing costs. The original quote from the researcher was $12,000.

(9) The results of the research will be used to assist the Australian Sports Commission with strategic planning and to assist in the development and implementation of programs, products and services designed to improve community access to sport and recreational opportunities.

**Defence Portfolio: Market Testing of Corporate Services**

(Question No. 2677)

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

(1) Has the department and/or any agency in the portfolio, set a timeframe to market test any of its corporate services; if so, which agency, which functions, and what is the timeframe.

(2) In relation to each agency which has, or will, move to market test corporate services, what arrangements have been made to consult with effected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The Minister for Defence regrets the delay in responding to Senator Faulkner’s question of 9 August 2000. As part of the Defence Reform Program that commenced in 1997, the department has been looking at a number of options to free up military personnel for redeployment into operational positions. This is being conducted by an ongoing process of market testing functions that may be more appropriately and cost efficiently handled by the private sector. Final approval to implement the outcomes of this market testing rests with the Government. Given that Government is not bound to accept all recommendations, and to avoid ill-founded speculation before any final decision, it would be inappropriate that the level of detail requested be provided at this time.

(2) In the Department of Defence, consultation with employees affected by the competitive market testing of support activities is conducted in accordance with the provisions of the Defence Employees Certified Agreement (DECA) 2000-2001.
The same consultative arrangements between the Department of Defence and its employees and their representatives about the market testing of support activities have existed since 1993. During that time a total of 105 activities have been market tested in a cooperative manner without any significant industrial disputation in that time. Recurrent annual savings of $314 million have been achieved together with the outsourcing of large amounts of Defence support activities to Australian industry. These successes demonstrate the amicable employee consultation arrangements that have existed in the Department of Defence for some time.
Defence Portfolio: Market Testing of Functions
(Question No. 2696)

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

(1) Has the department and/or any agency in the portfolio, set a timeframe to market test any of its functions other than corporate services; if so, which agency, which functions, what is the state and city or town location of staff currently undertaking that function, and what is the timeframe.

(2) In relation to each agency which has, or will, move to market test these functions, what arrangements have been made to consult with effected employees and their representatives; if such arrangements have not been made, when will these consultations be undertaken.

Senator Newman—The Minister for Defence has provided the following answer to the honourable senator’s question:

(1) The Minister for Defence regrets the delay in responding to Senator Faulkner’s question of 9 August 2000. As part of the Defence Reform Program that commenced in 1997, the department has been looking at a number of options to free up military personnel for redeployment into operational positions. This is being conducted by an ongoing process of market testing functions that may be more appropriately and cost efficiently handled by the private sector. Final approval to implement the outcomes of this market testing rests with the Government. Given that Government is not bound to accept all recommendations, and to avoid ill-founded speculation before any final decision, it would be inappropriate that the level of detail requested be provided at this time.

(2) In the Department of Defence, consultation with employees affected by the competitive market testing of support activities is conducted in accordance with the provisions of the Defence Employees Certified Agreement (DECA) 2000-2001. The same consultative arrangements between the Department of Defence and its employees and their representatives about the market testing of support activities have existed since 1993. During that time a total of 105 activities have been market tested in a cooperative manner without any significant industrial disputation in that time. Recurrent annual savings of $314 million have been achieved together with the outsourcing of large amounts of Defence support activities to Australian industry. These successes demonstrate the amicable employee consultation arrangements that have existed in the Department of Defence for some time.

Agriculture: New Zealand Apples
(Question No. 2937)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 15 September 2000:

(1) What are the names of the 15 fire blight experts engaged by the Australian Quarantine and Inspection Service as part of the import risk assessment analysis of the proposed importation of apples from New Zealand that commenced in 1998.

(2) What experience and qualifications does each expert have.

(3) What process was followed in the selection of the above experts and what input was there into that selection process by the Australian apple and pear industry.

(4) If the Australian apple and pear industry was not given any opportunity to comment on the selection of the expert panel, why not.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) No international fire blight experts were engaged by the Department of Agriculture, Fisheries and Forestry during preparation of the draft import risk analysis (IRA). However, information was sought from 15 international experts. Under the Privacy Act 1988 an individual’s agreement needs to be obtained before personal information can be released. The names of the international experts that can be released are:
(2) Each of the 15 people contacted (as outlined in 1 above) is a recognised international expert in fire blight disease. Release of their details is subject to the considerations outlined in 1 above. At least one of these scientist has been engaged by the pome fruit industry in Australia to provide advice on the draft IRA.

(3) AQIS selected these experts in consultation with one of Australia’s leading fire blight researchers. Biosecurity Australia understands that this scientist has since been retained by the pome fruit industry to provide advice on the draft IRA.

(4) Following consultation with stakeholders, AQIS decided to conduct the IRA on apples produced in New Zealand following the routine process. This decision was based on, among other things, AQIS’s view that the technical issues involved are not sufficiently complex to require a risk assessment panel as required by the non-routine process. Risk assessment panels may form technical working group to assist with the risk assessment. However, AQIS did seek advice on specific issues from 15 international scientists with expertise relevant to the risk assessment on fire blight. These scientists did not undertake any part of the risk assessment and therefore did not serve as a substitute for a technical working group. This contact was made to ensure that the most up to date information was being taken into consideration.

Department of Employment, Workplace Relations and Small Business: Programs and Grants to the Bass Electorate

(Question No. 3031)

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 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 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 recommenda-
tions 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 ap-
proach 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 In-
digenous 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 Bass 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 Launceston Business Incubator in the Bass area received establishment funding of $450
000.

Working Women’s Centres

The Commonwealth funds working women’s centres in the capital cities of most States and Territo-
ries 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 Tasmania totalled $144 000 in 1996-
97, $161 300 in 1997-98, $171 934 in 1998-99, $157 099 in 1999-2000 and $169 822 has been allo-
cated 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 Bass elector-
ate is located in the Job Network labour market region of Tasmania 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


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 Bass. 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 $106 700 was allocated for CSP sites within the electorate of Bass. 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 Bass. RTW funding is not allocated by electoral boundaries. RTW funding is allocated to labour market regions (LMR) and the electorate of Bass 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 $9 607 was provided for RTW to assist people living in the federal electorate of Bass.

**Work for the Dole (WFD)**

WFD is administered by DEWRSB in the electorate of Bass. 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 Bass in 1997-98 totalled $93 646, 1998-99 $426 487 and 1999-2000 $650 309. 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 Bass, whilst these projects/activities are located in the Bass electorate, and most participants would reside in the Bass 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 Bass electorate.

**Goods and Services Tax: People with Disabilities**

(Question No. 3103)

**Senator Chris Evans** asked the Assistant Treasurer, upon notice, on 12 October 2000:

1. Is the GST payable on modifications made to motor vehicles for use by a person with a disability.
2. Is the GST payable on hydraulic/electric wheelchair lifting devices fitted to motor vehicles used by a person with a disability.
3. Under what circumstances, if any, would the GST be payable on any of the above when used by a person with a disability.
4. Why did the department provide conflicting advice to a caller with a disability initially telling her she was required to obtain a ‘disabled certificate’ from Health Services Australia to obtain a GST exemption, then acknowledge, in a subsequent telephone call, that no such form existed.
5. What level of training have taxation office staff been given in relation to the complex issue of the GST payable on goods and services for people with disabilities.

**Senator Kemp**—The answer to the honourable senator’s question is as follows:
(1) to (3) The following medical aids and appliances, associated with the use of a motor vehicle by people with disabilities, are GST-free if they are specifically designed for people with an illness or disability, and are not widely used by people without an illness or disability:

- a special purpose car seat;
- a car seat harness specifically designed for people with disabilities;
- a wheelchair and occupant restraint;
- a wheelchair ramp;
- a hydraulic/electric wheelchair lifting device;
- motor vehicle modifications.

Hydraulic/electric wheelchair lifting devices specifically designed for people with an illness or disability and not widely used by people without an illness or disability, are GST-free irrespective of who actually uses them. GST is payable on the medical aids and appliances listed above only if they are not specifically designed for people with an illness or disability or are widely used by people without an illness or disability, irrespective of who uses them.

(4) The nature of the initial enquiry made by the caller may have been misunderstood. While a person does not require any form of certificate to purchase eligible medical aids and appliances GST-free, a disabled person must have a current disability certificate issued by Health Services Australia in order to obtain cars and/or parts for cars GST-free.

(5) Legislation relating to the GST on goods and services for people with disabilities is covered during the training of GST staff and staff handling GST enquiries. These issues are also covered within training and on line reference material. Staff continue to receive updated training as new issues are identified.

**Sydney Olympic Games: Coin Program**

(Question No. 3121)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

Did the Royal Australian Mint enter into an agreement with the Perth Mint, the International Olympic Committee, the Sydney Organising Committee for the Olympic Games and the Australian Olympics Committee in relation to the Sydney 2000 Olympic Coin Program; if so, what was the nature of the arrangement between the above parties in relation to the production, marketing, royalty payments and risk sharing for the program.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

In June 1997 the Commonwealth, as represented by the Royal Australian Mint (RAM), entered into a joint venture agreement with Gold Corporation (GC), a body corporate established under the Gold Corporation Act 1987 (Western Australia) and operator of The Perth Mint, in relation to the joint production by RAM and GC of commemorative coins to celebrate the Sydney 2000 Olympic Games. This agreement was entered into with the approval of the Commonwealth Treasury. In October 1997 a licence agreement was entered into between the Sydney Organising Committee for the Olympic Games (SOCOG) and the joint venture, and ratified by the International Olympic Committee. There was no separate agreement with the Australian Olympic Committee.

The arrangement in relation to production of coins was that GC would produce all of the eight gold coins, RAM would produce all of the 28 bright aluminium bronze coins, and the two parties would share equally the production of the 16 silver coins, to be issued during the program. One additional silver coin (of one kilo) was produced by GC for release in April 2000, by agreement between the parties and with the approval of SOCOG.

The arrangement in relation to marketing of the coins was that sale and distribution of coins domestically and in New Zealand would be the responsibility of RAM, with sale and distribution of coins in other overseas markets being the responsibility of GC. In April 1998 it was agreed between the parties to vary this arrangement so that all marketing, both domestic and overseas, would be the responsibility of GC and all distribution would be the responsibility of RAM.

The arrangement in relation to royalty payments for coins was that the Commonwealth would receive 12 per cent of the wholesale price, less cost of metal, of all coins sold; SOCOG and the International
Olympic Committee would receive 7 per cent and 3 per cent respectively of the wholesale price of all coins sold; and a royalty of 3 per cent of the wholesale price of coins sold in each overseas country would be paid to the National Olympic Committee of that country. The royalty payable to the Commonwealth on individual base metal coins would increase to 25 per cent when sales of those coins passed 250,000. Royalties on the kilo silver coin were on an agreed mix of percentage and flat rates per coin.

The arrangement relating to risk sharing on coin sales was that profits and losses would be shared in the following proportions:

- in respect of wholesale sales of base metal coins – 60 per cent for RAM and 40 per cent for GC;
- in respect of wholesale sales of precious metal coins – 60 per cent for GC and 40 per cent for RAM;
- in respect of retail sales of coins - 50 per cent for RAM and 50 per cent for GC.

Ownership of coins was assigned to the producing Mint. Responsibility for procurement and disposal of packaging for the base metal coins was taken by RAM and for precious metal coins by GC. Responsibility for any bad debts was shared equally between RAM and GC.

**Sydney Olympic Games: Coin Program**

(Question No. 3122)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

(1) What was the total revenue earned from the Sydney 2000 Olympic Coin Program.
(2) What were the production costs, on a full cost basis, for the program; (b) what were the total marketing costs for the program; and (c) what was the total value of royalty payments.
(4) What was the final profit or loss from the program.

Can the Minister also provide a profit or loss analysis for the program for each major market sector such as: Australia, Asia, North America and Europe.

**Senator Kemp**—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1), (2), (3) & (4) As final accounting for the Sydney 2000 Olympic Coin Program has not yet been completed, it is not possible to provide final figures for total revenue, productions costs, profit or loss result for the Program and each of the major market segments. This information should be available after final royalty payments have been made to SOCOG at end-March 2001.

**Sydney Olympic Games: Coin Program**

(Question No. 3123)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

(1) What was the total level of funding paid to the International Olympic Committee, the Sydney Organising Committee for the Olympic Games and the Australian Olympic Committee from the Sydney Olympic 2000 Coin Program.
(2) What was the value of revenue from sales of Olympic coins attributed to the above organisations.

**Senator Kemp**—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1) Total royalties to the International Olympic Committee and to SOCOG are expected to be available after final settlement of royalty payments at the end of March 2001. There were no separate payments to the Australian Olympic Committee.
(2) The value of revenue from sales of Olympic coins attributed to the above organisations are not yet available, as final accounting for the Program has not concluded.
Sydney Olympic Games: Coin Program
(Question No. 3124)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

1. (a) What process was followed in the selection of overseas agents or representatives as part of the Sydney 2000 Olympic Coin Program; and (b) was this selection process carried out in accordance with Government purchasing policy.

2. What was the level of funding provided to each overseas marketing agent or representative to market the program, and can a breakdown of the purposes for which the funding was allocated, including funding provided for advertising, also be provided.

3. What process was followed in acquitting funding provided to each overseas marketing agent or representative.

4. What was the sale numbers and sale value of gold, silver and bronze coins achieved by each overseas sales agent or representative.

5. What was the net profit contributed by each overseas agent or representative to the program.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

1. By agreement between Gold Corporation (GC), the Royal Australian Mint and the Sydney Organising Committee for the Olympic Games prior to the commencement of the Program, the four existing overseas offices of GC were appointed as marketing representatives and managers of the Program in their respective regions. They are located in Lausanne (Europe Region), San Juan Capistrano, California (Americas), Tokyo (Japan) and Hong Kong (SE Asia).

2. The overseas marketing offices were assigned a total of two thirds of an agreed administrative overhead allocation of $7.5m for the Program as a whole. Within this, the budgets varied from office to office. In addition, each office was allocated a proportion of the annual advertising and promotion budget, having regard to the program being proposed for the relevant region. Expenses for each office to the end of the September quarter 2000 for these purposes, totalling 80.1 per cent of budget, were:

<table>
<thead>
<tr>
<th>Office</th>
<th>Advertising and promotion</th>
<th>Administrative overhead</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>$2.21m</td>
<td>$1.88m</td>
<td>$4.08m</td>
</tr>
<tr>
<td>Americas</td>
<td>$0.24m</td>
<td>$1.33m</td>
<td>$1.57m</td>
</tr>
<tr>
<td>Japan</td>
<td>$0.36m</td>
<td>$0.30m</td>
<td>$0.66m</td>
</tr>
<tr>
<td>SE Asia</td>
<td>$0.47m</td>
<td>$1.07m</td>
<td>$1.54m</td>
</tr>
</tbody>
</table>

3. Overseas marketing offices reported on their expenditure monthly to the CEO of GC, as Joint CEO of the Sydney 2000 Olympic Coin Program and Head of Sydney 2000 Olympic Coin Program Marketing.

4. Final sale numbers and values for gold, silver and bronze coins by region are not yet available, as final accounting for the Program has not concluded. These details are expected to be available after final settlement of royalty payments at the end of March 2001.

5. Details of net profit contribution to the overall Program by each overseas agent or representative are not yet available, as final accounting for the Program has not concluded. These details are expected to be available after final settlement of royalty payments at the end of March 2001.

Sydney Olympic Games: Coin Program
(Question No. 3125)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

1. What was the method used to purchase gold for coins minted as part of the Sydney 2000 Olympic Coin Program.

2. What was the method used to price the gold in the sale of the coins in this program.
(3) Did managers of the program hedge gold in the market as part of the financial management of
the program; if so: (a) was there a profit or a loss from these hedging arrangements; and (b) what
was the quantum of that profit or loss.

(4) Who received the benefit of the hedge profit or who paid the price of the loss from the above
hedging arrangements.

(5) Did the Commonwealth Treasury or an external consultant provide advice on hedging arrange-
ments to the managers of the program; if so, what process was followed in selecting an adviser to
provide advice on hedging arrangements.

(6) If an open tender system was not used to select an adviser, why not.

(7) If neither the Commonwealth Treasury or an external consultant was engaged to provide advice
on hedging arrangements: (a) who provided the program managers with advice on hedging ar-
rangements; (b) what were their qualifications; and (c) how were they selected.

(8) What was the cost of the program of the provision of advice on hedging arrangements.

Senator Kemp—The Minister for Financial Services and Regulation has provided the
following answer to the honourable senator’s question:

(1) The purchase of gold for the Sydney 2000 Olympic Coin Program was the responsibility of Gold
Corporation (GC), by agreement between GC and the Royal Australian Mint.

(2) A standard agreed cost for the gold content of the coins, of A$164.55 per coin, was used from
the start of the Program, based on the then prevailing metal price and yielding a constant whole-
sale and retail margin for the coins.

(3) Whether gold for the Program was hedged in the market and, if so, how was a matter enti-
tirely for GC. It affected neither the price charged for the coins nor the expenses incurred
by the Program, had no implications for the Program’s financial performance, and was thus
beyond the Commonwealth’s knowledge or responsibilities.

(4) External advice was obtained in June 1997 on the most suitable foreign currency arrangement for
the Program, from a number of banks and professional advisers, selected so as to provide expert
advice to the Program managers from a range of reputable sources.

(5) An open tender system was not used, because the range and nature of sources contacted were
considered sufficiently wide to render this unnecessary, and a single adviser was not being ap-
pointed.

(7) See answer to Question 3125(5).

(8) Nil.

Sydney Olympic Games: Coin Program
(Question No. 3126)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 Oc-
tober 2000:

(1) How many people made overseas trips as part of the Sydney 2000 Olympic Coin Program.

(2) In each case: (a) what was the name of the person who undertook the travel; (b) what was the
duration of each trip; (c) what was the total cost of each trip; and (d) what countries were vis-
ited on each trip.

(3) Can a breakdown of the costs incurred in each of the trips, including travel, accommodation,
entertainment and other costs, be provided.

(4) (a) What was the approval process for each overseas travel taken as part of the program; and (b)
who approved the travel.

(5) What analysis has been undertaken to assess the financial return to the program of the above
overseas travel.

Senator Kemp—The Minister for Financial Services and Regulation has provided the
following answer to the honourable senator’s question:

(1) Two people from the Royal Australian Mint (RAM) made overseas trips specifically in
connection with the Sydney 2000 Olympic Coin Program.
In accordance with normal practice, the Controller of the Royal Australian Mint, Mr Graeme Moffatt, made visits to Switzerland in January 1998, 1999 and 2000, to represent RAM at the annual World Money Fair, one of the most important annual conventions of the world’s coin dealers and coin suppliers. Costs of these visits totalled approximately $20,000 for travel, $5,000 for accommodation and $4,000 for other expenses. While in Switzerland he also participated in meetings and other events relating to the Sydney 2000 Olympic Coin Program.

Overseas travel by other members of the Sydney 2000 Olympic Coin Program Marketing Team, employed by Gold Corporation (GC), was incorporated within the overall marketing strategy for that team, and the costs were met from within the Program’s agreed administrative overhead allocation. There was no Commonwealth involvement in the detail of overseas travel undertaken by GC employees within this framework.

(4) (a) For RAM personnel, approval for overseas travel needed to be obtained from the Chair of the RAM Advisory Board within the Commonwealth Treasury. For GC personnel, approval was required from their CEO.

(b) See answer to Question 3126(4)(a)

(5) The financial return to the Program of overseas travel undertaken by RAM and GC staff cannot be measured precisely, particularly given that final accounting for the Program has not yet concluded. However, sales in overseas markets could not have been achieved without personal representations to and support of potential distributors. Additionally, the Program has been a major feature of the last three World Money Fair conventions in Basel, Switzerland.

Sydney Olympic Games: Coin Program
(Question No. 3127)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 26 October 2000:

(1) Was a major sales initiative undertaken at Olymphilex as part of the Sydney 2000 Olympic Coin Program; if so: (a) what was the total revenue generated for the program through direct sales at the exhibition; and (b) what was the full costs of salaries, allowances, accommodation, logistics costs and any other costs directly associated with the program’s participation in the exhibition.
(2) Has an audited profit and loss statement for the program’s participation been completed; if so, can a copy of the statement be provided; if not, when will an audited statement be completed.

Senator Kemp—The Minister for Financial Services and Regulation has provided the following answer to the honourable senator’s question:

(1) Yes

(a) Revenue generated from the sale of Olympic Coin Program and Olympilex product at the Sydney Olympilex Exhibition totalled approximately $128,000. Additional revenue of approximately $41,000 was generated by sales of non-Olympic Royal Australian Mint and Perth Mint product.

(b) Direct salary, travel, accommodation and other costs of staffing the outlet at the Olympilex Exhibition amounted to approximately $45,000. Direct costs associated with logistics, preparation and dismantling of the sales booth and security amounted to $6,600. Materials used including the sales booth are assets of the Royal Australian Mint and The Perth Mint and are used at exhibitions, coin fairs and the like each year.

(2) No. The audited financial statements of the Sydney 2000 Olympic Coin Program and the two Mints for the 2000-01 year will cover activity associated with the Olympilex Exhibition as well as other Program-related activity. A separate profit and loss statement for the participation in the Olympilex Exhibition would not in the normal course be prepared.

Goods and Services Tax: Payments by Overseas Delegates

(Question No. 3138)

Senator Brown asked the Assistant Treasurer, upon notice, on 31 October 2000:

With reference to events conducted by Australian organisations registered for the goods and services tax:

(1) (a) Are payments by overseas delegates for a conference or course held in Australia export income; (b) do they attract the goods and services tax; and (c) under what circumstances and why?

(2) Does it make a difference whether the fees of overseas delegates are paid to a body or account located in Australia or overseas; if so, why?

(3) Does it make a difference whether the overseas delegate is attending a course or conference inside or outside Australia; if so, why?

(4) If payments by overseas delegates for conferences or courses in Australia are taxable, why is this form of export income discriminated against under the goods and services tax?

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

(1) (a) The supply of a course or conference is not considered to be an export in these circumstances. In GST terms the supply (the conference) is made in Australia.

(1) (b) The conference or course attracts GST if it is presented for a fee by an entity registered for GST purposes, and is not a GST-free education course. Note that if the entity paying the fee is registered for GST purposes in Australia, that entity may be entitled to input tax credits for the GST included in the fee.

(1) (c) GST is payable on a course or conference, other than a GST-free education course, which is supplied by a registered entity in Australia for consideration.

(2) No. For GST purposes, what is relevant is not where a payment is made, but where the supply occurs, or whether the supplier makes the supply through an enterprise carried on in Australia. If a conference or course occurs in Australia, then the supply is subject to Australian GST unless the supplier is unregistered or the conference or course is GST-free.

(3) Yes. A course or conference presented by an Australian entity outside Australia may be GST-free as it is not connected with Australia, although the course or conference may still be subject to overseas local taxes and charges. If the supplier is not Australian and the course or conference is presented outside Australia, it is not subject to Australian GST.

(4) There is no discrimination in the GST treatment of conferences or courses in Australia. It is consistent with the overall scheme of the GST that supplies which occur in Australia should be taxed in Australia. In any event, as noted above, supplies of conferences or courses to over-
seas delegates are not exports for GST purposes because the supplies occur in Australia not overseas.

**Indigenous Cultural Property: Repatriation**

*(Question No. 3141)*

Senator Ridgeway asked the Minister representing the Prime Minister, upon notice, on 30 October 2000:

(1) Can details be provided of what was agreed to in June and July 2000 between the Australian Prime Minister and the British Prime Minister, Mr Blair, in relation to the repatriation of Indigenous skeletal remains and other cultural property held by British museums and other institutions.

(2) Were media reports at the time in the Age, 21 June 2000, correct in reporting that the Prime Minister asked Mr Blair to agree to the return of all skeletal remains of Indigenous Australians held in British museums; if so, what was Mr Blair’s response to this request.

(3) In the Prime Ministerial Joint Statement on Aboriginal Remains, 4 July 2000, Mr Howard and Mr Blair pledged that ‘[c]onsultations will be undertaken with Indigenous organisations as part of developing any new cooperative arrangements’. What ‘new cooperative arrangements’ has the Australian Government sought to put in place, and what ‘consultations’ with Indigenous organisations has the Government initiated in relation to these matters.

(4) Further to the Prime Ministerial Statement on Aboriginal Remains, what action has the Australian Government taken to ‘encourage the development of protocols for the sharing of information between British and Australian institutions and Indigenous people’.

(5) Does the Australian Government support the view that: (a) the Aboriginal and Torres Strait Islander human remains and cultural property ‘collected’ by Australian and European museums, galleries, universities and other collecting institutions were, in the main, taken from burial sites, cemeteries, massacre sites, hospital morgues and in a variety of other contexts, some violent; (b) Aboriginal and Torres Strait Islander human remains were predominantly collected in order to measure and quantify human diversity and to prove ill-conceived notions of a racial hierarchy, now abandoned; (c) the study of these remains contributed to the dispossession of Indigenous Australians, a colonial culture of Indigenous inferiority, and the contemporary socio-economic disadvantage experienced by many Aboriginal people and Torres Strait Islanders; (d) Aboriginal and Torres Strait Islander communities have a pre-eminent right over the control and management of their human remains and cultural property; (e) control over their cultural heritage is critical to the identity and future of Indigenous communities; (f) Australian and overseas museums, galleries, universities and other holding institutions are obligated to provide Aboriginal and Torres Strait Islander communities with open access to information about their holdings of Aboriginal and Torres Strait Islander human remains and cultural property; and (g) funding made available to these institutions should be on the condition that Indigenous collections and their relevant documentation are made accessible to Indigenous organisations seeking their repatriation or making inquiries in relation to them.

(6) What is the position of the Australian Government in relation to Articles 12, 13, 14 and 15 of the United Nations Draft Declaration on the Rights of Indigenous Peoples, which relate to the protection and management of Indigenous cultural heritage.

(7) Does the Australian Government support the view that all Aboriginal and Torres Strait Islander human remains and cultural property held in overseas collections, public and private, should be repatriated to Australia, regardless of whether or not it is provenanced; if so: (a) what happens to unprovenanced cultural property once it is repatriated; (b) who is responsible for its safekeeping; and (c) are they accountable to Indigenous Australians.

(8) Does the Australian Government have a financial responsibility to assist in the identification, notification of custodians, negotiation with collecting institutions and individuals, and actual return of Indigenous human remains and cultural property to their traditional custodians or community of origin.

(9) Has the Australian Government sought to initiate or been involved in the development of any inter-governmental agreement with state and territory governments to facilitate the return of human remains and cultural property to the rightful custodians or community; if not, is this something the Government would consider doing.
(10) Is the Australian Government of the view that Aboriginal people and Torres Strait Islanders should be free to decide: (a) whether or not Indigenous human remains and cultural property are made available for educational or scientific purposes; and/or (b) how they will be displayed, stored or destroyed.

(11) In 1998, the Cultural Ministers Council endorsed a strategic planning approach to the repatriation of Indigenous ancestral remains and secret/sacred objects from Australian museums to be implemented by the end of 2001-02: (a) Which communities have received information regarding ancestral remains and secret/sacred objects from their community that are held by Commonwealth and state museums; and (b) what repatriations have occurred or will occur by the 2002 deadline.

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

(1) The Prime Ministerial joint statement of 4 July 2000 provides details on the matters that were agreed between the Prime Ministers.

(2) The Prime Ministers discussed the development of a cooperative approach to the repatriation of indigenous human remains along the lines indicated in their joint statement.

(3) Subsequent to the joint Prime Ministerial statement, the Minister for Aboriginal and Torres Strait Islander Affairs, Senator the Hon John Herron and two Commissioners from the Aboriginal and Torres Strait Islander Commission (ATSIC) met with the British Secretary of State for Culture, Media and Sport, the Rt Hon Chris Smith MP to discuss the repatriation of indigenous human remains. ATSIC has responsibility for the development and implementation of new cooperative arrangements, including consultation with other indigenous organisations.

(4) The encouragement of information sharing protocols has been a focus of the discussions with the British government during the last year. ATSIC will be responsible for the ongoing development of the protocols.

(5)(a) Indigenous human remains were collected from a variety of contexts such as those described.

(b) Indigenous human remains were often collected for scientific research related to the scientific theories of the day.

(c) It is recognised that the return of indigenous human remains to their traditional custodians and places of rest is extremely important to indigenous people.

(d) Indigenous people have the primary interest in the protection, safekeeping and return of human remains and significant cultural property relating to their community.

(e) The importance of cultural heritage to indigenous people in maintaining their identity is recognised.

(f) Procedures that provide indigenous communities with access to information about collections are supported.

(g) Funding to assist Australian museums with repatriation of indigenous cultural property is provided through the Return of Indigenous Cultural Property (RICP) programme currently being implemented through the Department of Communications, Information Technology and the Arts. Under the RICP programme a set of National Principles and Policies has been developed which provides for access by indigenous people to ancestral remains and secret sacred objects and relevant documentation. Funding decisions under the RICP programme take account of whether museums have endorsed the National Principles and Policies.

(6) The government is considering its position on these matters in the context of negotiations on the text of the Draft Declaration on the Rights of Indigenous People.

(7) The government’s view is that indigenous human remains should be returned if the relevant custodians seek their return. Decisions about the return of unprovenanced indigenous human remains and of cultural property should be determined through consultation between ATSIC, indigenous people and the relevant collecting institutions.

(a), (b) Arrangements for the safekeeping of unprovenanced indigenous human remains and cultural property are determined through consultation between ATSIC, indigenous people and the relevant collecting institutions. Unprovenanced indigenous human remains may be lodged with a prescribed authority under the Aboriginal and Torres Strait Islander
Heritage Protection Act 1984 (currently the National Museum of Australia). This allows for work to be carried out to determine the origin of remains, or if they cannot be provenanced, their long-term protection.

(c) Arrangements for safekeeping are determined through consultation with indigenous people.

(8) The Commonwealth government through the Department of Communications, Information Technology and the Arts and ATSIC assists financially with the process of returning indigenous human remains and significant cultural property.

(9) At the February 1998 meeting of the Cultural Ministers Council, Ministers endorsed a strategy for relevant indigenous communities to be informed of any ancestral remains and secret sacred objects held in museums around Australia by the end of 2001-2 and for arrangements to be made for their repatriation where requested. At this meeting, Ministers also gave a commitment for greater cooperation between governments, their collecting institutions and indigenous communities to ensure the success of the strategy.

The Commonwealth and all State and Territory governments with the exception of the ACT (which holds no collections of ancestral remains or secret sacred objects) have committed funds to the Return of Indigenous Cultural Property programme to implement the strategy. The budget totals $3m over 3 years.

(10) (a),(b) The government supports the view that the relevant indigenous custodians should be able to decide how repatriated indigenous human remains and cultural property are used and cared for. In relation to museum holdings, it is recognised that indigenous people have the primary interest in how human remains and cultural property related to their community are used and cared for.

(11) (a) Museums have been working to repatriate indigenous ancestral remains and secret sacred objects for a number of years. They have responsibility for the ongoing role of disseminating information to indigenous communities and handling requests for repatriation. Following the Cultural Ministers Council endorsement of a strategic approach to this issue, the Commonwealth established the Return of Indigenous Cultural Property (RICP) programme to assist museums to undertake further indigenous community consultation with the aim of returning cultural property where possible and when requested.

Museums have indicated that consultation has taken place with numerous community organisations including key organisations such as the Central Land Council, Tasmanian Aboriginal Centre, New South Wales Land Council and Northern Land Council. The Department of Communications, Information Technology and the Arts is currently seeking clarification as to the number of indigenous communities that have been informed of any ancestral remains and secret sacred objects held in collections.

(b) While no repatriations have occurred under the new RICP programme to date, numerous indigenous communities have been consulted in relation to repatriation issues (as indicated above) and a number of repatriations may occur before the end of 2001-02.

Goods and Services Tax: Business Activity Statements

Senator Conroy asked the Assistant Treasurer, upon notice, on 31 October 2000:

(1) With reference to the ABC's 7:30 report on 17 October 2000, and the e-mail sent to tax agents by Commissioner of Taxation, Mr Carmody, what are the procedures that tax agents and taxpayers must follow so that penalties will not be applied.

(2)(a) What is a larger value client; and (b) does its classification depend on the gross amount of goods and services tax (GST) or the net amount to be remitted to the ATO.

(3) If it is based on the net amount to be paid, how will the tax agent/accountant know until the statement is prepared.

(4) Does a tax agent or taxpayer necessarily have to contact the ATO in regards to seeking the remission or waiving of penalties.

(5) What are the parameters and/or guidelines that the commissioner has provided to his staff in order that every taxpayer or tax agent is treated in exactly the same, or a similar, way in regards to a request for the remission or waiving of penalties.
(6) In the event that tax agents or taxpayers feel that they have been unjustly treated by the ATO: (a) who do they go to without having to lodge a formal appeal; and (b) what will be acceptable grounds for making a complaint.

(7) Can the Minister confirm or deny that the ATO’s computer system is automatically set to apply penalties to taxpayers whose business activity statement returns are lodged late and the person or tax agent failed to contact the ATO.

(8) What happens if a tax agent fails to contact the ATO but the client comes in at the last minute or after the deadline has passed

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

(1) Tax practitioners were invited to apply for lodgement deferrals identified by the Commissioner in his letter of 18 October 2000. Deputy Commissioner Steve Chapman provided additional information about the deferral concerning quarterly activity statements, in a letter to tax practitioners dated 27 October 2000. These letters issued to all tax practitioners by email, fax or post. Tax practitioners were advised to email or fax the ATO in relation to deferral requests and if they were concerned they could not meet extended due dates for their clients, tax practitioners were urged to contact the ATO to make suitable arrangements. The Commissioner issued a media release on 18 October 2000 to advise that businesses lodging their first quarterly Business Activity Statements could expect fair treatment. A media release on 2 November 2000 announced the release of details of the ATO’s approach to penalties during the first year of the new tax system. Businesses and individuals preparing quarterly activity statements who wish to discuss a deferral are encouraged to ring the general lodgment/payment deferral contact number of 13 2866. In his media release of 18 October 2000, the Commissioner said “if any business person or agent is experiencing difficulties, they should contact us to make suitable arrangements”. This message was repeated many times in print, radio and television interviews with ATO spokespersons up to the 11 November 2000.

(2) The term ‘larger value client’ is a broad term which refers in the main to the value of the liability to be paid. Turnover of the business is also a characteristic which may be appropriate to consider.

(3) Using last year’s income tax return as a guide, tax practitioners have an understanding of their larger value clients. This has been confirmed by many of the tax practitioners who have contacted the ATO to discuss deferrals.

(4) Remission of penalties may always be sought by tax practitioners or self preparers of quarterly activity statements. The ATO consider these in accordance with its remission policy.

(5) The Practice Statement on the Remission of Penalties under the new tax system is an instruction to Tax Office staff and is available on the ATO’s website at: www.ato.gov.au/redirect/atolaw.asp?docid=ato/ps200009.

(6) The Taxpayers’ Charter outlines a taxpayer’s rights and obligations under the law. It also tells people what they can do if they are dissatisfied with the ATO’s decision or actions. The Taxpayer's Charter explains the informal and legal rights of review within the Tax Office and the external, independent avenues for review outside the Tax Office. The Charter is available at: www.ato.gov.au.

(7) The systems which support the quarterly activity statements are used to identify situations which fall outside the concessions the Commissioner has granted or has agreed to on an individual basis, and in such situations, penalties may be applied on a case by case basis.

(8) Clients of a tax practitioner are able to apply for further time to lodge. Generally, the ATO would treat each request on its merits.

Government Sales : PDI Impacts

(Question No. 3179)

Senator Sherry asked the Minister representing the Minister for Finance and Administration, upon notice, on 29 November 2000:
1 (a) In what financial years have the proceeds from the sale of Sydney Airports Corporation Limited been incorporated into the estimates and;
1 (b) what are the amounts involved including any associated PDI impacts.
2 (a) In what financial years have the proceeds from the sale of National Rail Limited been incorporated into the estimates and;
2 (b) what are the amounts involved including any associated PDI impacts.

Senator Ellison—The Minister for Finance and Administration has provided the following answer to the honourable senator’s questions:
1 (a) and (b) There are no proceeds from the sale of Sydney Airports Corporation Ltd, including any associated PDI impacts, factored into the estimates, as at the time MYEFO was prepared the Government had not yet made a decision about the timing or method of sale.
2 (a) and (b) The estimated proceeds, including any associated PDI impacts, and timetable for individual asset sales in progress are commercially confidential. Public release of such information could adversely affect the Commonwealth’s financial interests.

Outsourcing
(Question No. 3184)

Senator Sherry asked the Minister representing the Minister for Finance and Administration, upon notice, on 30 November 2000:
(1) Did the secretary receive a letter from Mr Roger Beale expressing concerns about outsourcing policy, as reported by Ms Laura Tingle in the Sydney Morning Herald on 27 October 2000.
(2) What was the nature of Mr Beale’s concerns and how has the Minister responded.
(3) (a) What other departments have communicated their concerns on this matter to the department; (b) when were those concerns communicated; (c) how have those concerns been answered; and (d) can copies of the correspondence relating to the bases of these concerns be provided.
(4) (a) Has the department done any work to determine the whole-of-government costs and benefits of outsourcing; if not, why not, and does the department consider it to be good public policy to proceed to outsource without assessing implementation risks when moving from in-house provision to an external provider; and (b) would it not be better to examine the costs and benefits before deciding on such a course of action.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:
(1) The Secretary, Dr Peter Boxall received a letter from Mr Roger Beale, Secretary, Environment Australia dated 19 September 2000. As the letter addressed a publication issued by the Office of Asset Sales and Information Technology Outsourcing (OASITO), it was forwarded to Mr Ross Smith, Chief Executive Officer, OASITO, for a response.
(2) The nature of Mr Beale’s letter was to seek clarification on a publication that was issued by the Office of Asset Sales and Information Technology entitled Key Principles for Business Cases. Mr Smith has spoken with Mr Beale to clarify the issue.
As the letter was addressed to Dr Peter Boxall in his capacity as Secretary of the Department of Finance and Administration and not the Minister for Finance and Administration, and forwarded to the CEO of OASITO for a response, it is not appropriate for the Minister to respond to the letter.
(3)(a) No other concerns have been raised with the Department of Finance and Administration. (b) N/A (c) N/A (d) N/A
(4) There is considerable evidence both within the private and public sectors that identifies the benefits of outsourcing where supported by business cases and managed within appropriate contract management frameworks. The assessment and management of implementation risks, on a case by case basis, is an integral element of business case development and subsequent contract management.

The Department has issued guidance material that assists agencies including the Competitive Tendering and Contracting: Guidance for Managers March 1998, the Risk Management Toolkit and the Limitation of Liability and Risk Management Toolkit (which are published on the Internet).
Government Property Sales  
(Question No. 3185)

Senator Sherry asked the Minister representing the Minister for Finance and Administration, upon notice, on 30 November 2000:

(1) What are the processes the departments overseas property areas go through in determining: whether a property is, or properties are, ready for sale and what the right time is to sell a property.

(2) Does the condition of the local market have much bearing on the timing of the sale.

(3) Can a schedule of the proceeds from each property sale in Hong Kong from 1 January 1999 be provided, together with, where possible, the independent valuation of each property sold.

(4) (a) Is it the case that there were 12 properties recently sold in Hong Kong; and (b) what were the processes leading to those sales in a very depressed local property market.

(5) (a) Was any advice provided by any officials to the department, the Minister or other ministers, including the Minister for Foreign Affairs and the Minister for Immigration and Multicultural Affairs, or their offices, that warned against the sale; and (b) can that advice or a description of it contents be provided.

Senator Ellison—The Minister for Finance and Administration has supplied the following answer to the honourable senator’s question:

(1) The Government agreed to the sale of certain overseas non-representational housing as part of the 1998 Budget. Properties are sold in consultation with the occupying agency and assessment of prevailing and forecast market conditions. Appropriate physical and legal due diligence inquiries are undertaken to identify any opportunity for value enhancement prior to sale and to ensure that the Australian Government transfers all risk or liability after completion of sale.

(2) Yes, prevailing and forecast market conditions are one factor considered in the sale of any property.

(3) One (1) Hong Kong residence has been sold since 1 January 1999.

<table>
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</thead>
<tbody>
<tr>
<td>April 1999</td>
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<td>$HKD 19.3M</td>
</tr>
</tbody>
</table>

Property sold for $HKD 2.3M in excess of market realisation estimate

(4) (a) No.

(b) Not applicable, see 4(a)

(5) (a) No. DOFA Property Group receives solicited and unsolicited advice from various sources on local market conditions in all locations overseas, including Hong Kong. No advice was received that warned against the sale of the property in April 1999.

(b) Not applicable, see 5(a)

Forests: Capital Gains Tax  
(Question No. 3193)

Senator Brown asked the Assistant Treasurer, upon notice, on 30 November 2000:

Tasmania’s Government’s efforts to have funds to landowners to protect forests exempted from the capital gains tax:

(1) When and how did the State Government approach the Federal Government on this issue.

(2) What representation, written or otherwise, has been made at ministerial level and when.

(3) (a) What correspondence has been exchanged on the issue; and (b) who generated that correspondence.

(4) When was the Treasurer first appraised of the issue.

Senator Kemp—The answer to the honorable senator’s question is as follows:

I refer the Honourable Senator to my answer to his question on this issue of 28 November 2000 and to my comments in the Chamber in relation to proposed amendments to the Taxation Laws Amendment
Bill (No.8) 2000 on 7 December 2000. As I have advised, this issue is currently the subject of discussions. Therefore, it would be inappropriate for me to provide details of advice to Government or any correspondence on this matter.

World Heritage Committee: Cairns Meeting

(Question No. 3198)

Senator Allison asked the Minister for the Environment and Heritage, upon notice, on 5 December 2000:

(1) How many Australian bureaucrats were in Cairns for the World Heritage Committee meeting in November 2000 and which departments were they from.

(2) (a) How many, and who, travelled overseas before the meeting on World Heritage business; (b) where did they go; (c) who did they meet; and (d) what was the cost of the overseas delegations.

(3) Why did Australia not vacate the chair when Kakadu was being discussed at the World Heritage Committee meeting.

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

(1) Eleven Commonwealth bureaucrats were on the Australian delegation. Ten members of the delegation were from the Department of Environment and Heritage and one member was from the Department of Foreign Affairs and Trade.

Thirteen Environment Australia staff were at the meetings to assist the UNESCO secretariat with administrative duties related to the meetings.

(2)(a) to (d)—

Since the 24th World Heritage Bureau meeting, 26 June – 1 July 2000, the following bureaucrats from the Australian delegation travelled overseas on World Heritage business:

Mr Bruce Leaver and Mr Kevin Keeffe travelled to Budapest, Hungary to attend a Special Session of the World Heritage Bureau from 2 - 4 October 2000. The total cost of Mr Leaver’s and Mr Keeffe’s overseas travel was $15,787.18.

Mr Peter Cochrane, Director of National Parks travelled to Gland, Switzerland at the invitation of the International Council on Mining and the Environment (ICME) and the World Conservation Union (IUCN) to present Kakadu National Park as one of six case studies at a Technical Workshop on World Heritage and Mining from 21 – 23 September 2000. The Technical Workshop included representatives from UN agencies, the UNESCO World Heritage Centre, the mining sector, ICOMOS, IUCN, ICME, and site managers from States Party to the World Heritage Convention. The total cost of Mr Cochrane’s overseas travel was $8667.40.

Mr Daryl King and Mr Stuart Chape travelled to New Zealand for the Regional World Heritage Managers Workshop held in Tongariro from 26 – 30 October 2000. The total cost of Mr King’s and Mr Chape’s overseas travel was $5837.17.

(3) There was no reason for Australia to vacate the Chair at any time during the World Heritage Committee meeting.

Fishing: Confiscation of Nets

(Question No. 3200)

Senator Crossin asked the Minister for the Environment and Heritage, upon notice, on 6 December 2000:

With reference to the confiscation in May 2000 of fifteen 100-metre fishing nets by the Northern Territory Police from the David Glory Group, a fishing operator licensed to harvest jellyfish in the Northern Territory under a controlled exports declaration under the Wildlife Protection (Regulation of Exports and Imports) Act 1982, and given that the use of these nets is prohibited under the declaration:

(1) What specific investigations have been undertaken into this matter by the department, by whom and when.

(2) Did these investigations include asking the Northern Territory Government when it intends to prosecute in relation to the confiscated nets and why it has not prosecuted this case to date; if so, what was the response.

(3) If these matters have not been investigated, why not.
(4) Does the Minister intend to proceed with considering the application for a further declaration before the matter of this potential breach of licence condition has been determined.

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

(1) An officer of my department wrote on 23 June 2000 to the Northern Territory Fisheries Division seeking their advice on a report of the confiscation of the nets, and whether any investigations had been undertaken.

(2) No.

(3) The matter has not been investigated further by my department. The confiscation of the nets is a matter for the Northern Territory, not the Commonwealth, as the illegal possession of nets is a breach of conditions under Northern Territory fishing regulation. Illegal possession of nets is not a breach of the conditions of the relevant declaration under s.10A of the Wildlife Protection (Regulation of Exports and Imports) Act 1982.

(4) I will consider the matter further when the assessment of the present application for a new declaration under the Wildlife Protection (Regulation of Exports and Imports) Act 1982 has been completed and when the Northern Territory Director of Public Prosecutions has determined what action to take on the report of the Police investigations.

Agriculture: Use of Chemical ‘Applaud’

(Question No. 3204)

Senator Harris asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 8 December 2000:

When will the chemical Applaud be approved for use on crops such as citrus, mangoes and custard apples.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

The confidentiality provisions of the legislation constrain the National Registration Authority for Agriculture and Veterinary Chemicals (NRA) from providing specific details about an application. However, given that the relevant industry sectors are aware that an application for registration of Applaud for use on citrus and mangoes is being assessed by the NRA, the NRA has confirmed that the application is proceeding and is expected to be completed within the legislative timeframe.

Registration for custard apples has not been requested at the time of the preparation of this response.

Taxation: Seafarers

(Question No. 3207)

Senator O’Brien asked the Minister representing the Treasurer, upon notice, on 18 December 2000:

(1) Is the Minister aware that the Administrative Appeals Tribunal (AAT) case to which he referred is not yet settled.

(2) Will the AAT decision be appealed by the taxpayer in the Federal Court.

(3) Is the Chief Justice of the Federal Court considering whether the appeal should go directly to a Full Court in view of its importance as a test case.

(4) If the taxpayer were not ultimately successful, what does the Government propose to do about this discrimination against Australian resident taxpayers who are seafarers, when Australian resident taxpayers who work on land can have access to this exemption.

(5) What efforts has the Government made to assess what world’s best practice is for tax regimes amongst nations that have resolved to maintain a viable resident maritime work force rather than letting their maritime work force wither.

Senator Kemp—The following answer is provided to the honourable senator’s question:

(1) to (3) The Administrative Appeals Tribunal (AAT) case to which I referred in my response to your previous question on notice was Chaudri v FC of T 98 ATC 2120. The Commissioner of Taxation informs me that this case is considered to be settled as the AAT handed down its decision on 29 April 1998 and the taxpayer had not lodged an appeal within the required
28 days. Therefore there appears no likelihood of a Federal Court appeal or the Full Federal Court hearing the case.

(4) and (5) As noted above, I am advised it does not appear that there will be a Federal Court case. The arrangements for the taxation of seafarers are longstanding. In relation to the application of the exemption provided by s.23AG of the Income Tax Assessment Act, I refer you to the answer I provided to your previous question on notice No.2287.

Agriculture: New Zealand Apples

(Question No. 3210)

Senator O’Brien asked the Minister representing the Minister for Agriculture Fisheries and Forestry, upon notice, on 18 December 2000:

How does the advice contained in the answer to question on notice no. 2938 (Senate Hansard, 30 November 2000, p.20198), that neither the New Zealand Government nor the apple industry operates buffer zones to manage the spread of fire blight, accord with information on p.117 of the draft import risk assessment of New Zealand apples which states, ‘the protocols required by Japanese Authorities for the importation of apples from New Zealand ... require that each designated export area is surrounded by a 500 metre detection zone’

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

Fire blight occurs throughout New Zealand, so it is accurate to say that buffer zones are not used by the New Zealand Government nor the New Zealand apple industry to manage or limit the spread of fire blight in New Zealand. The Japanese requirement for a 500 metre detection zone around designated export areas is part of a series of measures that ensures that there are no fire blight symptoms visible within 500 metres of apples harvested for export to Japan. This is a market access issue, and as such is quite distinct from the use of buffer zones to control the spread of fire blight in New Zealand.

Department of the Treasury: Programs and Grants to the Gwydir Electorate

(Question No. 3214)

Senator O’Brien asked the Minister representing the Treasurer, 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, 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 Kemp—The Treasurer has provided the following answer to the honourable senator’s question:

(1), (2) and (3) The Department of the Treasury administers the $500 million GST Start Up Assistance programme delivered to small business, community groups and the education sector delivered in the 1999-2000 and 2000-01 financial years. The benefit of the assistance was provided to entities throughout Australia.

Department of Foreign Affairs and Trade: Programs and Grants to the Gwydir Electorate

(Question No. 3215)

Senator O’Brien asked the Minister representing the Minister for Trade, upon notice, 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, 1999-98 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 Hill—The answer to the honourable senator’s question is as follows:

Austrade
(1) The Export Market Development Grants scheme is the main program available. Austrade also manages the delivery of the Export Access Program and provides export marketing advice through its TradeStart adviser located in Tamworth and a Regional Trade Commissioner who visits the area regularly. In addition, extensive market information and services are available online through Austrade’s website, www.austrade.gov.au and through export marketing advisers on Austrade’s telephone enquiry number 13 28 78.

(2) Apart from the EMDG scheme and the Export Access Program, the separation of costs for other specific services to the electorate of Gwydir would be difficult to obtain. The level of funding provided through the EMDG for the 1996-97, 1997-98, 1999-99 and 1999-2000 financial years is as follows:

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</tbody>
</table>

(3) The level of funding appropriated for the EMDG scheme for the 2000-01 financial year was $150 million in total.

The corresponding level of funding for the Export Access Program was $3.6 million.

Export Finance and Insurance Corporation (EFIC)

No assistance has been provided, through programs or grants, to people living in the federal electorate of Gwydir. Therefore there is a nil return from EFIC.

Department of Family and Community Services: Programs and Grants to the Gwydir Electorate

(1) Programs and grants administered by FaCS
   - Emergency Relief Program
   - Child Support Agency (CSA) – Funding for these activities is included in normal CSA operating expenditure. A community information session and related outreach activities to assist people living in Gwydir were conducted in the 1999-2000 financial year.
   - Youth Programs – there were no pilot Reconnect programs in Gwydir in the specified years.
   - Family Relationship Services Program (FRSP)
- Family and Community Networks Initiative (FCNI)
- Employment Assistance for people with a disability
- Advocacy for people with a disability
- Carer Respite
- Commonwealth Childcare Programs
- CRS Australia – vocational rehabilitation and injury management programs.
- Commonwealth funds for the Supported Accommodation Assistance Program and Housing Programs under the Commonwealth State Housing Agreement (CSHA) are administered with state funding by the NSW State Government.
- Income Support Payments (Centrelink)

(2) and (3) Please refer to the table below.

<table>
<thead>
<tr>
<th>Program</th>
<th>Funding 96/97</th>
<th>Funding 97/98</th>
<th>Funding 98/99</th>
<th>Funding 99/00</th>
<th>Estimates 2000/2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Relief Program</td>
<td>$143,964</td>
<td>$218,581</td>
<td>$224,780</td>
<td>$213,044</td>
<td>$226,601</td>
</tr>
<tr>
<td>CSA</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
</tr>
<tr>
<td>Youth Programs</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>$1,078,869</td>
</tr>
<tr>
<td>FRSP</td>
<td>Not available</td>
<td>Not available</td>
<td>Not available</td>
<td>$1,199,214</td>
<td>$1,358,110</td>
</tr>
<tr>
<td>FCNI</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>$29,559</td>
</tr>
<tr>
<td>Employment Assistance for people with a disability</td>
<td>$1,151,431</td>
<td>$1,170,682</td>
<td>$1,262,635</td>
<td>$1,240,235</td>
<td>$1,326,981</td>
</tr>
<tr>
<td>Advocacy for people with a disability</td>
<td>$91,518 plus</td>
<td>$91,113 plus</td>
<td>$92,288 plus</td>
<td>$92,644 plus</td>
<td>$93,839 plus</td>
</tr>
<tr>
<td>total for all 7 state wide services</td>
<td>$1,126,956</td>
<td>$1,127,071</td>
<td>$1,141,610</td>
<td>$1,401,016</td>
<td>$1,442,153</td>
</tr>
<tr>
<td>Carer Respite</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>$90,000 fund-</td>
<td>$100,772 funding</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>ing covers more</td>
<td>covers more</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>than Gwydir</td>
<td>than Gwydir</td>
</tr>
<tr>
<td>Childcare Programs</td>
<td>$3,091,918</td>
<td>$3,164,402</td>
<td>$3,270,698</td>
<td>$3,067,122</td>
<td>$3,191,248</td>
</tr>
<tr>
<td>CRS Australia</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
</tr>
<tr>
<td>Supported Accommodation Assistance Program</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
</tr>
<tr>
<td>CSHA</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
<td>Data unable to be disaggregated</td>
</tr>
</tbody>
</table>

The Government has increased the level of funding to the above programs since 1996-97.

The detailed information on income support payments required to answer the honourable senator’s question is not readily available in consolidated form. I do not consider appropriate the expenditure of resources and effort that would be involved in collecting and assembling information for the sole purpose of answering questions of this nature.

Department of Defence: Programs and Grants to the Gwydir Electorate
(Question No. 3220)

Senator O’Brien asked the Minister representing the Minister for Defence, 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 Defence has provided the following answer to the honourable senator’s question:
(1) The Department of Defence did not make any grant payments to people living in the federal electorate of Gwydir in the period covered by the question.
(2) The level of funding provided for the 1996-97, 1997-98, 1998-99 and 1999-2000 financial years was nil.
(3) The level of funding appropriated for 2000-01 is nil.

Department of Education, Training and Youth Affairs: Programs and Grants to the Gwydir Electorate
(Question No. 3221)

Senator O’Brien asked the Minister representing the Minister for Education, Training and Youth 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 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 that 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 of Gwydir on a financial year basis:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Vocational Education and Training</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
<td>$000</td>
</tr>
<tr>
<td>Job Placement, Employment and Training Programme</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>255</td>
<td>283</td>
</tr>
<tr>
<td>Workplace English Language and Literacy (WELL)</td>
<td>20</td>
<td>21</td>
<td>29</td>
<td>44</td>
<td>-</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Direct)</td>
<td>(a)</td>
<td>(a)</td>
<td>87</td>
<td>95</td>
<td>(b)</td>
</tr>
<tr>
<td>New Apprenticeships Incentives (Indirect)</td>
<td>(a)</td>
<td>(a)</td>
<td>574</td>
<td>925</td>
<td>(b)</td>
</tr>
<tr>
<td>Green Corps Programme</td>
<td>-</td>
<td>23</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
</tr>
<tr>
<td>Schools</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School To Work/Enterprise Education</td>
<td>68</td>
<td>68</td>
<td>68</td>
<td>68</td>
<td>-</td>
</tr>
<tr>
<td>Higher Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian National University</td>
<td>(d)</td>
<td>(d)</td>
<td>(d)</td>
<td>(d)</td>
<td>(d)</td>
</tr>
</tbody>
</table>
This table provides information for the electorate of Gwydir on a calendar year basis:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Recurrent Grants – Non-Government</td>
<td>7,348</td>
<td>8,438</td>
<td>9,496</td>
<td>10,476</td>
<td>11,057</td>
</tr>
<tr>
<td>Capital Grants – Government and Non-Govt</td>
<td>1,023</td>
<td>3,497</td>
<td>507</td>
<td>1,575</td>
<td>2,025</td>
</tr>
<tr>
<td>Australian Student Traineeship Foundation</td>
<td>191</td>
<td>191</td>
<td>191</td>
<td>138</td>
<td>166</td>
</tr>
</tbody>
</table>

This table provides information at a State level (NSW) on a financial year basis:

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigenous Education Direct Assistance (e)</td>
<td>9,759</td>
<td>14,098</td>
<td>14,430</td>
<td>13,582</td>
<td>14,000</td>
</tr>
<tr>
<td>ABSTUDY (f)</td>
<td>24,086</td>
<td>29,407</td>
<td>26,748</td>
<td>(a)</td>
<td>(b)</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) (g)</td>
<td>6,527</td>
<td>6,706</td>
<td>6,607</td>
<td>5,240</td>
<td>(b)</td>
</tr>
<tr>
<td>Quality Teacher Programme (h)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>6,396</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 Programme (AEMP)</td>
<td>2,000</td>
<td>2,000</td>
<td>2,100</td>
<td>1,850</td>
<td>2,290</td>
</tr>
<tr>
<td>Literacy and Numeracy Programme</td>
<td>-</td>
<td>-</td>
<td>2,360</td>
<td>4,110</td>
<td>8,500</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 Bridging Programme – Assessment Fee Subsidy</td>
<td>257</td>
<td>238</td>
<td>196</td>
<td>159</td>
<td>231</td>
</tr>
</tbody>
</table>

This table provides information at a State level (NSW) on a calendar year basis:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Schools</strong></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 (e)</td>
<td>N/A</td>
<td>60,598</td>
<td>63,838</td>
<td>68,037</td>
<td>77,119</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 (e)</td>
<td>N/A</td>
<td>N/A</td>
<td>50</td>
<td>4,033</td>
<td>2,458</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>(b)</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>Indigenous Education Strategic Initiatives Programme</td>
<td>21,091</td>
<td>23,380</td>
<td>29,793</td>
<td>28,025</td>
<td>(b)</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</td>
</tr>
<tr>
<td>National Asian Languages and Studies</td>
<td>N/A</td>
<td>9,703</td>
<td>6,093</td>
<td>14,097</td>
<td>9,089</td>
</tr>
<tr>
<td>PROGRAMME/GRANT</td>
<td>1996 $’000</td>
<td>1997 $’000</td>
<td>1998 $’000</td>
<td>1999 $’000</td>
<td>2000 $’000 (Estimate)</td>
</tr>
<tr>
<td>----------------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>-----------</td>
<td>----------------------</td>
</tr>
<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>
</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) Data is not readily available.
(b) Allocations for the year have not been finalised or expenditure is dependent on application/tender or other process not completed.
(c) Due to the nature of the arrangements, this information is considered commercial-in-confidence.
(d) The Australian National University (ANU) has part of a campus (The Siding Spring Observatory) located in this electorate. Commonwealth annual funding for the ANU exceeds $250m but is unable to be disaggregated for the elements in this electorate.
(e) Does not include National Office Expenditure, which cannot easily be broken into State components.
(f) Based upon location of the office in which the payment is made.
(g) These figures are estimates based upon AIC customer numbers in each state for the corresponding year.
(h) Programme commenced in 2000-01.

Department of Immigration and Multicultural Affairs: Programs and Grants to the Gwydir Electorate

(Concluded)

Senator O’Brien asked the Minister representing the Minister for Immigration and Multicultural 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, 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 Vanstone—The Minister for Immigration and Multicultural Affairs has provided the following answer to the honourable senator’s question:

(1) The Department of Immigration and Multicultural Affairs administers the following services to facilitate a society which values Australian citizenship, appreciates cultural diversity and enables migrants to participate equitably:

- the Community Settlement Services Scheme (CSSS), (formerly known as the Grant-In-Aid/Migrant Access Projects Scheme) provides a subsidy to competent, non-profit community and service organisations to deliver settlement assistance targeted to the needs of refugees, humanitarian entrants and migrants;
- the Migrant Resource Centre (MRC) and Migrant Service Agency network are core funded by the Department to provide information and support for overseas-born residents, particularly those who have arrived in Australia recently. There is no MRC located in the federal electorate of Gwydir.
- the Living in Harmony initiative, under which funding was provided to community organisations to develop projects that foster community harmony, reduce racial intolerance and build on previous initiatives for raising cross-cultural awareness and understanding;
- the Integrated Humanitarian Settlement Strategy (IHSS), provides funds for the provision of humanitarian settlement services for eligible Humanitarian Program entrants;
- the Adult Migrant English Program (AMEP) is provided for newly arrived eligible adult migrants and refugees, no matter where they live in Australia, who do not have a functional level of English language ability; and
the Translating and Interpreting Service (TIS), which is provided nationally, helps migrants with limited English skills to access services provided by government and community agencies.

(2) As the Department does not collect data by electorate, postcodes have been used to identify the electorate of Gwydir, on advice from the Australian Electoral Commission.

According to the Department's Settlement Database, the total number of new arrival settlers in the federal electorate of Gwydir in the 5-year period from August 1996 to November 2000 was 176, which is 0.14 percent of total new arrivals for NSW for this period. Grant funding amounts reflect the low number of new arrivals.

1996-97
CSSS - The Wellington Information and Neighbourhood Services Centre was awarded $22,772 for one year under the Grant-in-Aid/Migrant Access Projects Scheme to improve access to services for people with non-English speaking background through community education and networking.
MRC/MSA - Nil.
There is no Migrant Resource Centre or Migrant Service Agency located in the electorate of Gwydir.
Living in Harmony - Nil, as the initiative had not been introduced.
IHSS - Nil
AMEP - The amount of AMEP funding provided for people living in the electorate of Gwydir in any year depends on how many eligible people from that area enrol with the AMEP as well as the type of service provided and the number of hours of tuition. An estimate of funding by this electorate is not available for this year. In 1996-97 there were 11 clients.
TIS - Sub-total running-costs funding for the provision of TIS services nationally was $20.6 million (cash accounting basis). TIS Budget funding was not provided by Electorate.

1997-98
CSSS - Lightning Ridge and Regional Transcultural Community Council was awarded $10,000 for one year to provide information to migrants.
MRC/MSA - Nil.
Living in Harmony - Nil.
IHSS - Nil.
AMEP - An estimate of funding by this electorate is not available for this year. In 1997-98 there were 9 clients.
TIS - Sub-total running-costs funding for the provision of TIS services nationally was $18.5 million (cash accounting basis). TIS Budget-funding was not provided by electorate.

1998-99
CSSS - Lightning Ridge and Regional Transcultural Community Council was awarded $10,000 for one year to provide information to migrants.
MRC/MSA - Nil.
Living in Harmony - $25,000 to the Lady Gowrie Child Centre project "Good Beginnings" in Moree NSW.
The focus of the Lady Gowrie Child Centre project is on early childhood programs. It aims to promote community harmony by helping program convenors: obtain community endorsement of program goals; identify and counteract prejudice in their own services; and provide appropriate programs and experiences for young children.

IHSS
- Nil

AMEP
- An estimate of $10,080 to service 8 clients.

TIS
- Sub-total running-costs funding for the provision of TIS services nationally was $17.3 million (cash accounting basis). TIS Budget-funding was not provided by electorate.

1999-2000

CSSS
- The Lightning Ridge & Region Transcultural Community Council Inc (TCC) was awarded $21,566 ($42,664 for two years) to provide assistance to migrants and humanitarian entrants, particularly aged and isolated, non-English speaking people in rural NSW, through provision of information, casework, group sessions and networking with government and non-government service providers.

MRC/MSA
- Nil.

Living in Harmony
- $20,000 to the Lady Gowrie Child Centre project “Good Beginnings” in Moree NSW

IHSS
- Nil

AMEP
- An estimate of $16,417 to service 11 clients.

TIS
- Budget Estimates funding for the provision of TIS services nationally was $19.7 million (accrual accounting basis). TIS's Budget funding was not provided by electorate.

(3) What level of funding was appropriated for the above programs and/or grants in 2000-01 financial year?

CSSS
- The Mudgee Shire Council has been offered $10,594 to implement settlement services in Mudgee, Dubbo and Wellington local government areas and negotiations are ongoing.
- The Lightning Ridge & Region Transcultural Community Council Inc (TCC) has been awarded $21,098 to provide assistance to migrants and humanitarian entrants, particularly aged and isolated, non-English speaking people in rural NSW, through provision of information, casework, group sessions and networking with government and non-government service providers.

MRC/MSA
- Nil.

Living in Harmony
- $5000 funding has been appropriated for the Lady Gowrie Child Centre Project “Good Beginnings” in Moree NSW.

IHSS
- $12.3 million have been appropriated nationally for IHSS services for the financial year 2000-01. It is envisaged that IHSS services will be available in NSW, including rural NSW, through contracted providers early in 2001. Negotiations with providers are currently ongoing.
It is anticipated that the electorate will have 8 clients and the estimate to service these clients is $11,681. The budget estimate nationally is $23.44 million.

Aboriginal and Torres Strait Islander Commission: Programs and Grants to the Gwydir Electorate

(Question No. 3228)

Senator O’Brien asked the Minister for Aboriginal and Torres Strait Islander 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? What level of funding was appropriated for the above programs and/or grants for the 2000-01 financial year.

Senator Herron—The following information is provided in response to the honourable senator’s question:

The electorate of Gwydir (map below) encompasses parts of three ATSIC Regional Councils – Murdi Paaki, Binaal Billa and Kamilaroi – and some of the more remote Aboriginal communities in New South Wales, with a combined population of some 6000, not counting that of Dubbo.

The Aboriginal and Torres Strait Islander Commission has provided the following attached information in tabular form, by community, since 1996/97.

The amounts distributed are shown firstly in overview, and in the second cluster of spreadsheets attached, broken down further by function in each community or town.
**Acronyms:**
- CDEP: Community Development Employment Projects
- CEIS: Community
- CHIP: Community
- CYS: Community
- IBIP: Indigenous Business Incentive Program
- NAHS: National Aborigines Health Strategy
- NAIDOC: National Aborigines and Islanders Day Observance Committee
- HIPP: Health Infrastructure Priority Projects
- TRIP: NSW Tripartite Housing & Infrastructure Program (also known as the NSW Community Housing & Infrastructure Program)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>COMMUNITY</th>
<th>PROGRAM</th>
<th>ORGANISATION</th>
<th>$$</th>
<th>TOTALS</th>
<th>5 YR TOTAL</th>
</tr>
</thead>
</table>
| 1996/97  | MURDI PAAKI REGION OF ATSIC
<pre><code>      | COLLARENDBRI | CDEP | Mangankali          | 766,580| 766,580 |            |
</code></pre>
<p>|          | COONAMBLE | CDEP | Elimatta                          | 1,201,983|         |            |
|          |          | IBIP/CEIS | Coonamble Shire Council     | 802     |         |            |
|          |          | IBIP/CEIS | Elimatta                          | 352,000|         |            |
|          |          | CHIP     | Coonamble LALC                  | 5,000   |         |            |
|          |          | CYS      | Coonamble LALC                  | 2,100   |         |            |
|          |          |          |                                    |         |        | 1,561,885 |
|          | GULARGAMBONE | CDEP | Gular Aboriginal Corporation      | 612,663 |         |            |
|          |          | CHIP     | Gular Aboriginal Corporation      | 86,600  |         |            |
|          |          |          |                                    | 699,263 | 699,263 |            |
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|          |          | CHIP     | Barriekneal Aboriginal Corporation | 75,000  |         |            |
|          |          | CYS      | Barriekneal Aboriginal Corporation | 36,000  |         |            |
|          |          | IBIP/CEIS | Barriekneal Aboriginal Corporation | 44,512  |         |            |
|          |          | LAND     | Barriekneal Aboriginal Corporation | 80,000  |         |            |
|          |          | SPORT &amp;  | Barriekneal Aboriginal Corporation | 46,627  |         |            |
|          |          | REC      |                                    |         |        | 1,969,550 |
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|          |          | CYS      | Gamilaroi Aboriginal Corporation  | 4,500   |         |            |
|          |          | CYS      | Walgett AMS                       | 8,100   |         |            |
|          |          |          |                                    | 12,600  | 12,600  |            |
|          |          | PUBLIC AFF | Walgett AMS                        | 3,000   |         |            |
|          |          | WOMEN'S  | Gamilaroi Aboriginal Corporation  | 10,000  |         |            |
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5 YEAR TOTAL

32,060,984
Murray Darling Basin Commission: Dry Land Agriculture Study
(Question No. 3231)

Senator O’Brien asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, upon notice, on 18 December 2000:

(1) Is the Murray Darling Basin Commission undertaking a study into the long-term future of dry land agricultural land use in the Murray Darling Basin.

(2) (a) What are the terms of reference for the study; (b) who is undertaking the study; (c) when did work on the study commence; and (d) what is the scheduled completion date.

(3) If the project is being carried out in a number of stages: (a) what is the time frame applying to each stage; (b) what is the nature of the work to be carried out in each stage; and (c) can a copy of any interim papers related to this project, prepared by the commission, or on behalf of the commission be provided.

Senator Alston—The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable senator’s question:

(1) Yes, the Murray Darling Basin Commission has commissioned the Landmark research project (also known as the Sustainable Land Use project) which aims to develop methods to test the sustainability of current recommended management practices for dryland agriculture. Economic, social and environmental considerations will be used to measure the long-term viability of these practices to achieve sustainability. Policy-makers, collaborating with industry and community, will use the results of Landmark to help develop strategies for addressing the critical sustainability issues facing the Murray-Darling Basin. An important tool developed from the project will be the ability to map areas of different land use and to monitor the progressive change in land use practices over time.

The Landmark project consists of a number of sub-projects or ‘tasks’ aimed at:

Facilitating industry and community input to Landmark and communicating project results (Task 1)

Describing current recommended management practices for dryland agriculture in the Murray-Darling Basin (Task 2)

Examining whether current recommended practices are sustainable in the long term (Task 3)

Developing recommendations about which areas of the Basin are most likely to require assistance to improve the long term sustainability of dryland farming activities (Task 4)

Analysing the impact of government policies on dryland agriculture and the need for changes to promote more sustainable land use (Task 5) and

Developing cost effective methods to map land use change and to measure changes in management practices to assess whether long term economic and environmental goals are being achieved (Task 6).

(2)—

(a) Each sub-project or task has its own terms of reference. These are outlined at Attachment A.

(b) Details on the consultants performing each of the sub-projects under the Landmark project are outlined in the table below:

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<th>Project</th>
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<td>Sinclair Knight Merz (SKM)</td>
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<td>Task 4</td>
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(c) The sub-projects commenced as set out in the table below:

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<td>Task 6a (phase two)</td>
<td>Bureau of Rural Sciences (landuse mapping)</td>
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(d) The sub-projects are scheduled for completion as set out in the table below:

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(3)—

(a) Tables 2(c) & (d) above provide the details on the timeframes applying to each sub-project.

(b) The first phase of the sub-projects involved scoping studies, which for all sub-projects (except Tasks 4 and 5) are now complete. The second stage involves implementation work which is outlined at Attachment A.

(c) A copy of interim papers related to this project, excluding any commercially sensitive portions, can be obtained direct from the Murray-Darling Basin Commission.

Attachment A

Task 1—Industry, Community and Government Participation
Facilitate awareness and understanding of the project, and ownership of its outputs. Coordinate communication across Tasks and from project as a whole.

Main tasks:
- Identify key stakeholders
- Identify key messages and acceptance of need for change
- Facilitate ownership of project outputs and proposed future directions
- National Conference
- Evaluate communication across all Tasks
- Convene meetings of Project Reference Panel
- Undertake communication as directed by the Project Management Committee
Task 2—Identifying Best Management Practices (BMP) Systems for Key Broadacre Land Uses
Map spatial distribution of key broadacre dryland land uses and to document industry-endorsed BMP systems for those land uses.

Main tasks:
- Identify broadacre land uses which are most common and cover extensive areas of dryland regions
- Identify bioregions and indicate the distribution of the broadacre land uses within those bioregions
- Document existing industry-endorsed BMP systems (covering economic, environmental and social parameters) for each land use in each bioregion
- Analyse the extent to which there is consensus about whether existing BMP systems are accepted as best management
- Estimate the extent and history of uptake of BMP systems for each land use

Task 3—Testing BMP Systems for Long Term Sustainability
Test BMP systems against economic, environmental and social parameters
Develop a method for mapping probability of where BMP systems will lead to long sustainability, where they won’t, and where it is not possible to say.

Main tasks:
- Identify a range of sustainability indicators for each sustainability parameter
- Define threshold levels or ranges for each sustainability parameter
- Assess the degree to which implementation of BMP systems for each land use in each bioregion is likely to meet or exceed the threshold level or range for each indicator
- Aggregate the results for each indicator up to parameter level to develop sustainability risk ratings for each of the parameters
- Aggregate across the three parameters and assess trade-offs between parameters to develop sustainability probabilities (eg a BMP system may deliver high probability of economic and environmental sustainability, but low probability of social sustainability – trade-offs are transparent)
- Trial the method in a pilot region to enhance its utility for application (in Task 4) across priority dryland regions in MDB

Task 4—Mapping the Probability of Achieving Sustainable Land Use with High Rates of Adoption of BMP Systems
Apply the method developed under Task 3 across dryland regions of the Basin to produce a Basin map of the three scenarios.

Main tasks:
- Map the probability of key broadacre land uses achieving long-term sustainability with high rates of adoption of BMP systems – three possibilities, depending upon trade-offs across the three parameters:
  - strong likelihood of being unsustainable due to unacceptably low probabilities for two or more parameters
  - strong likelihood of being sustainable due to high probabilities for two or more parameters
  - difficult to judge due to counterbalancing probabilities or weakness in data and methods
- Report on bioregions and land uses where:
  - it is appropriate to continue with policies and programs to accelerate industry adoption of BMP systems
  - it is appropriate to develop policies and programs to facilitate land use change (in concert with regional development)
it is appropriate to conduct further investigations on probability of achieving long term sus-
tainable land use

Task 5—Sustainable Land Use Policy Analysis and Development

Develop policy options to change land use where existing uses won’t be sustainable, and to encourage high rates of adoption of BMP systems for existing uses where they are likely to be sustainable.

Main tasks:

- Preferable to use outputs of Task 4 to focus on analysis of impediments to sustainable land use and sustainable rural communities, particularly the dominating influence of agribusiness and macroeconomic and trade policy, and to pursue public support for
- development of “true blue” production systems for bulk and niche commodities which meet the eco-hydrological limitations of the OZ environment
- new industries based on native plants and animals which can be internationally competitive
- introduction of bioregional scale compensatory measures to protect social and environmental values (similar to measures under European CAP and under our GST)
- But Commission may settle for soft option of “stand alone” natural resource management poli-
cies and programs (possibly not even linked to regional development policy) which may only achieve incremental gains
- This work will be another test for the Commission’s level of commitment to serious policy de-
velopment and resourcing of ICM and the Initiative

Task 6—Developing Methods to Cost Effectively Map and Monitor Land Use Change and Uptake of BMP Systems

Develop cost effective and repeatable methods for mapping and monitoring land use change and up-
take of BMP systems to evaluate progress towards matching land use with land capability.

Main tasks:

- Develop and trial repeatable (at 5-10 year intervals) and cost effective methods for baseline mapping of dryland land uses and monitoring of land use changes at the bioregional scale in the MDB
- Establish and institutionalise methods for data collection on dryland land management prac-
tices as a basis for monitoring the uptake of BMP systems.

Dismal Swamp, Tasmania

(Question No. 3242)

Senator Brown asked the Minister representing the Minister for Sport and Tourism, upon
notice, on 21 December 2000:

(1) Does Forestry Tasmania’s application for a tourism funding grant for Dismal Swamp omit the Natural Heritage listing for the area; if so, does this omission of important information invalidate the requests; if not, why not.

(2) What response to the application has been made to the Australian Heritage Commission or Tasmanian Parks and Wildlife division and when.

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

(1) No. The application from Forestry Tasmania recognises that an area covering approximately 773 lectures, including the site of the viewing tower and boardwalk, is listed on the Register of the National Estate. Interpretation of the important natural heritage values of this area is an integral part of the proposal.

(2) The Department consulted the Australian Heritage Commission about Regional Tourism Pro-
gram proposals under the 1999-2000 round in March 2000. No comment was received on this project.

The Tasmanian Parks and Wildlife Service is not involved in this project.
Basslink: Impact on Mullundung Forest
(Question No. 3248)

Senator Brown asked the Minister for the Environment and Heritage, upon notice, on 12 January 2001:

(1) What steps is the Government taking to protect the National Estate-listed Mullundung Forest from damage that would be caused by the construction of Basslink.

(2) (a) What impact will the clearing of a 70-metre swathe of vegetation have on the environmental integrity of the Mullundung Forest; and (b) what risks does this clearing pose to the rare and endangered species found in Mullundung.

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

(1) On 21 August 1999 I directed the preparation of an Environment Impact Statement under the Environment Protection (Impact of Proposals) Act 1974 on the Basslink proposal to establish an electricity link between Tasmanian and Victorian electricity grids. This proposal will be assessed jointly in line with a Combined Assessment and Approvals Process with the Victorian and Tasmanian Governments.

I will seek to ensure that all environmental aspects of the Basslink proposal are subject to full assessment. In particular, the Australian Heritage Commission will be commenting on the impact on national estate places as part of the environmental assessment process. At this stage, the Commission has not provided any advice on the potential impact on Mullundung Forest but will do so as part of the comprehensive assessment process.

(2)(a) and (b)

These matters will be considered as part of the environmental assessment process.